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

CHANGE

Contract No. 4600016287

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: 104274

Supplier Name/Address:
XEROX CORPORATION
485 LEXINGTON AVE FL 25
NEW YORK NY 10017-2623
USA
Supplier Telephone No: 609-672-5921
Supplier Fax No.: 609-581-0320

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 15 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 Seg 1 B7025D	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
30	Black & White Faxing	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
40	Additional Trays or Drawers	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

SEE LAST PAGE FOR ESTIMATED TOTAL VALUE INFORMATION

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
			Invoice Date	Invoice Value		
50	Digital output in .docx format	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
60	Digital output in .rft format	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
70	Badge Reader Secure Printing	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
80	Ledger Size Seg 2 B7025S	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
90	Black & White Faxing	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
100	3 Hole Punch	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
110	saddle stitch	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
120	High Capacity Tray	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
160	Ledger Size Seg 3 B7035S	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
240	Ledger Size Seg 4 B8045H	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
320	Ledger Size Seg 5 B8055H	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
400	Ledger Size Seg 6 B8065H	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
480	Legal Size B&W Seg 1 B405DN	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
530	Legal Size B&W Seg 2 B7025D	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
			Invoice Date	Invoice Value		
590	Legal Size B&W Seg 3 B7035D	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
650	Legal Size B&W Seg 4 B8045H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
730	Legal Size B&W Seg 5 B8055H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
810	Legal Size B&W Seg 6 B8065H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
890	Color Seg 1 C7030D	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
950	Color Seg 2 C8045H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
1030	Color Seg 3 C8035T	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1110	Color C8135T	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1120	Color Seg 2 C8145H	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1130	Ledger Seg 4 B8145H	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1140	Ledger Seg 5 B8155H	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1150	Ledger Seg 6 B8170H	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1160	Legal Size Segment 4 B8145H	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

*** New Item ***

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1170	Legal Size B&W Seg 1 - B405DN	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

*** New Item ***

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1180	Legal Size B&W Seg 2 - B7125D	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

*** New Item ***

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1190	Legal Size B&W Seg 3 - B7135D	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

*** New Item ***

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1200	Legal Size B&W Seg 5 - B8155H	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

*** New Item ***

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1210	Legal Size B&W Seg 6 - B8170H	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

*** New Item ***

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1220	Ledger Size B&W Seg 1 - B7125D	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

*** New Item ***

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1230	Ledger Size B&W Seg 2 - B7125S	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

CHANGE
Contract No. 4600016287
Contract Original Approval Date: 08/29/2018

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
			Invoice Date	Invoice Value		
	*** New Item ***					
1240	Ledger Size B&W Seg 3 - B7135S	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
	*** New Item ***					
1250	Color Seg 1 - C7130D	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
	*** New Item ***					
1260	Color Seg 3 - C8135T	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
	*** New Item ***					
1270	Legal Size B&W Seg 1 - B415DN	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
	Description of Changed Field:		Description changed			
	Old Value:		Legal Size B&W Seg 1 - C415DN			
	New Value:		Legal Size B&W Seg 1 - B415DN			
	*** New Item ***					

General Requirements for all Items:

Header Text

Contract extended to 8/31/2024
via EP Extension 35210_1.   SD
No futher 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
Contract No. 4600016287
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

Your SAP Vendor Number With Us: 104274

Supplier Name/Address:
XEROX CORPORATION
485 LEXINGTON AVE FL 25
NEW YORK NY 10017-2623
USA
Supplier Telephone No: 609-672-5921
Supplier Fax No.: 609-581-0320

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 15 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 Seg 1 B7025D	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
30	Black & White Faxing	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
40	Additional Trays or Drawers	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

SEE LAST PAGE FOR ESTIMATED TOTAL VALUE INFORMATION

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
			Invoice Date	Invoice Value		
50	Digital output in .docx format	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
60	Digital output in .rft format	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
70	Badge Reader Secure Printing	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
80	Ledger Size Seg 2 B7025S	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
90	Black & White Faxing	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
100	3 Hole Punch	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
110	saddle stitch	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		

CHANGE
Contract No. 4600016287
Contract Original Approval Date: 08/29/2018

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
120	High Capacity Tray	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
160	Ledger Size Seg 3 B7035S	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
240	Ledger Size Seg 4 B8045H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
320	Ledger Size Seg 5 B8055H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
400	Ledger Size Seg 6 B8065H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
480	Legal Size B&W Seg 1 B405DN	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
530	Legal Size B&W Seg 2 B7025D	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
			Invoice Date	Invoice Value		
590	Legal Size B&W Seg 3 B7035D	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
650	Legal Size B&W Seg 4 B8045H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
730	Legal Size B&W Seg 5 B8055H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
810	Legal Size B&W Seg 6 B8065H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
890	Color Seg 1 C7030D	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
950	Color Seg 2 C8045H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
1030	Color Seg 3 C8035T	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		

CHANGE
Contract No. 4600016287
Contract Original Approval Date: 08/29/2018

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
1110	Color C8135T	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
1120	Color Seg 2 C8145H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
1130	Ledger Seg 4 B8145H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
1140	Ledger Seg 5 B8155H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
1150	Ledger Seg 6 B8170H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		

General Requirements for all Items:

No futher 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

Contract No. 4600016287

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: 104274

Supplier Name/Address:

XEROX CORPORATION
30 N 3RD ST STE 900
HARRISBURG PA 17101-1703
USA
Supplier Telephone No: 717-777-6630
Supplier Fax No.: 717-777-6641

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 15 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 Seg 1 B7025D	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
30	Black & White Faxing	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

Invoice Date Invoice Value

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
40	Additional Trays or Drawers	0.00	Each	0.00	1 Each	0.00

Invoice Plan:

SEE LAST PAGE FOR ESTIMATED TOTAL VALUE INFORMATION

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
			Invoice Date	Invoice Value		
50	Digital output in .docx format	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
60	Digital output in .rft format	0.00	Each	0.00	1 Each	0.00
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			Invoice Date	Invoice Value		
70	Badge Reader Secure Printing	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
80	Ledger Size Seg 2 B7025S	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
90	Black & White Faxing	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
100	3 Hole Punch	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
110	saddle stitch	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
120	High Capacity Tray	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
160	Ledger Size Seg 3 B7035S	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
240	Ledger Size Seg 4 B8045H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
320	Ledger Size Seg 5 B8055H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
400	Ledger Size Seg 5 B8055H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
480	Legal Size B&W Seg 1 B405DN	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
530	Legal Size B&W Seg 2 B7025D	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					

Contract No. 4600016287

Contract Original Approval Date: 08/29/2018

Supplier Name:
XEROX CORPORATION

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
			Invoice Date	Invoice Value		
590	Legal Size B&W Seg 3 B7035D	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
650	Legal Size B&W Seg 4 B8045H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
730	Legal Size B&W Seg 5 B8055H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
810	Legal Size B&W Seg 6 B8065H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
890	Color Seg 1 C7030D	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
950	Color Seg 2 C8045H	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		
1030	Color Seg 3 C8035T	0.00	Each	0.00	1 Each	0.00
	Invoice Plan:					
			Invoice Date	Invoice Value		

Contract No. 4600016287
Contract Original Approval Date: 08/29/2018

Supplier Name:
XEROX CORPORATION

General Requirements for all Items:

No futher information for this contract.

Estimated Total Value:
$
Currency: USD

CONTRACT
FOR
COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF GENERAL SERVICES
FOR DIGITAL MULTIFUNCTIOANL 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 Xerox Corporation (**"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: Jenifer Siodlowski
(Assistant) Secretary

Jenifer Siodlowski / 6-25-18
Printed Name/Date

CONTRACTOR:

By: Thomas R Merlie
(Vice) President

Thomas R Merlie / 6/25/18
Printed Name/Date

[redacted]
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 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. <u>Agency:</u> 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. <u>Contracting Officer:</u> The person authorized to administer this Contract for the Commonwealth and to make written determinations with respect to the Contract.

c. <u>Days:</u> Unless specifically indicated otherwise, days mean calendar days.

d. <u>Developed Works or Developed Materials:</u> 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. <u>Documentation:</u> 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. <u>Services:</u> 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 affliates 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 is 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.

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	
Xerox Corporation	Thomas Merlie	
OFFEROR ADDRESS	**EMAIL ADDRESS**	
30 North 3rd Street	thomas.merlie@xerox.com	
Suite 900	**PHONE NUMBER**	**FAX NUMBER**
Harrisburg, PA 17101	717-386-3739	717-777-6641
	VENDOR NUMBER	**FEDERAL ID OR SSN**
	104274	[redacted]

Vendor Name	Xerox Corporation
vendor ID Number	104274
Vendor TIN	[redacted]

Legal Size B&W

		Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6
Manufacturer	Xerox Corporation						
Manufacturer Model Number		B405DN	B7025D	B7035D	B8045H	B8055H	B8065H
Monthly Lease Cost		$ 71.07	$ 104.68	$ 139.56	$ 203.02	$ 217.73	$ 298.46
Monthly Lease Cost with Optional Items							
Additional Optional Items	Black and White Faxing	Included	$ 5.18	$ 5.18	$ 3.88	$ 3.88	$ 3.88
	Internet Fax Expansion Kit	Included	Included	Included	Included	Included	Included
	Minimum Collating and Stapling Speed	Included	Included	Included	Included	Included	Included
	3-hole Punch	N/A	N/A	N/A	$ 2.97	$ 2.97	$ 2.97
	Saddle Stitch	N/A	N/A	N/A	$ 28.98	$ 28.98	$ 28.98
	Card Stock	Included	Included	Included	Included	Included	Included
	Additional trays or drawers for paper sources	$ 3.91	$ 7.76	$ 7.76	Included	Included	Included
	High Capacity Tray or Drawer	N/A	N/A	N/A	$ 16.45	$ 16.45	$ 16.45
	Exit Tray	Included	Included	Included	Included	Included	Included
	Memory Expansion Kit	N/A	N/A	N/A	N/A	N/A	N/A
	Mac Client OS	Included	Included	Included	Included	Included	Included
	Linux Client OS	Included	Included	Included	Included	Included	Included
	Digital output in .docx format	$ 6.89	$ 6.89	$ 6.89	$ 6.89	$ 6.89	$ 6.89
	Digital output in .rtf format	$ 6.89	$ 6.89	$ 6.89	$ 6.89	$ 6.89	$ 6.89
	Postscript or Postscript/PCL all in one driver page description languages	Included	Included	Included	Included	Included	Included
	Badge Reader Secure Printing	$ 5.43	$ 8.67	$ 8.67	$ 8.67	$ 8.67	$ 8.67
	Estimated Quantity	190	17	31	54	112	25
	Estimated Total Monthly Cost	#########	$ 1,779.56	$ 4,326.36	#########	#########	$ 7,461.50

Ledger Sized B&W

		Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6
Manufacturer	Xerox Corporation						
Manufacturer Model Number		B7025D	B7025S	B7035S	B8045H	B8055H	B8065H
Monthly Lease Cost		$ 104.68	$ 109.52	$ 141.82	$ 203.02	$ 217.73	$ 298.46
Monthly Lease Cost with Optional Items							
Additional Optional Items	Black and White Faxing	$ 5.18	$ 5.18	$ 5.18	$ 3.88	$ 3.88	$ 3.88
	Internet Fax Expansion Kit	Included	Included	Included	Included	Included	Included
	Minimum Collating and Stapling Speed	Included	Included	Included	Included	Included	Included
	3-hole Punch	N/A	$ 4.14	$ 4.14	$ 2.97	$ 2.97	$ 2.97
	Saddle Stitch	N/A	$ 13.22	$ 13.22	$ 28.98	$ 28.98	$ 28.98
	Card Stock	Included	Included	Included	Included	Included	Included
	Additional trays or drawers for paper sources	$ 7.76	N/A	N/A	Included	Included	Included
	High Capacity Tray or Drawer	N/A	$ 13.25	$ 13.25	$ 16.45	$ 16.45	$ 16.45
	Exit Tray	Included	Included	Included	Included	Included	Included
	Memory Expansion Kit	N/A	N/A	N/A	N/A	N/A	N/A
	Mac Client OS	Included	Included	Included	Included	Included	Included
	Linux Client OS	Included	Included	Included	Included	Included	Included
	Digital output in .docx format	$ 6.89	$ 6.89	$ 6.89	$ 6.89	$ 6.89	$ 6.89
	Digital output in .rtf format	$ 6.89	$ 6.89	$ 6.89	$ 6.89	$ 6.89	$ 6.89
	Postscript or Postscript/PCL all in one driver page description languages	Included	Included	Included	Included	Included	Included
	Badge Reader Secure Printing	$ 8.67	$ 8.67	$ 8.67	$ 8.67	$ 8.67	$ 8.67
	Estimated Quantity	256	542	1322	492	289	344
	Estimated Total Monthly Cost	#########	#########	#########	#########	#########	#########

Color

		Segment 1	Segment 2	Segment 3
Manufacturer	Xerox Corporation			
Manufacturer Model Number		C7030D	C8045H	C8035T
Monthly Lease Cost		$ 175.17	$ 274.17	$ 206.47
Monthly Lease Cost with Optional Items				
Additional Optional Items	Black and White Faxing	$ 2.59	$ 2.59	$ 2.59
	Internet Fax Expansion Kit	Included	Included	Included
	Standard 11 x 17 inch Media	Included	Included	Included
	3-hole Punch	N/A	$ 4.14	$ 4.14
	Saddle Stitch	N/A	$ 13.22	$ 13.22
	Card Stock	Included	Included	Included
	Additional trays or drawers for paper sources	$ 7.76	Included	Included
	High Capacity Tray or Drawer	N/A	$ 13.25	$ 13.25
	Exit Tray	Included	Included	Included
	Memory Expansion Kit	N/A	N/A	N/A
	Mac Client OS	Included	Included	Included
	Linux Client OS	Included	Included	Included
	Digital output in .docx format	$ 6.89	$ 6.89	$ 6.89
	Digital output in .rtf format	$ 6.89	$ 6.89	$ 6.89
	Postscript or Postscript/PCL all in one driver page description languages	Included	Included	Included
	Badge Reader Secure Printing	$ 8.67	$ 8.67	$ 8.67
	Estimated Quantity	69	85	158
	Estimated Total Monthly Cost	#########	#########	#########

Vendor Name	Xerox Corporation
vendor ID Number	104274
Vendor TIN	[redacted]

Relocation Services	
Distance	**Cost**
0 to 25 Miles	**$0.00**
>25 to 50 Miles	**TBD - quotes will be provided as needed**
>50 to 100 Miles	**TBD - quotes will be provided as needed**
>100 Miles	**TBD - quotes will be provided as needed**

Vendor Name	Xerox Corporation
vendor ID Number	104274
Vendor TIN	[redacted]

Cost Summary

Total Cost Base Years	
Total Annual Cost MFD Devices (All Segments) Base Year 1 & 2	**$ 16,069,368.24**

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:

SDB and SB Raw Score =
200 (SDB% + **(1/3 * 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
Website: 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 SBparticipation.

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 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:	***Digital Multifunctiona Devices***		
RFP #:	***6100044411***		
Proposal Due Date:	***5/3/2018***		
Commonwealth Agency Name:	***Statewide***		

OFFEROR (Prime Contractor) INFORMATION

Offeror Company's Name:	***Xerox Corporation***		
Offeror Contact Name:	***Thomas Merlie***	**Email:**	***Thomas.merlie@xerox.com***
Title:	***General Manager***	**Phone:**	***717-386-3739***

Is your firm a DGS-Verified Small Diverse Business?	**NO**	**Verif Exp:**	
Is your firm a DGS-Self-Certified Small Business?	**NO**	**Cert Exp:**	

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:

0.000%

Small Business Subcontracting percentage commitment:

0.000%

Revised 01-16-2018

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: **Xerox Corporation**

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)
N/A - No SDB/SB subcontractors		*N/A*	*N/A*	**0.000%**		**NO**

Total SDB % Commitment:	**0.000%**
Total SB % Commitment:	**0.000%**

Revised 01-16-2018

MM/DD/YYYY

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

Offeror: Xerox Corporation
RFP: 6100044411

Dear: [SDB/SB Contact Name]

This letter serves as confirmation of the intent of this offeror to utilize **N/A - No SDB/SB subcontractors** on the above-referenced RFP issued by **Statewide**

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 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 **Statewide** 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,	Acknowledged,
X	***X***
Thomas Merlie General Manager Xerox Corporation	[SDB/SB Contact Name] [Title] [SDB/SB Company Name]

Revised 01-16-2018

MM/DD/YYYY

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

Offeror: Xerox Corporation
RFP: 6100044411

Dear: [SDB/SB Contact Name]

This letter serves as confirmation of the intent of this offeror to utilize
on the above-referenced RFP issued by **Statewide**

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:

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We look forward to the opportunity to serve **Statewide** 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

Thomas Merlie
General Manager
Xerox Corporation
717-386-3739

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: Xerox Corporation
RFP: 6100044411

Dear: [SDB/SB Contact Name]

This letter serves as confirmation of the intent of this offeror to utilize
on the above-referenced RFP issued by **Statewide**

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:
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We look forward to the opportunity to serve **Statewide**
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,	Acknowledged,
X	***X***
Thomas Merlie General Manager Xerox Corporation 717-386-3739	[SDB/SB Contact Name] [Title] [SDB/SB Company Name]

Revised 01-16-2018

MM/DD/YYYY

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

Offeror: Xerox Corporation
RFP: 6100044411

Dear: [SDB/SB Contact Name]

This letter serves as confirmation of the intent of this offeror to utilize on the above-referenced RFP issued by **Statewide**

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:

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Sincerely,	Acknowledged,
X	***X***
Thomas Merlie General Manager Xerox Corporation 717-386-3739	[SDB/SB Contact Name] [Title] [SDB/SB Company Name]

Revised 01-16-2018

MM/DD/YYYY

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

Offeror: Xerox Corporation
RFP: 6100044411

Dear: [SDB/SB Contact Name]

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We look forward to the opportunity to serve **Statewide**
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,	Acknowledged,
X	***X***
Thomas Merlie	[SDB/SB Contact Name]
General Manager	[Title]
Xerox Corporation	[SDB/SB Company Name]
717-386-3739	

Revised 01-16-2018

MM/DD/YYYY

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

Offeror: Xerox Corporation
RFP: 6100044411

Dear: [SDB/SB Contact Name]

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Sincerely,

X

Thomas Merlie
General Manager
Xerox Corporation
717-386-3739

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: Xerox Corporation
RFP: 6100044411

Dear: [SDB/SB Contact Name]

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We look forward to the opportunity to serve **Statewide**
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,	Acknowledged,
X	***X***
Thomas Merlie General Manager Xerox Corporation 717-386-3739	[SDB/SB Contact Name] [Title] [SDB/SB Company Name]

Revised 01-16-2018

MM/DD/YYYY

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

Offeror: Xerox Corporation
RFP: 6100044411

Dear: [SDB/SB Contact Name]

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We look forward to the opportunity to serve **Statewide**
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,	Acknowledged,
X	***X***
Thomas Merlie General Manager Xerox Corporation 717-386-3739	[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.

Prerequisites

★ Required to Enter Bid

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 Te	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 Ag	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	Appendix D , Device Usage Report Sample.xlsx	../Attachments/Appendix D , Device Usage Report Sample.xlsx
Appendix E, Software Requiremen	Appendix E, Software Requirements Agreement.docx	../Attachments/Appendix E, Software Requirements Agreement.docx

Questions

★ Supplier Response Is Required

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 From - ../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**

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? — Question added by: [redacted] — 4/16/2018 11:00 AM EDT

A: Yes, so long as that additional item is prorated. — Answered by: [redacted] — 4/20/2018 3:08 PM EDT

Subject = Terms and Conditions [redacted] **Public Thread**

Q: The terms and conditions attachment starts on page 23. Are pages 1-22 applicable to this contract? If yes, please provide. — Question added by: [redacted] — 4/16/2018 10:46 AM EDT

A: The pages of the Terms and Conditions will be renumbered. — Answered by: [redacted] — 4/23/2018 10:05 AM EDT

Subject = MFD Cost Matrix [redacted] **Public Thread**

Q: With the focus on additonal services, is there an opportunity to add optional line items into the cost submittal template? — Question added by: [redacted] — 4/16/2018 10:45 AM EDT

A: Changes to the cost matrix are not permitted. — Answered by: [redacted] — 4/20/2018 3:09 PM EDT

Subject = Technical Submittal, Page 4, D.3. [redacted] **Public Thread**

Q: Can a vendor use / reference current in place software license agreements with the Commonwealth? — Question added by: [redacted] — 4/16/2018 10:44 AM EDT

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. — Answered by: [redacted] — 4/20/2018 3:09 PM EDT

Subject = Appendix B MFD Requirements [redacted] **Public Thread**

Q: Is the vendor responsible for installing the card authentication software? — Question added by: [redacted] — 4/16/2018 10:42 AM EDT

A: Yes, unless otherwise agreed upon with the agency and identified in the statement of work. — Answered by[redacted] — 4/20/2018 3:10 PM EDT

Subject = Appendix B MFD Requirements [redacted] **Public Thread**

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? — Question added by[redacted] — 4/16/2018 10:42 AM EDT

A: : The Commonwealth will address this situation on a case by case basis and select the best option available. — Answered by: [redacted] — 4/20/2018 3:11 PM EDT

Subject = Terms and Conditions [redacted] **Public Thread**

Q: Does V.48 take precedence over V.31? — Question added by[redacted] — 4/16/2018 10:41 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] — 4/18/2018 3:42 PM EDT

Subject = MFD Cost Matrix [redacted] **Public Thread**

Q: Is there an initial term for the lease? Is there a 12 month extension at the end of the term? — Question added by: [redacted] — 4/16/2018 10:41 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. There is a maximum 12 month extension at the end of the lease. — Answered by: [redacted] — 4/20/2018 3:11 PM EDT

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 quanity 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 recieve commonwealth approval prior to implementing any software updates in the training, testing or production enviorments. 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 submitall discusses the contractor's IT service managment 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 requirment 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] [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 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.
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 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.

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 reponse 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 puchases by the using agency, including item description, item number, serial number, recipt 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 shippied incorrectly, failure rates ('dead on arrival'), and percentage of deliver orders resulting in a backordered items.
- Customer satisfaction report detailing the perfomrance of the selected Offeror in the areas of quality assurance, accuracy of equipment shipped/recevied, professionalism, flexability, 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 ageny.

b. Response time and fix-time, by using agency, including incident address, model number, serial number, problem summary, call date and time, repsone 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**.

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 reposrt 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

		Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6
Manufacturer							
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

		Segment 1	Segment 2	Segment 3	Segment 4	Segment 5	Segment 6
Manufacturer							
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	**256**	**542**	**1322**	**492**	**289**	**344**
	Estimated Total Monthly Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Color

		Segment 1	Segment 2	Segment 3
Manufacturer				
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 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.

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 affliates 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 is 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.

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? *(Reference Section II-4 Prior Experience)*	
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:	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.** **Reference Contacts:** Name: Title: Department: Full Address: Telephone: E-mail: Relation/Role to Project: Name: Title: Department: Full Address: Telephone: E-mail: Relation/Role to Project:	

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 1
LEGAL-SIZED BLACK WHITE MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Manufacturer Name												
Manufacturer Model Number												
Volume, Capability, and Speed												
Pages Printed per Month minumum (including copied if applicable)	10,000		15,000		30,000		60,000		100,000		125,000	
Laser or equivalent technology	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Printed pages able to be copied, scanned, faxed, or overprinted immediately with no damage to original	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Black and White printing	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Color printing	N/A		N/A		N/A		N/A		N/A		N/A	
Automatically use most cost effective method for black-and-white or color	N/A		N/A		N/A		N/A		N/A		N/A	
Password protected printing for confidential documents	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Black and White Copying	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Color Copying	N/A		N/A		N/A		N/A		N/A		N/A	
Black and White Scanning	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Color Scanning	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Black and White Faxing	Optional		Optional		Optional		Optional		Optional		Optional	
Internet Fax Expansion Kit	Optional		Optional		Optional		Optional		Optional		Optional	
Fax option provides programmable distribution lists.	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Time for first page from Standby Mode 40 seconds or less	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Minimum Black and White Print Speed Page Per Minute (PPM)	19 PPM		25 PPM		35 PPM		45 PPM		55 PPM		65 PPM	
Minimum Color Print Speed Page Per Minute (PPM)	N/A		N/A		N/A		N/A		N/A		N/A	
Minimum Copy Speed Page Per Minute (PPM)	19 PPM		25 PPM		35 PPM		45 PPM		55 PPM		65 PPM	
50 Sheets Automatic Document Feeder Capacity	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Automatic Duplex Printing	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Automatic Duplex Copying	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Minimum Collating and Stapling Speed	Optional		25 PPM		35 PPM		45 PPM		55 PPM		65 PPM	
3-hole Punch	Optional		Optional		Optional		Optional		Optional		Optional	
Saddle Stitch	Optional		Optional		Optional		Optional		Optional		Optional	
Job queuing	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Functional concurrency	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	

LOT 1
LEGAL-SIZED BLACK WHITE MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Media Sizes, Types, and Trays												
Standard 8.5 x 11 inch Media	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Standard 8.5 x 14 inch Media	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Standard 11 x 17 inch Media	N/A		N/A		N/A		N/A		N/A		N/A	
LaserJet paper	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Multipurpose paper	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Maximum of 50% recycled material in paper without adversely affecting functionally or uptime	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Standard envelope media	N/A		N/A		N/A		N/A		N/A		N/A	
Paper Labels	N/A		N/A		N/A		N/A		N/A		N/A	
Card Stock	Optional		Optional		Optional		Optional		Optional		Optional	
Transparencies	N/A		N/A		N/A		N/A		N/A		N/A	
Soft and High Gloss Laser paper	N/A		N/A		N/A		N/A		N/A		N/A	
Color LaserJet transparency	N/A		N/A		N/A		N/A		N/A		N/A	
Minimum Paper Trays or Drawers Standard	1		3		3		3		3		3	
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		1000 sheets		1000 sheets		1000 sheets		1000 sheets		1000 sheets	
Minimum Output Capacity	100 sheets		200 sheets		200 sheets		200 sheets		200 sheets		200 sheets	
Memory and Storage												
Minimum Standard Memory	512MB		512MB		512MB		512MB		512MB		512MB	
Minimum Memory Expandable to	N/A		N/A		N/A		N/A		N/A		N/A	
Memory Expansion Kit	Optional		Optional		Optional		Optional		Optional		Optional	
40GB or more internal storage	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	

LOT 1
LEGAL-SIZED BLACK WHITE MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Compatibility and Connectivity												
Common user interface within each lot	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
LDAP Authentication	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Windows 7 client operating system	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Windows 8 client operating system upgradability if not currently available	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Mac client operating system	Optional		Optional		Optional		Optional		Optional		Optional	
Linux client operating system	Optional		Optional		Optional		Optional		Optional		Optional	
Windows Server 2012	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Windows Server 2016	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Print Drivers compatible with SAP	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
32 bit and 64 bit drivers	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Signed 32bit and 64bit WHQL drivers for Windows 7, 8.1, 10, 2012 Server, and 2016 Server	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Ethernet 100mbs Full Duplex connections	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
RJ45 interface	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Internal NIC card	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Wake-On-LAN-enabled NIC cards disabled or protected with hardened password	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
TCP/IP Protocol (not direct TCP/IP printing)	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Static IP Assignment;	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
IPv6 Compatible	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Unisys e-Workflow and imaging (Infoimage)	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
"Twain" compliant device	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	

LOT 1
LEGAL-SIZED BLACK WHITE MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Print Quality												
600 by 600 dpi Minimum Print Quality Black	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
600 by 600 dpi Minimum Print Quality Color	N/A		N/A		N/A		N/A		N/A		N/A	
600 by 600 dpi Minimum Copy Quality Black	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
600 by 600 dpi Minimum Copy Quality Color	N/A		N/A		N/A		N/A		N/A		N/A	
600 dpi Minimum Scan Resolution	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Copier Reduction/Enlarge Range 25-400%	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Common user interface look for PCL and PostScript print drivers	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Postscript or Postscript/PCL all in one driver page description languages	Optional		Optional		Optional		Optional		Optional		Optional	
PCL driver page description languages	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Digital Output												
Select file format at device	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
.pdf Format	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
.docx format	Optional		Optional		Optional		Optional		Optional		Optional	
.rtf format	Optional		Optional		Optional		Optional		Optional		Optional	
.jpg format	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Tiff 6.0 format using CCITT Group 4 compression	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Output to email	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Output to FTP	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Output to USB memory	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Output to network file	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Output to shared folders	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Equipment Requirements												
Energy Star compliant.	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Devices shall not emit ozone in excess of 0.02 mg/m3	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Devices shall not emit dust in excess of 0.25 mg/m3	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Devices shall not emit styrene in excess of 0.11 mg/m3	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Badge Reader - Secure Printing	Optional		Optional		Optional		Optional		Optional		Optional	
Printer Management Features												
Remote Management via Web Interface	N/A		N/A		N/A		N/A		N/A		N/A	
Remote Configuration Capability	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Restrict color to authorized users	N/A		N/A		N/A		N/A		N/A		N/A	

LOT 2
LEDGER-SIZED BLACK WHITE MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Manufacturer Name												
Manufacturer Model Number												
Volume, Capability, and Speed												
Pages Printed per Month minumum (including copied if applicable)	10,000		15,000		30,000		60,000		100,000		125,000	
Laser or equivalent technology	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Printed pages able to be copied, scanned, faxed, or overprinted immediately with no damage to original	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Black and White printing	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Color printing	N/A		N/A		N/A		N/A		N/A		N/A	
Automatically use most cost effective method for black-and-white or color	N/A		N/A		N/A		N/A		N/A		N/A	
Password protected printing for confidential documents	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Black and White Copying	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Color Copying	N/A		N/A		N/A		N/A		N/A		N/A	
Black and White Scanning	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Color Scanning	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Black and White Faxing	Optional		Optional		Optional		Optional		Optional		Optional	
Internet Fax Expansion Kit	Optional		Optional		Optional		Optional		Optional		Optional	
Fax option provides programmable distribution lists.	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Time for first page from Standby Mode 40 seconds or less	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Minimum Black and White Print Speed Page Per Minute (PPM)	19 PPM		25 PPM		35 PPM		45 PPM		55 PPM		65 PPM	
Minimum Color Print Speed Page Per Minute (PPM)	N/A		N/A		N/A		N/A		N/A		N/A	
Minimum Copy Speed Page Per Minute (PPM)	19 PPM		25 PPM		35 PPM		45 PPM		55 PPM		65 PPM	
50 Sheets Automatic Document Feeder Capacity	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Automatic Duplex Printing	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Automatic Duplex Copying	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Minimum Collating and Stapling Speed	Optional		25 PPM		35 PPM		45 PPM		55 PPM		65 PPM	
3-hole Punch	Optional		Optional		Optional		Optional		Optional		Optional	
Saddle Stitch	Optional		Optional		Optional		Optional		Optional		Optional	
Job queuing	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Functional concurrency	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	

LOT 2
LEDGER-SIZED BLACK WHITE MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Media Sizes, Types, and Trays												
Standard 8.5 x 11 inch Media	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Standard 8.5 x 14 inch Media	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Standard 11 x 17 inch Media	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
LaserJet paper	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Multipurpose paper	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Maximum of 50% recycled material in paper without adversely affecting functionally or uptime	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Standard envelope media	N/A		N/A		N/A		N/A		N/A		N/A	
Paper Labels	N/A		N/A		N/A		N/A		N/A		N/A	
Card Stock	Optional		Optional		Optional		Optional		Optional		Optional	
Transparencies	N/A		N/A		N/A		N/A		N/A		N/A	
Soft and High Gloss Laser paper	N/A		N/A		N/A		N/A		N/A		N/A	
Color LaserJet transparency	N/A		N/A		N/A		N/A		N/A		N/A	
Minimum Paper Trays or Drawers Standard	1		3		3		3		3		3	
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		1000 sheets		1000 sheets		1000 sheets		1000 sheets		1000 sheets	
Minimum Output Capacity	100 sheets		200 sheets		200 sheets		200 sheets		200 sheets		200 sheets	
Memory and Storage												
Minimum Standard Memory	512MB		512MB		512MB		512MB		512MB		512MB	
Minimum Memory Expandable to	N/A		N/A		N/A		N/A		N/A		N/A	
Memory Expansion Kit	Optional		Optional		Optional		Optional		Optional		Optional	
40GB or more internal storage	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	

LOT 2
LEDGER-SIZED BLACK WHITE MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Compatibility and Connectivity												
Common user interface within each lot	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
LDAP Authentication	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Windows 7 client operating system	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Windows 8 client operating system upgradability if not currently available	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Mac client operating system	Optional		Optional		Optional		Optional		Optional		Optional	
Linux client operating system	Optional		Optional		Optional		Optional		Optional		Optional	
Windows Server 2012	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Windows Server 2016	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Print Drivers compatible with SAP	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
32 bit and 64 bit drivers	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Signed 32bit and 64bit WHQL drivers for Windows 7, 8.1, 10, 2012 Server, and 2016 Server	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Ethernet 100mbs Full Duplex connections	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
RJ45 interface	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Internal NIC card	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Wake-On-LAN-enabled NIC cards disabled or protected with hardened password	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
TCP/IP Protocol (not direct TCP/IP printing)	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Static IP Assignment;	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
IPv6 Compatible	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Unisys e-Workflow and imaging (Infoimage)	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
"Twain" compliant device	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	

LOT 2
LEDGER-SIZED BLACK WHITE MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Print Quality												
600 by 600 dpi Minimum Print Quality Black	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
600 by 600 dpi Minimum Print Quality Color	N/A		N/A		N/A		N/A		N/A		N/A	
600 by 600 dpi Minimum Copy Quality Black	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
600 by 600 dpi Minimum Copy Quality Color	N/A		N/A		N/A		N/A		N/A		N/A	
600 dpi Minimum Scan Resolution	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Copier Reduction/Enlarge Range 25-400%	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Common user interface look for PCL and PostScript print drivers	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Postscript or Postscript/PCL all in one driver page description languages	Optional		Optional		Optional		Optional		Optional		Optional	
PCL driver page description languages	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Digital Output												
Select file format at device	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
.pdf Format	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
.docx format	Optional		Optional		Optional		Optional		Optional		Optional	
.rtf format	Optional		Optional		Optional		Optional		Optional		Optional	
.jpg format	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Tiff 6.0 format using CCITT Group 4 compression	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Output to email	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Output to FTP	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Output to USB memory	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Output to network file	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Output to shared folders	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Equipment Requirements												
Energy Star compliant.	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Devices shall not emit ozone in excess of 0.02 mg/m3	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Devices shall not emit dust in excess of 0.25 mg/m3	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Devices shall not emit styrene in excess of 0.11 mg/m3	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Badge Reader - Secure Printing	Optional		Optional		Optional		Optional		Optional		Optional	
Printer Management Features												
Remote Management via Web Interface	N/A		N/A		N/A		N/A		N/A		N/A	
Remote Configuration Capability	Mandatory		Mandatory		Mandatory		Mandatory		Mandatory		Mandatory	
Restrict color to authorized users	N/A		N/A		N/A		N/A		N/A		N/A	

LOT 3
COLOR MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model
Manufacturer Name						
Manufacturer Model Number						
Volume, Capability, and Speed						
Pages Printed per Month minumum (including copied if applicable)	15,000		20,000		15,000	
Laser or equivalent technology	Mandatory		Mandatory		Mandatory	
Printed pages able to be copied, scanned, faxed, or overprinted immediately with no damage to original	Mandatory		Mandatory		Mandatory	
Black and White printing	Mandatory		Mandatory		Mandatory	
Color printing	Mandatory		Mandatory		Mandatory	
Automatically use most cost effective method for black-and-white or color	Mandatory		Mandatory		Mandatory	
Password protected printing for confidential documents	Mandatory		Mandatory		Mandatory	
Black and White Copying	Mandatory		Mandatory		Mandatory	
Color Copying	Mandatory		Mandatory		Mandatory	
Black and White Scanning	Mandatory		Mandatory		Mandatory	
Color Scanning	Mandatory		Mandatory		Mandatory	
Black and White Faxing	Optional		Optional		Optional	
Internet Fax Expansion Kit	Optional		Optional		Optional	
Fax option provides programmable distribution lists.	Mandatory		Mandatory		Mandatory	
Time for first page from Standby Mode 40 seconds or less	Mandatory		Mandatory		Mandatory	
Minimum Black and White Print Speed Page Per Minute (PPM)	30 PPM		40 PPM		30 PPM	
Minimum Color Print Speed Page Per Minute (PPM)	30 PPM		40 PPM		30 PPM	
Minimum Copy Speed Page Per Minute (PPM)	30 PPM		40 PPM		30 PPM	
50 Sheets Automatic Document Feeder Capacity	Mandatory		Mandatory		Mandatory	
Automatic Duplex Printing	Mandatory		Mandatory		Mandatory	
Automatic Duplex Copying	Mandatory		Mandatory		Mandatory	
Minimum Collating and Stapling Speed	30 PPM		40 PPM		30 PPM	
3-hole Punch	Optional		Optional		Optional	
Saddle Stitch	Optional		Optional		Optional	

LOT 3
COLOR MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model
Job queuing	Mandatory		Mandatory		Mandatory	
Functional concurrency	Mandatory		Mandatory		Mandatory	

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		Mandatory		Mandatory	
Standard 8.5 x 14 inch Media	Mandatory		Mandatory		Mandatory	
Standard 11 x 17 inch Media	Optional		Optional		Mandatory	
LaserJet paper	Mandatory		Mandatory		Mandatory	
Multipurpose paper	Mandatory		Mandatory		Mandatory	
Maximum of 50% recycled material in paper without adversely affecting functionally or uptime	Mandatory		Mandatory		Mandatory	
Standard envelope media	N/A		N/A		N/A	
Paper Labels	N/A		N/A		N/A	
Card Stock	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		1		1	
Additional trays or drawers for paper sources	Optional		Optional		Optional	
High Capacity Tray or Drawer	Optional		Optional		Optional	
Exit Tray	Optional		Optional		Optional	
Minimum Paper Input Capacity	500 sheets		500 sheets		500 sheets	
Minimum Output Capacity	100 sheets		100 sheets		100 sheets	
Memory and Storage						
Minimum Standard Memory	512MB		512MB		512MB	
Minimum Memory Expandable to						
Memory Expansion Kit	Optional		Optional		Optional	
40GB or more internal storage	Mandatory		Mandatory		Mandatory	

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		Mandatory		Mandatory	
LDAP Authentication	Mandatory		Mandatory		Mandatory	
Windows 7 client operating system	Mandatory		Mandatory		Mandatory	
Windows 8 client operating system upgradability if not currently available	Mandatory		Mandatory		Mandatory	
Mac client operating system	Optional		Optional		Optional	
Linux client operating system	Optional		Optional		Optional	
Windows Server 2012	Mandatory		Mandatory		Mandatory	
Windows Server 2016	Mandatory		Mandatory		Mandatory	
Print Drivers compatible with SAP	Mandatory		Mandatory		Mandatory	
32 bit and 64 bit drivers	Mandatory		Mandatory		Mandatory	
Signed 32bit and 64bit WHQL drivers for Windows 7, 8.1, 10, 2012 Server, and 2016 Server	Mandatory		Mandatory		Mandatory	
Ethernet 100mbs Full Duplex connections	Mandatory		Mandatory		Mandatory	
RJ45 interface	Mandatory		Mandatory		Mandatory	
Internal NIC card	Mandatory		Mandatory		Mandatory	
Wake-On-LAN-enabled NIC cards disabled or protected with hardened password	Mandatory		Mandatory		Mandatory	
TCP/IP Protocol (not direct TCP/IP printing)	Mandatory		Mandatory		Mandatory	
Static IP Assignment;	Mandatory		Mandatory		Mandatory	
IPv6 Compatible	Mandatory		Mandatory		Mandatory	
Unisys e-Workflow and imaging (Infoimage)	Mandatory		Mandatory		Mandatory	
"Twain" compliant device	Mandatory		Mandatory		Mandatory	

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		Mandatory		Mandatory	
600 by 600 dpi Minimum Print Quality Color	Mandatory		Mandatory		Mandatory	
600 by 600 dpi Minimum Copy Quality Black	Mandatory		Mandatory		Mandatory	
600 by 600 dpi Minimum Copy Quality Color	Mandatory		Mandatory		Mandatory	
600 dpi Minimum Scan Resolution	Mandatory		Mandatory		Mandatory	
Copier Reduction/Enlarge Range 25-400%	Mandatory		Mandatory		Mandatory	
Common user interface look for PCL and PostScript print drivers	Mandatory		Mandatory		Mandatory	
Postscript or Postscript/PCL all in one driver page description languages	Optional		Optional		Optional	
PCL driver page description languages	Mandatory		Mandatory		Mandatory	
Digital Output						
Select file format at device	Mandatory		Mandatory		Mandatory	
.pdf Format	Mandatory		Mandatory		Mandatory	
.docx format	Optional		Optional		Optional	
.rtf format	Optional		Optional		Optional	
.jpg format	Mandatory		Mandatory		Mandatory	
Tiff 6.0 format using CCITT Group 4 compression	Mandatory		Mandatory		Mandatory	
Output to email	Mandatory		Mandatory		Mandatory	
Output to FTP	Mandatory		Mandatory		Mandatory	
Output to USB memory	Mandatory		Mandatory		Mandatory	
Output to network file	Mandatory		Mandatory		Mandatory	
Output to shared folders	Mandatory		Mandatory		Mandatory	
Equipment Requirements						
Energy Star compliant.	Mandatory		Mandatory		Mandatory	
Devices shall not emit ozone in excess of 0.02 mg/m3	Mandatory		Mandatory		Mandatory	
Devices shall not emit dust in excess of 0.25 mg/m3	Mandatory		Mandatory		Mandatory	
Devices shall not emit styrene in excess of 0.11 mg/m3	Mandatory		Mandatory		Mandatory	
Badge Reader - Secure Printing	Optional		Optional		Optional	
Printer Management Features						

LOT 3
COLOR MFDs

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model
Remote Management via Web Interface	N/A		N/A		N/A	
Remote Configuration Capability	Mandatory		Mandatory		Mandatory	
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	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. ((# 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	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 of 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

Contract Language:

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 maimum 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: Letter or Legal Subtotal	Black and White: Ledger Subtotal	Color: Letter or Legal Subtotal	Color: 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) <u>Cost of compliance; required disclosure</u>. 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) <u>Submitting Confidential Information to the Commonwealth</u>. 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

Licensor 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. <u>Confidential Information.</u> 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. <u>Commonwealth Use.</u> 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. <u>Public Disclosure.</u> 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.

Prerequisites

★ Required to Enter Bid

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 Te	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 Ag	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	Appendix D Device Usage Report Sample.xlsx	../../Attachments/Appendix D Device Usage Report Sample.xlsx
Appendix E, Software Requiremen	Appendix E Software Requirements Agreement.docx	../../Attachments/Appendix E Software Requirements Agreement.docx

Questions

★ Supplier Response Is Required

RFP Questions

Group 1.1: Technical Questions

1.1.1 Please download, complete, and upload the Technical Submittal from Buyer Attachments.

File Upload

Xerox - Technical Submittal.pdf - ./SupplierAttachments/QuestionAttachments/Xerox - Technical Submittal.pdf

1.1.2 Please download, complete, and upload Appendix A, Project References Template from Buyer

File Upload

Xerox_Attachment A References.pdf - ./SupplierAttachments/QuestionAttachments/Xerox_Attachment A References.pdf

1.1.3 Please download, complete, and upload Appendix B, MFD Requirements from Buyer Attachments.

File Upload

Xerox - Appendix B MFD Requirements.xlsx - ./SupplierAttachments/QuestionAttachments/Xerox - Appendix B MFD Requirements.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

Xerox - Additional Information - Product Brochures-Financials-Buyers Lab.zip - ./SupplierAttachments/QuestionAttachments/Xerox - Additional Information - Product Brochures-Financials-Buyers Lab.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)

Xerox understands that all ITPs are applicable and has no exceptions.

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

Xerox 508 Plan Brouchure and FAQ XOGBR-67.pdf - ./SupplierAttachments/QuestionAttachments/Xerox 508 Plan Brouchure and FAQ XOGBR-67.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

Xerox - SDBSB Participation Submittal_JAGGAER 012218.xlsx - ./SupplierAttachments/QuestionAttachments/Xerox - SDBSB Participation Submittal_JAGGAER 012218.xlsx

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

Xerox - MFD Cost Matrix 04.27.18.xlsx - ./SupplierAttachments/QuestionAttachments/Xerox - MFD Cost Matrix 04.27.18.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.pdf - ./SupplierAttachments/QuestionAttachments/DOMESTIC WORKFORCE UTILIZATION CERTIFICATION.pdf

Domestic Workforce Utilization Certification From - ../../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.pdf - ./SupplierAttachments/QuestionAttachments/RECIPROCAL LIMITATIONS ACT.pdf

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 Form.pdf - ./SupplierAttachments/QuestionAttachments/Iran Free Procurement Form.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

Trade Secret_Confidential Proprietary Information Notice.pdf - ./SupplierAttachments/QuestionAttachments/Trade Secret_Confidential Proprietary Information Notice.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

No response.

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 Cert Form.pdf - ./SupplierAttachments/QuestionAttachments/Lobbying Cert Form.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.pdf - ./SupplierAttachments/QuestionAttachments/Participating Addendum with an External Procurement Activity.pdf

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

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?	Question added by: Kristen McKenna	4/16/2018 11:00 AM
A: Yes, so long as that additional item is prorated.	Answered by: Amy McFadden	4/20/2018 3:08 PM

Subject = Terms and Conditions **Public Thread**

Q: The terms and conditions attachment starts on page 23. Are pages 1-22 applicable to this contract? If yes, please provide.	Question added by: Lori Toth	4/16/2018 10:46 AM
A: The pages of the Terms and Conditions will be renumbered.	Answered by: Amy McFadden	4/23/2018 10:05 AM

Subject = MFD Cost Matrix **Public Thread**

Q: With the focus on additonal services, is there an opportunity to add optional line items into the cost submittal template?	Question added by: Lori Toth	4/16/2018 10:45 AM
A: Changes to the cost matrix are not permitted.	Answered by: Amy McFadden	4/20/2018 3:09 PM

Subject = Technical Submittal, Page 4, D.3. **Public Thread**

Q: Can a vendor use / reference current in place software license agreements with the Commonwealth?	Question added by: Lori Toth	4/16/2018 10:44 AM
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.	Answered by: Amy McFadden	4/20/2018 3:09 PM

Subject = Appendix B MFD Requirements **Public Thread**

Q: Is the vendor responsible for installing the card authentication software?	Question added by: Lori Toth	4/16/2018 10:42 AM
A: Yes, unless otherwise agreed upon with the agency and identified in the statement of work.	Answered by: Amy McFadden	4/20/2018 3:10 PM

Subject = Appendix B MFD Requirements **Public Thread**

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?	Question added by: Lori Toth	4/16/2018 10:42 AM
A: : The Commonwealth will address this situation on a case by case basis and select the best option available.	Answered by: Amy McFadden	4/20/2018 3:11 PM

Subject = Terms and Conditions **Public Thread**

Q: Does V.48 take precedence over V.31?	Question added by: Lori Toth	4/16/2018 10:41 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	4/18/2018 3:42 PM

Subject = MFD Cost Matrix **Public Thread**

Q: Is there an initial term for the lease? Is there a 12 month extension at the end of the term?	Question added by: Lori Toth	4/16/2018 10:41 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. There is a maximum 12 month extension at the end of the lease.	Answered by: Amy McFadden	4/20/2018 3:11 PM

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 quanity 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 recieve commonwealth approval prior to implementing any software updates in the training, testing or production enviorments. 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 submitall discusses the contractor's IT service managment 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?	Question added by: Gerald Rutledge	4/11/2018 9:53 PM
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: 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?	Question added by: Gerald Rutledge	4/11/2018 9:33 PM
A: Section I of the Technical Submittal states that only Original Equipment Manufacturers may submit proposals in response to this RFP	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 requirment to provide such services during non business hours be omitted from the contract.	Question added by: Kristen McKenna	4/11/2018 5:00 PM
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: 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."	Question added by: Kristen McKenna	4/11/2018 4:59 PM
A: Standard operating hours are 8:00 AM to 5:00 PM Monday through Friday. The technical submittal will be updated.	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.	Question added by: Kristen McKenna	4/11/2018 4:58 PM
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: 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?	Question added by: Kristen McKenna	4/11/2018 4:57 PM
A: HID is the most commonly used badge type.	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 Offeror 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: **Xerox's understanding of this project is that the Commonwealth of Pennsylvania has issued this RFP to seek vendors who are capable of supplying the Commonwealth with MFDs, service, supplies, and training, as per the required specifications of each agency**.

IV. Qualifications.

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

Offeror Response: **Headquartered in Norwalk, Connecticut, U.S.A., Xerox provides leading-edge document technology, services, software and genuine Xerox supplies for graphic communication and office printing environments of any size. As a global entity, we draw on the talents and skills of approximately 35,000 professionals. Our expertise is more important than ever as customers look to improve productivity, maximize profitability and increase satisfaction. We do this for small and mid-size businesses, large enterprises, governments, graphic communications providers, and for our partners who serve them. We have proudly and successfully served the Commonwealth of Pennsylvania for over 20 years.**

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.

Xerox Corporation has been providing MFDs and related services to the Commonwealth of Pennsylvania for over 20 years; most recently under the terms and conditions of the 2013 Commonwealth MFD contract. Also, Xerox Corporation supplies many government related customers throughout the Country.

History. **Xerox has been in business since 1906. Xerox is best known for the innovation we brought to the sharing of information. Invented just over 75 years ago, xerography dramatically scaled the way organizations could communicate. It solved a major barrier to the way organizations shared information, yielding a range of operational benefits. Xerox has changed dramatically in size and scope since the invention of the copier. However, the company's fundamental principles have remained the same: make work, and life, a little simpler.**

Since our earliest days, Xerox innovation has been at the core of today's digital world – from the invention of some of the earliest personal computers to being instrumental in 3-D print-head technology. We provide services, technology, and expertise to help our customers—from small businesses to government institutions and large global enterprises—to focus on their core business and operate more efficiently by improving the flow of work and enabling business transformation.

Xerox Today. **Today, our broad array of document devices enables us to place the right solution for any workplace and for any office, large or small. To help companies boost productivity and lower costs, our industry-leading end-to-end document outsourcing services include: helping businesses develop online document archives; analyzing how employees can most efficiently share documents and knowledge in the office; operating in-house print shops or mailrooms; and building Web-based processes for personalizing direct mail, invoices, brochures and more.**

Our strategy is to apply this technology and innovation to transform the way people work and live and to create sustained shareholder value through growth in business services and continued leadership in document technology. By applying our expertise in imaging, business process, analytics, automation and user-centric insights, we engineer the flow of work to provide greater productivity, efficiency, and personalization. These services help our clients improve the flow of work, providing them more time and resources to allocate to their core operations and enabling them to respond rapidly to changing technologies and to reduce expenses associated with their business processes.

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 - **Xerox References are Attached/Uploaded.**

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

Offeror Response: **Product delivery, physical install, and training for each referenced Project.**

2. 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: **All our company manufacturing operations are certified to the ISO 14001 environmental management system standard to ensure continuous environmental performance improvement, to identify environmental impact, and to set reduction targets and maintain compliance with regulations and Xerox standards. Xerox ISO 14001 certifications are issued by location. All of Xerox owned major manufacturing and distribution operations employ an ISO quality model. Xerox holds ISO 27001 certification, as well.**

The following list highlights some of the awards in recognition of Xerox's success:

Date of Award	Corporate/ Product Award or Recognition
2018	Xerox ranks third in the 2018 rankings from Fortune's Most Admired Survey Computers category. Across the range of attribute rankings, we received our best scores in Innovation, Social Responsibility, Use of Corporate Assets, Quality of Management and Quality of Products and Services. Fortune surveys 3,900 executives, analysts, directors, and experts to rank 330 companies in 52 categories.
2018	**Buyers Lab: Document Imaging Security, MFP Platforms & App Ecosystems, and Mobile Print.** Xerox has been honored with a prestigious BLI PaceSetter award in the Document Imaging Security, MFP Platforms & App Ecosystems and Mobile Print categories. **Buyers Lab 2018 Monochrome Printer & MFP Line of the Year Award and Outstanding MFP App Ecosystem.**
2017	**2017 Quocirca Managed Print Services Landscape.** The report states that "Xerox has maintained its leadership in Quocirca's evaluation of the MPS market. Its global scale and mature and comprehensive MPS portfolio give it unique advantages across both office and production print environments. It has a long track record of delivering MPS, excelling in a range of areas such as global delivery, multi-vendor support and comprehensive analytics and reporting."
2017	**Xerox, a Security Solutions and Services Leader in the new IDC MarketScape report.** Xerox is proud to be a leader in the first ever IDC MarketScape: Worldwide Security Solutions and Services Hardcopy 2017 Vendor Assessment. The report states "Organizations should consider Xerox when looking for a broad solutions portfolio and a wide range of consulting and implementation services, with an emphasis on integration of print security within an existing IT infrastructure and framework.
2017	Buyers Lab 2017 Document Imaging Software Line of the Year Award

Date of Award	Corporate/ Product Award or Recognition
2016	**IDC MarketScape: Worldwide Document Workflow Services Vendor Assessment.** Xerox positioned as a leader in the 2016 IDC WW MarketScape for Document Workflow Services.
2016	Xerox earned BLI's 2016 Software Line of the Year in 2016. BLI cited Xerox's innovative App Studio on its ConnectKey MFD line as the major driver behind the award.
2016	Fiat Chrysler Automobiles named Xerox a Services Quality Supplier of the Year based on the success of the automaker's global managed print services program.
2016	Xerox was recognized by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices, as a 2016 World's Most Ethical Company®. 2016 marks the tenth straight year Xerox received this recognition.
2015	**Gartner Magic Quadrant for Managed Print and Content Services. Xerox is proud to be positioned as a leader in the Gartner Magic Quadrant for Managed Print and Content Services.** In this combined report, Gartner examines the expanding role of managed print services (MPS) along with managed content services (MCS), which is tightly coupled with MPS and focuses on communications inside of an organization. In the new report by Gartner, Xerox was positioned highest in ability to execute, and furthest for completeness of vision among the MPS and MCS vendors.
2015	**InfoTrends: Managed Print Services Analysis 2015.** "Xerox is the leading MPS vendor for having the most broadly differentiated MPS offerings in the market." "Xerox has a strong MPS brand and is ***building its strength as a services-centered company*** more widely."
2015	Our recent investment in "telehealth" landed Xerox the ***Best New Venture Award*** from the 2015 Corporate Entrepreneur Awards. Now in its sixth year, the organization celebrates innovation within big businesses. The panel of judges praised our Telehealth Healthcare solution as a "win" for today's healthcare consumer, calling it a complete end-to-end solution and "an idea whose time has come."
2015	The ***Xerox DocuMate® 4799 scanner*** brought home the 2015 Product of the Year Award from Document Manager Magazine, Europe's leading trade publication on imaging technology, at their annual DM Awards ceremony held in London. The Xerox DocuMate 4799 is the flagship product of the Xerox DocuMate product line, with the versatility, high speed and superior reliability that make it a scanner of choice among our customers' demanding office environments.
2015	The ***Xerox FreeFlow® Core Cloud*** has won a 2015 MUST SEE 'EMS award to lead a robust rollout of new Xerox FreeFlow workflow solutions at Graph Expo. FreeFlow Core Cloud is the latest release of the primary platform offering in Xerox's leadership workflow automation portfolio.
2015	**Sustainability / Environmental Awards: Print Awareness Tool:** Environmental Leader Product and Project Awards. Xerox came out a winner in this year's

Date of Award	Corporate/ Product Award or Recognition
	Environmental Leader Product & Project Awards. Xerox took home the top spot in the Product category for our Xerox Print Awareness Tool, which provides real-time information on how intended print decisions influence financials and the environment. Gamification techniques embedded in the solution, such as a personal software widget, engage users and encourage them to change behavior and take part in environmental sustainability efforts. Results show that our tool cuts print volumes by 20 percent and increases two-sided printing by 60 percent. Paul Natsu, publisher of Environmental Leader, said of the 2015 recipients "The winners showed innovation and the ability to help transform the fields of energy and sustainability management. Entries that were awarded Top Product or Project of the Year are those that should be carefully considered by companies seeking to "improve operations and boost the bottom line" being categorized among the market's most compelling new products. The two Xerox presses won their awards in the Pressroom: Digital Presses category.

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

Offeror Response: **Xerox has implemented the ITIL V3 framework for software services delivery and is ISO certified.**

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

Offeror Response: **Many Xerox products meet or exceed the requirements of the world's most widely-recognized certifications for product environmental performance — the international ENERGY STAR, UL's EcoLogo eco-labels, and Germany's Blue Angel. Xerox was among the first to have EPEAT — registered products on the day of program launch and continues to add new products to the registry. Since 2014 Xerox has committed to launching all new office products with EPEAT Silver or Gold. Xerox and has been certified by NIAP under rigorous new testing standards for the latest Common Criteria security protection for hardcopy devices.**

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

Offeror Response: **Xerox is a multi-national worldwide company. At any given time, there are numerous actions pending involving Xerox. Producing a detailed list of such actions would be onerous in the context of responding to this RFP. However, information concerning any material pending litigation requiring SEC filings can be obtained at Xerox.com at Investor Information.**

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

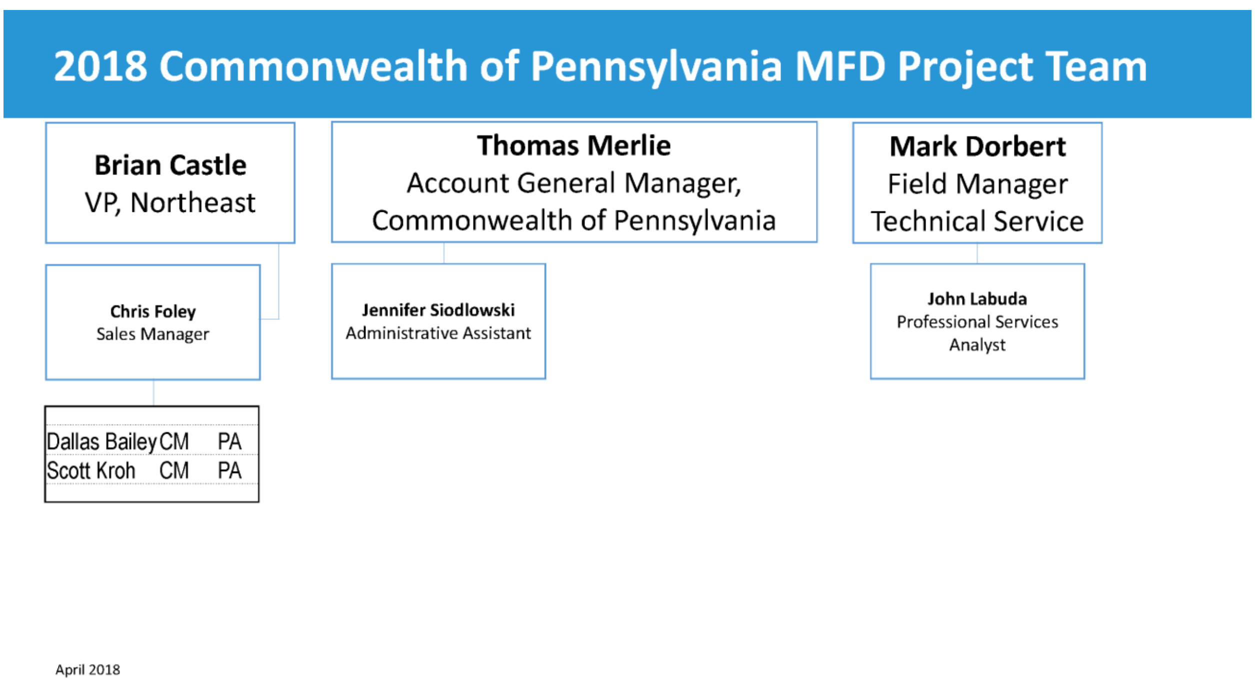
Offeror Response: Xerox has been offering reprographic devices and services since 1906.

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.

Offeror Response: **See attached org charts and resumes.**

Central point of contact:

Thomas R. Merlie - General Manager, Commonwealth of Pennsylvania
30th North 3rd Street
Suite 900
Harrisburg, PA 17101
717-386-3739
thomas.merlie@xerox.com



Key Personnel			
Name	Christopher Foley	**Title**	Client Sales Manager
Company	Xerox	**Tenure**	One Year
Degrees	BA English Communications	**Location**	Boston, MA

Role (s) in Commonwealth of Pennsylvania MFD Project	Relevant Experience
The Client Sales Manager (CSM) is responsible for ensuring the strength of partnership between Xerox and the Commonwealth of Pennsylvania MFD Project by identifying client issues where Xerox can assist the Commonwealth of Pennsylvania's MFD Project in improving its current situation. The Xerox Client Sales Manager represents the Xerox account organization and is responsible for negotiating client contracts, managing the client relationship through delivery and maintaining a long-term relationship with the client. The Client Sales Manager works in conjunction with the Client Manager and delivery team in identifying solutions that will improve operational excellence throughout the term of the agreement. Provides visibility on new services and programs available from Xerox. Develops a roadmap to next generation solutions to enable Xerox “print for less” and “print less” strategies. Works with operations to identify areas for productivity improvement through innovation. Chris participated in many aspects of the bid response relative to Commonwealth of Pennsylvania MFD Project.	As the Client Sales Manager, Chris oversees all sales opportunities. He engages all relevant subject matter experts for bid responses and field engagement with clients. Chris is also certified in all Managed Print Services (MPS) training through Xerox and incorporates his knowledge to all field engagement opportunities with current and prospective clients. He manages Quarterly Business Reviews and ensures that all SLA’s are met and exceeded. During these reviews, Chris ensures that any Xerox innovation relative to customer’s needs are introduced to the client and explained thoroughly on how it can positively impact the client’s business environment. Chris has managed high profile accounts successfully in both the commercial and public sector arena.

Key Personnel			
Name	John Labuda	**Title**	Professional Services Analyst
Company	Xerox Corp	**Tenure**	27 years
Degrees	Associates Degree, Lincoln Technical Institute, 1989	**Location**	Harrisburg PA

Role (s) in Commonwealth MFD Project	Relevant Experience
The Professional Services Analyst (PSA) provides technical and operational support to customers when implementing complex solutions and devices. The PSA also works with the Client Managers and Account General Manager on meeting solution or implementation technical requirements.	Core member of implementing solutions and Xerox Devices on many different size and complexity level solutions in tenure at Xerox.

<table>
<tr><th colspan="4">Key Personnel</th></tr>
<tr><td>Name</td><td>Thomas R. Merlie</td><td>Title</td><td>General Manager
Commonwealth of Pennsylvania</td></tr>
<tr><td>Company</td><td>Xerox</td><td>Tenure</td><td>14 Years, 4 months</td></tr>
<tr><td>Degrees</td><td>B.A. Political Science, Dickinson College, 1983</td><td>Location</td><td>Harrisburg, PA</td></tr>
<tr><th colspan="2">Role (s) in Commonwealth MFD Project</th><th colspan="2">Relevant Experience</th></tr>
<tr><td colspan="2">The Account General Manager (AGM) is the Commonwealth of Pennsylvania’s single point of contact responsible for all aspects of your account throughout the life of the contract. The AGM is accountable for identifying client issues where Xerox can assist the customer in improving its current situation. The AGM is responsible for negotiating client contracts, managing the customer relationship through delivery, and maintaining a long-term relationship with the client.</td><td colspan="2">35 year career in sales & marketing management in various industries. Direct experience in sales, marketing, product and general management. Responsible for highest level relationships, contract negotiations, contract enablement compliance for the last 6 years with the Commonwealth of Pennsylvania.</td></tr>
</table>

<table>
<tr><th colspan="4">Key Personnel</th></tr>
<tr><td>Name</td><td>Mark A. Dorbert</td><td>Title</td><td>Area Service Manager</td></tr>
<tr><td>Company</td><td>Xerox</td><td>Tenure</td><td>29 years</td></tr>
<tr><td>Degrees/Years</td><td>Bachelor of Science, Rochester Institute of Technology 2015</td><td>Location</td><td>Harrisburg, PA</td></tr>
<tr><th colspan="2">Role (s) in Commonwealth MFD Project</th><th colspan="2">Relevant Experience</th></tr>
<tr><td colspan="2">The Area Service Manager (ASM) is responsible for maintaining the high level of service support needed to maintain a satisfied client. The Area Service Manager ensures the delivery of service that meets SLA and delights the customer, by maintaining an emphasis on developing a strong relationship between service and the client.</td><td colspan="2">34 years career experience in customer service and management. Recent Bachelor of Science graduate from RIT with a focus in the print industry. Lean Six Sigma Greenbelt certification.</td></tr>
</table>

<table>
<tr><th colspan="4">Key Personnel</th></tr>
<tr><td>Name</td><td>J. Dallas Bailey</td><td>Title</td><td>Client Manager</td></tr>
<tr><td>Company</td><td>Xerox</td><td>Tenure</td><td>16 years</td></tr>
<tr><td>Degrees</td><td>B.A. Business & Economics, –
Wilson College 1997
MBA – Eastern University 2001</td><td>Location</td><td>Harrisburg, PA</td></tr>
<tr><th colspan="2">Role (s) in Commonwealth MFD Project</th><th colspan="2">Relevant Experience</th></tr>
<tr><td colspan="2">The Client Manager (CM) is responsible for maintaining the strength of partnership between Xerox and the Commonwealth by identifying client issues where Xerox can assist in improving its current situation. The Xerox Client Manager represents the Xerox account organization and is responsible for responding to RFQ, managing the client relationship through delivery and maintaining a long-term relationship with the client. The Client Manager works in conjunction with the Client Operations Director and delivery team in identifying solutions that will improve operational excellence throughout the term of the agreement.
Provides visibility on new services and programs available from Xerox.
Develops a roadmap to next generation solutions to enable Xerox “print for less” and “print less” strategies.
Works with operations to identify areas for productivity improvement through innovation.</td><td colspan="2">As a Client Manager, my responsibilities are to provide consultative guidance to my clients regarding the services and solutions that Xerox offers.
Manage accounts with respect to outsourcing services in the areas of managed print services, technology and software solutions.
Provide technical expertise to meeting solution requirement.
Consult with clients to understand areas where Xerox offerings can make an impact to their operation
Develop solution proposals and contracts clients</td></tr>
</table>

Key Contributor			
Name	Scott Kroh	**Title**	Client Manager
Company	Xerox	**Tenure**	19 years
Degrees	Computer Science, Penn College of Technology, 1988	**Location**	Harrisburg, PA
Role (s) in Commonwealth MFD Project		**Relevant Experience**	
The Client Manager (CM) is responsible for maintaining the strength of partnership between Xerox and the Commonwealth by identifying client issues where Xerox can assist in improving its current situation. The Xerox Client Manager represents the Xerox account organization and is responsible for responding to RFQ, managing the client relationship through delivery and maintaining a long-term relationship with the client. The Client Manager works in conjunction with the Client Operations Director and delivery team in identifying solutions that will improve operational excellence throughout the term of the agreement. Provides visibility on new services and programs available from Xerox. Develops a roadmap to next generation solutions to enable Xerox "print for less" and "print less" strategies. Works with operations to identify areas for productivity improvement through innovation.		As a Client Manager, my responsibilities are to provide consultative guidance to my clients regarding the services and solutions that Xerox offers. Manage accounts with respect to outsourcing services in the areas of managed print services, technology and software solutions. Provide technical expertise to meeting solution requirement. Consult with clients to understand areas where Xerox offerings can make an impact to their operation Develop solution proposals and contracts clients	

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).

Offeror Response:

1. name of subcontractor;

SuperiorGroup
Monarch Storage
Apex Xpress, Inc.
Fidelitone

2. address of subcontractor;

SuperiorGroup
250 International Dr.
Williamsville NY 14221

Monarch Storage
5065 Ritter Road
Mechanicsburg, PA 17055

Apex Xpress, Inc.
120 Seaview Drive
Secaucus, NJ 07094

Fidelitone
6000 Casteel Drive
Coraopolis, PA 15109

3. number of years worked with the subcontractor;
SuperiorGroup = 14 Years
Monarch – 35+ Years
Apex = 30+ Years
Fidelitone = 10+ Years

4. number of employees by job category to work on this project;
SuperiorGroup = 4 Trainers will continue to be provide training services for this project across the Commonwealth of Pennsylvania
Monarch Storage - 3 Office staff and 8 delivery personnel
Apex - 4 Office staff and 20-25 delivery personnel
Fidelitone - 4 Office staff and 10-12 delivery personnel

5. description of services to be performed;
SuperiorGroup will continue to provide 100% of the training services for this project across the Commonwealth of PA

Monarch, Apex and Fidelitone will continue to provide 100% of deliveries and installs across the Commonwealth of PA

6. what percentage of time the staff will be dedicated to this project;
Superior will provide 100% of the training for this project
The combination of Monarch, Apex Xpress and Fidelitone will continue to provide 100% of deliveries and installs across the Commonwealth of PA

7. geographical location of staff; and
SuperiorGroup – Nationally provided training services
Monarch – South Central/North Central Pennsylvania
Apex – South East/North East Pennsylvania
Fidelitone – North West/South West Pennsylvania

8. resumes (if appropriate and available).

None provided/available

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: **Please reference the attached/uploaded Xerox Financial PDF.**

VI. Requirements. The proposed solution shall meet or exceed the following requirements. Offeror shall describe in its reponse 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:

Order Tracking – Xerox will track orders throughout the fulfilment process utilizing our corporate order processing ERP system.

Intake of Requests – Xerox client managers will respond to all RFQ's sent through the Commonwealth Account General Manager. Responses to all RFQ's will be returned on or before the requested date.

Prioritizations –All Commonwealth orders and gerneral requests are immediatley prioritized by the account team to ensure prompt resolution. Two dedicated client associates and an Account General Manager are assigned to the Commonwealth to prioritize all requests.

Escalations – All necessary escalations are communicated through the Account General Manager who will in-turn escalate to the VP of Public Sector for resolution. If additional escalation is needed, the VP of Public Sector will continue to escalate until resolved.

Resolution – Either in person, email or phone, the Client Manager will communicate all resolved issues directly with the appropriate parties at the Commonwealth and test for satisfaction.

Closeout – Either in person, email or phone, the Client Manager will close-out any issues with the Commonwealth after the affected parties at the Commonwealth are completely satisfied.

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*:** **Xerox understands and will comply.**

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: **Xerox provides support for general MFD service issues, system software, security, and supplies. Support is available via telephone, email, website, and RSS feeds.**

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:

<u>Trouble Ticket Management</u>

Effective fleet management is crucial to enhancing productivity and end user satisfaction. When devices are down or key functions are not enabled, your employees cannot print, copy, scan or fax. It affects both their productivity and their morale.

You can contact the Xerox Customer Support Center toll-free, 24 hours a day, seven days a week, at 1-800-821-2797.

The Customer Support Centers (CSCs) are the single focal point of contact for customers to call for all Xerox products and services, regardless of the nature of the problem. The CSCs provide responsive and effective phone support, technical problem management, and problem resolution to customers with contractual support agreements. By providing these services, Xerox improves your self-sufficiency and system utilization, thereby delivering improved productivity.

The CSCs handle more than 45,000 customer calls per day, averaging two to three minutes per call. They are staffed with highly trained and dedicated Customer Support Representatives (CSRs) using new technology, such as Remote Customer Assistance (RCA). Using CasePoint software, the CSRs can ask product-specific questions based on what the customer is telling them. Once the customer has told the CSR the type of equipment and problem, the CSR can go into CasePoint and ask a series of questions that will either result in a solution or an instruction to initiate a service call. This knowledge-based system is very effective in improving customer up time and reducing overall solution time.

Any customer who calls a center is guaranteed problem resolution or genuine assistance in helping to solve a problem. This is called "The Call Quality Guarantee." All the CSRs have been trained in this process to ensure the highest levels of customer satisfaction.

Another process used by the CSCs is the Customer Complaint Process (CPP). If the customer has talked to the CSR and he or she has done everything that can be done for them and the customer is still unhappy or dissatisfied, then the CCP process allows the CSR to escalate the call to the appropriate Region Manager of Region to make sure that a higher level of management is aware of the customer's needs.

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:

Business Continuity Plan

One of Xerox's core capabilities is our resiliency and responsiveness to events that may severely affect the ability to achieve our business objectives including the safeguarding of human capital, assets, cash flow and reputation. Theresponsiveness to such eventshas a significant influence on the confidence and trust of major stakeholders such as shareholders, customers, suppliers, and credit markets. The Xerox Business ContinuityProgram Office has overall governance responsibility for the Business Continuity Assurance Process (BCAP), which oversees all Xerox organizations to assess their continuity plans against a standard set of criteria and to report the status of plans during operational reviews.

The BCAP contains the latest standards from industry best practices and Xerox's experience to define requirements, such as:

- **Assigning teams responsible for continuity activities.**
- **Determining the appropriate resources needed to resume operations after an event.**
- **Identifying alternate sources of critical supplies or services should primary sources be disrupted.**
- **Testing the plan regularly to practice skills and implement improvements.**

Business continuity planning enables us to identify critical business dependencies and to develop appropriate plans to mitigate business disruption. A critical component of Xerox's risk management objectives, business continuity includes the following areas:

- **Emergency Preparedness – Xerox buildings have emergency preparedness plans that enable designated individuals to respond to an emergency in a coordinated, timely, and effective manner. Employees have access to the plans and participate in annual shelter-in-place and evacuation drills.**
- **Crisis Management – The overall coordination of Xerox's response to a crisis in an effective and timely manner, with the goal of avoiding or minimizing injury/damage to:**
  - **Employees.**
  - **Customers.**
  - **Communities.**
  - **Environment.**
  - **Physical and intellectual property.**
  - **Ability to operate.**
  - **Profitability.**
- **IT Disaster Recovery – The activities and plans designed to return Xerox's information and communication systems to an acceptable condition and to minimize loss in the event of a major interruption in services.**
- **Business Resumption – The process of planning for and implementing the restarting of defined business operations following an interruption, usually beginning with the most critical or time-sensitive functions and continuing along a planned sequence to address all identified areas required by the business.**

The purpose of business continuity planning is to ensure that procedures exist and have been tested to restore vital business processes, minimize the negative effects of a major disruption to business operations, and facilitate the continuation of customer care and satisfaction. We employ all known and available resources to prevent a business emergency from escalating to a business crisis.

The objective of business continuity planning is to identify potential risks to vital business processes and develop strategies and action plans that provide an acceptable level of performance during a business disruption. Other goals include optimized decision making and mobilization of recovery teams that respond effectively and efficiently to a specific incident. The plans designate a set of procedures for executing alternative activities, ensuring that Xerox's core business processes continue to function. They also define a framework and strategy for the available resources to perform their responsibilities with minimum impact to Xerox's core business processes, employees, and customers. We engage

suppliers of critical materials and services annually to review the status of their business continuity plans.

Due to the business sensitivity of the information contained within the various business continuity plans, the actual plans are not disclosed outside of Xerox. The Business Continuity Plan offering for customers typically includes:

- **Business Continuity team responsibilities.**
- **Incident response and escalation processes.**
- **Communication Plans.**
- **Disaster declaration processes.**
- **Business resumption activities and timeframes (including establishing command centers, resumption strategies);**
- **Training of Business Continuity Team.**
- **Testing and evaluating Business Continuity Plans.**
- **Maintenance of Business Continuity Plans.**
- **Storage and distribution of Business Continuity Plans.**

Specific customer requirements for business continuity and disaster recovery are customizable and will be developed in collaboration with the Commonwealth of Pennsylvania to reflect the circumstances of the selected solution configuration. Xerox and the Commonwealth of Pennsylvania will collaborate to assess relevant business impact, risk and threats, as well as the appropriate level of response by Xerox.

Testing

We test our Business Continuity Plans every 12 months, or through a response to an actual emergency. These tests ensure our Business Continuity Plans remain effective.
Our Business Continuity Program Office has governance responsibility for the Business Continuity Assurance Policy (BCAP). BCAP requires all Xerox organizations to test their Business Continuity Plans against a standard set of criteria and to report the status of plans during operational reviews. Plans are tested every 12 months. Drills and drill timings at Customer sites will be jointly developed with the Customer as part of the service offering. Offeror Response

D. MFD Management.

1. Offeror must propose a model for each segment in listed in **Appendix B, MFD Requirements**.

   Offeror Response: **See Appendix B, MFD Requirements – Xerox understands and will comply.**

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: **Xerox will comply with the resulting terms and conditions of the RFP and the subsequent SLAs that are required.**

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: **Xerox understands and will comply. Xerox MFD's do not require any commercially available software to meet the requirements of this RFP.**

4. The selected Offeror shall provide operating instruction and manuals for all MFDs.
Offeror Response: **During MFD training sessions, Xerox will provide operating instruction and manuals for all MFDs.**

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: **Xerox understands and complies with UL and electric requirments for all MFD's proposed.**

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: **End of Life for each product proposed would go well beyond the term of this contract. Typically, after a Xerox MFD enters "stop order taking", Xerox will continue servicing the product for a minimum of 7 years from that date.**

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: **Xerox understands and will comply.**

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: ***Xerox understands and will comply.***

9. The selected Offeror shall deliver consumables within five (5) days of request by the Commonwealth.
Offeror Response: **Xerox understands and will comply.**

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

Offeror Response: **Xerox utilizes a comprehensive set of capabilities that prevents malicious attacks, proliferation of malware and misuse of unauthorized access to the printer, whether from transmitted data or direct interaction at the device. All possible access points are secure, including the user interface, and input ports accessible to walkup users as well as PC, server, mobile devices or cloud connections. Internet Protocol (IP) filtering**

allows System Administrators to create rules to accept or reject information coming to the MFP device based on specific IP addresses or range of addresses. This gives the System Administrator control over who can and cannot access the device.

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: **CentreWare Web lets you test, distribute and apply MFD patches from a centralized application. You can automatically configure firmware upgrades to be run automatically at scheduled times. Commonwealth of PA IT staff will retain responsibility for print server hardware, OS patches, and server 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.

Offeror Response: **Access to enable or disable port can be protected by a 12 or more character hardened password including letters numbers and symbols.**

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: **The SNMP, SNMPv2 protocol can be enable or disabled by the system administrator. The read-write community name strings on Xerox® devices can be changed by the System Administrator to increase the security when managing MFPs using SNMP.**

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: **All network access can be permanently disabled and/or protected by a 12 or more character hardened password including letters numbers and symbols.**

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: **All scanning is done via a secure encrypted transactions. See examples below: IPsec, HTTPS, SFTP and Encrypted Email, Network Authentication, SNMPv3, SHA-256 Hash Message Authentication, SSL, TLS, Security Certificates, Automatic Self-signed Certificate, Cisco® Identity Services Engine (ISE) integration. FTP can be disabled or enabled with a 12 or more character hardened password.**

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

Offeror Response**: When scanning a hard-copy document for electronic distribution via the Scan to Email feature, Xerox® MFPs can create 128-bit or256-bit AES-encrypted PDFs or password-protected PDFs, which are then securely transmitted over the network, and can be opened, printed or changed only by those who possess the correct password.**

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: **Using 128-bit or 256-bit AES encryption, Xerox® devices feature data encryption including job, image and customer data, which protects your Xerox® MFP's data at rest from unauthorized access. With data encryption, the disk is partitioned and only the user data partition is encrypted.**
• AES 128-bit or 256-bit encryption, Federal Information Processing Standard (FIPS) 140-2 validated
• All user image data on the hard disk is encrypted Image overwrite erases image data from your Xerox® device's hard drive once the data is no longer needed. This can be performed automatically after completion of processing each job, scheduled on a periodic basis, as well as at the request of the System Administrator.

i) The hard drives in the leased equipment will be retained by the Commonwealth leasing agency.
Offeror Response**: Xerox understands and will comply.**

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

Offeror Response: **LDAP authentication can be used to restrict or allow access to internal storage.**

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 Respons: **On devices that have folders available for storing jobs locally, a Passcode can be assigned to a folder that resides on the device to**

determine who can scan to and retrieve documents stored in a folder on the device. The access is controlled by the device administrator.

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: **Separating the fax interface from the network controller eliminates the security risk of hacking into an office network via the fax line. The MFP does not provide a function to access the network via the fax phone line. The Fax Class 1 protocol used on the MFP only responds to fax commands that allow the exchange of fax data. The data passed from the client PC can only be compressed image data with destination information. Any data other than image information (such as a virus, security code or a control code that directly accesses the network) is abandoned at this stage, and the MFP immediately ends the call. Thus, there is no mechanism by which to access the network subsystem via the fax line. Devices do not retain page information after the fax transaction is complete.**

11. **MFD Invoicing.** The selected Offeror shall accept SAP generated invoices for reoccurring lease payments.
Offeror Response: **Xerox understands and will comply.**

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.

Xerox Response: **Xerox has included the specified amount of training per RFQ requirements.**

TRAINING

On-site Customer Training

Xerox will provide your employees the training they need to realize the full power of your investment. When you place your order with Xerox, delivery and installation of equipment are just the beginning of our commitment to ensuring your total satisfaction.

Our professional instructors are dedicated to teaching your employees how to maximize your Xerox solution. Training programs will be designed specifically to focus on the requirements of your people, and how they can become more productive through enhanced skills and more effective work processes. For example, our training sessions will address:

New Processes - How processes can be changed, updated or replaced with more effective processes to ensure you are achieving maximum productivity with each Xerox solution.

Your Environment - Working within your current technical and workflow environment, how you can realize maximum value from your Xerox solutions.

Device Uptime - Learning how to achieve optimal equipment uptime with your Xerox solutions.

PLANNING FOR TRAINING

Training is conducted by a Xerox Certified Trainer to a small group of up to four key users including the individual(s) responsible for maintaining the solution. This format enhances the learning experience and provides an opportunity for users to ask questions and program jobs.

The training is suitable for key operators, walk-up users, client users, and may include System Administrators, and is usually conducted at the machine.

The Trainer will call to schedule training at a suitable time and date for both the Customer and the Trainer. Training is delivered at the customer site. The WorkCentre unit must be available and the students given uninterrupted/dedicated time for training.

Training will be delivered upon completion of the machine installation to ensure a smooth and rapid transition to your new product.

Training covers features and functions and is usually provided after the equipment has been installed and network services have been configured (including software installation) by a network administrator.

The length of the training varies based on the configuration of the machine and options purchased. Training may include, but is not limited to, the following topics:

- **Review the content of the training session to insure requirements are met.**
- **Product overview of the main components**
- **Tray / media specifications**
- **Finishing unit**
- **Document Feeder**
- **Control panel / user interface**
- **How to copy a job**
- **User screens such as Features, Job Status, and Machine Status**
- **Touch screen tabs including setting paper tray attributes, using the Auto features, image adjustment features (reduce/enlarge, shift, and erase), job**

layout features (covers, booklets, mixed media), productivity features (storing, building jobs), and color adjustments (if applicable).

- **Overview on how to print a job by selecting job parameters**
- **Paper / output selections**
- **Image adjustments**
- **Layout such as multiple-up, booklets, and watermarks**
- **Printing workflows through the driver (special pages)**
- **Secure Print / Delayed Print**
- **Sample set**
- **LAN fax**

- **How to Fax a Job (if applicable)**
  - **Accessing Fax**
  - **Sending a basic fax**
  - **Storing fax numbers**
  - **Speed dial**
  - **Fax confirmation**
  - **Additional Fax features available**
- **How to Scan a Job (if applicable)**
  - **Accessing network scanning**
  - **Selecting Scan to Desktop template or scan to mailbox**
  - **Additional scan features selections available prior to sending**
  - **Overview of PaperPort software function, if applicable.**
  - **How to Use Scan to Email (if applicable)**
- **Accessing email**
  - **Addressing recipients**
  - **Storing addresses locally**
- **Choosing file type and other settings available prior to sending.**
- **Load Paper and media**
- **Setting paper tray attributes.**
- **Maintenance and Troubleshooting**
- **Touch screen instructions**
- **Changing Customer Replaceable Units or SMart Kits**
- **Replacing toner and staples**
- **Customer support information**
- **Administrator Functions (Key Operator)**
- **Entering the Access Mode**
- **Changing machine defaults**
- **Setting up password restricted access (auditron)**
- **Color calibration (if applicable)**
- **Overview of User Guide and xerox.com**

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 before 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: **Xerox understands and will comply.**

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 canceled 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: **Xerox understands and will comply.**

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: **Xerox understands and will comply. MFD relocation costs > 25 miles will vary depending on model and mileage to destination. Relocation quotes will be provided as needed.**

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: **Xerox understands and will comply.**

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: **Xerox understands and will comply.**

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: **Xerox understands and will comply.**

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

Offeror Response:

Additional services or features that are available at no additional cost to the Commonwealth include:

Xerox CentreWare Web gives you added productivity advantages you might not expect in device management. This innovative, web browser-based software tool installs, configures, manages, monitors, and reports on networked printers and multifunction devices in the enterprise – regardless of manufacturer – and it is a free download! Please see the included CentreWare Web brochure for more detail.

The Xerox Green World Alliance (GWA) reuse/recycle initiative provides a collection and reuse/recycling program for spent imaging supplies. GWA is central to our commitment to waste-free products. Currently, more than 35 countries participate in the Xerox Green World Alliance. Each has its own GWA country Website that describes the processes available to the customer or the appropriate points of contact for more information. Worldwide, our customers returned over 3.9 million cartridges, toner containers, and other used supply items in 2014, equating to 3,700 metric tons.

Although our consumables return programs have been in existence for two decades, we continue to enhance them. Major improvements include the North American EcoBox

program, enabling customers to order a set of recycling boxes and return multiple used imaging supplies, such as toner bottles and cartridges, in one box. More information on Xerox's consumables returns program is available at the Xerox Green World Alliance website: www.xerox.com/gwa . Please see the included GWA brochure.

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

***Offeror Response*: Xerox understands SLAs in Appendix C and will comply.**

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*: Xerox understands and will comply.**

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*: See responses below.**

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*: Xerox understands and will comply with the Commonwealth's delivery requirements.**
Upon receipt from Xerox of the equipment order, our local delivery carrier will contact the Commonwealth to schedule an acceptable delivery date. Upon delivery, the delivery carrier will unpack the system and, based on the products ordered, a Xerox Technical Service Representative (TSR) will handle the installation.

Xerox provides the necessary resources for delivery and installation. The Xerox Delivery and Installation team will work collaboratively with the Commonwealth representatives to ensure all your delivery and installation requirements are met.

Our approach to technology and services implementations is based on Lean Six Sigma methodologies and tools. Xerox will provide a Project Lead to schedule regular transition meetings, and evaluate, monitor, and inspect the implementation process to ensure we meet your requirements.

This approach is a best practice that has resulted in thousands of successful delivery / installations when implementing technology and services for clients with multiple locations and geographies.

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*:** **Xerox understands and will comply.**

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: **Xerox's proposal includes all equipment and supplies agreed upon by Xerox and the Commonwealth, delivered via Xerox carrier to the Commonwealth locations.**

Once our hardware is installed, a Xerox Full Service Maintenance Agreement (FSMA), which is an integral part of your lease plan will help to ensure an increased return on your investment (ROI). The FSMA includes all meter costs, parts, labor, software updates, maintenance and travel for your product's operating hardware and software. Standard service coverage hours included in the FSMA are from 8 a.m. until 5 p.m., Monday through Friday, excluding designated holidays.

The Commonwealth will also have access to a dedicated support staff directly through Xerox. This combination of diagnostic technology and highly-skilled experts provides immediate problem resolution of any technical issues, and allows for minimal service disruption, maximum device uptime and ease of use for your employees. Remote support specialists can be engaged proactively over the phone to assist with hardware or software problem resolution. Our specialists aim to solve your problems quickly and seamlessly, and will dispatch a service technician on site if further assistance is required. If Xerox cannot repair your product to its full working order, we will ensure you receive a comparable replacement product with an identical model or one with comparable features and capabilities.

Preventive maintenance is also included on all service calls. A Service Technician will handle all preventative maintenance and product reliability processes at the time of service, when all device components are reviewed, cleaned or replaced as needed. Xerox will make repairs and adjustments necessary to keep the equipment in good working order and operating in accordance with its written specifications (including such repairs or adjustments required during initial installation). Maintenance Services cover repairs and adjustments required as a result of normal wear and tear or defects in materials or workmanship.

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*: Xerox agrees to work with the Commonwealth to develop detailed plans that meets the requirements of this solicitation.**

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*: Support of the devices and required reporting will be accomplished by Xerox's Certified Service Engineers, Professional Services Analyst and Professional trainers.**

As we understand, direct IT Services are not applicable to this RFP per the answer provided in the Q&A Board - *Subject = Technical Submittal VIII. B. – A: Only from the standpoint of supporting the devices and required reporting for the devices awarded within this contract.*

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 puchases by the using agency, including item description, item number, serial number, recipt 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 shippied incorrectly, failure rates ('dead on arrival'), and percentage of deliver orders resulting in a backordered items.
- Customer satisfaction report detailing the perfomrance of the selected Offeror in the areas of quality assurance, accuracy of equipment shipped/recevied, professionalism, flexability, competence, timeliness of delivery, and response to questions.

***Offeror Response*: Xerox understands and will comply.**

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 ageny.

b. Response time and fix-time, by using agency, including incident address, model number, serial number, problem summary, call date and time, repsone 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**.

***Offeror Response*: Xerox understands and will comply.**

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 reposrt 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*: Xerox understands and will comply.**

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*: Xerox understands and will comply.**

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 to Objections and Additions to Standard Contract Terms and Conditions:

Xerox has reviewed and is responding to your RFP without any exceptions to the Standard Contract Terms and Conditions. This proposal represents our commitments on equipment specifications, pricing (excluding taxes), and our proposed solution. We have prepared our proposal based on the information provided by you and the assumptions that we made in preparing our response. If there are material changes to the information or assumptions, this may result in a modification of our proposal.

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: XEROX CORPORATION

Contact information for submitting party:

XEROX CORPORATION
30 NORTH 3RD STREET, SUITE 900
HARRISBURG, PA 17101
THOMAS R. MERLIE 717-386-3739

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):

DIGITAL MULTIFUNCTIONAL DEVICES
REQUEST FOR PROPOSAL

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.

Page Number	Description	Explanation
	N/A	N/A

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.

Thomas R. Fowler	GENERAL MANAGER, PA	4/24/2018
Signature	Title	Date

pennsylvania
DEPARTMENT OF GENERAL SERVICES
BUREAU OF PROCUREMENT

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.

Vendor Name/Financial Institution (Printed) XEROX CORPORATION	
By (Authorized Signature) Thomas R. [signature]	
Printed Name and Title of Person Signing THOMAS R. MERLIE, GENERAL MANAGER, PA	*Date Executed* 4/24/2018

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.

Vendor Name/Financial Institution (Printed)	
By (Authorized Signature)	
Printed Name and Title of Person Signing	*Date Executed*

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, GENERAL MANAGER **[title]** of XEROX CORPORATION **[name of Contractor]** a ______________ **[place of incorporation]** corporation or other legal entity, ("Contractor") located at 30 NORTH THIRD ST, HARRISBURG, PA 17101 **[address]**, having a Social Security or Federal Identification Number of 16-0468020, 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:

Jenifer Siodlowski 4/24/18
Signature/Date

JENIFER SIODLOWSKI / CONTRACT ADMIN
Printed Name/Title

XEROX CORPORATION
Corporate or Legal Entity's Name

Thomas R. Merlie 4/24/18
Signature/Date

THOMAS R. MERLIE / GENERAL MANAGER, PA
Printed Name/Title

pennsylvania
DEPARTMENT OF GENERAL SERVICES
BUREAU OF PROCUREMENT

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: Thomas R Fulio

TITLE: GENERAL MANAGER DATE: 4/24/2018

BOP-1307
Revised 11/7/2013

Department of General Services
GSPUR-89 Rev. 11/06/12

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 FOREIGNCOUNTRY) OF MANUFACTURE
ALL	XEROX CORPORATION	JAPAN, SOUTH KOREA, CHINA, MAYLASIA, SINGAPORE & MEXICO

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: XEROX CORPORATION

30 NORTH THIRD ST

SUITE 900

HARRISBURG, PA 17101

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: MAY 9, 1958

(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: _____

Accessibility. Accountability. Responsibility.

Xerox and Section 508 Compliance

Xerox: Meeting the Accessibility Challenge

Xerox has a long, proud tradition of designing products that are accessible to individuals with disabilities. When Section 508 of the Rehabilitation Act made accessibility a requirement for all electronic and information technology used by Federal agencies, Xerox was already ahead of the curve. In keeping with the company's long-standing commitment to accessibility, Xerox responded to Section 508 with extraordinary diligence.

OUR RESPONSE TO SECTION 508

When the first draft standards detailing the requirements for Section 508 compliance were released, Xerox immediately appointed a dedicated Section 508 work team. The team drew experts from all relevant sectors including the Business Divisions, Industrial Design and Human Interface, External Affairs, Public Sector Federal Contracts, and Environment, Health and Safety. Their mandate: Develop a rigorous, detailed assessment process, which could be applied to every product Xerox offers. Accessibility requirements are now integrated into the product development process—from product conceptualization through design, development and delivery, our aim is to provide all customers with equal access to our systems.

THE XEROX ACCESSIBILITY ASSESSMENT PROCESS

The first step, in an assessment of any product's capability to meet the needs of disabled persons, is a complete diagnosis of the suite of tasks required to use that product. Because Xerox offers a wide range of products, the tasks required to use those products vary. From loading documents into a printer to dialing a number on a fax machine, from programming a print job on a user interface to removing a job from a Xerox-supplied output device, the Xerox product development teams define every task associated with the use of every Xerox product.

A fundamental difference in our approach to accessibility is that we do not just design to meet regulatory standards, but rather to satisfy all our customers' needs.

In this endeavor, and with particular relevance to Section 508, we focus on physical design features as well as on software-driven assistive technology to fulfil our commitment

Some examples of accessories we provide for people with disabilities include:

Mobility Enhancements

- Remote User Interface
- Remote Operator Software Kit
- Adjustable Control Panels
- Time-out Notifications

Visual Enhancements

- Simplified Displays
- Backlit LCD
- High Contrast Text on Screens
- LED Indicators for Device Status
- Output Separator Sheets
- Offset Job Stacking

All of these initiatives and our product offerings are evaluated against Section 508 rules using the Voluntary Product Assessment Template (VPAT).

A Long-Term Commitment

At Xerox we have a proud tradition of offering accessible solutions for more than 20 years. Xerox is committed to being the vendor of choice for customers seeking accessible solutions. That means providing customers with detailed, up-to-date accessibility assessments for the full line of Xerox products. We work closely with the Information Technology Industry Council (ITI) who created the VPAT, as well as other Federal agencies. Section 508 product information is available on **www.xerox.com/section508** in an easy-to-find manner.

To find out answers to frequently asked questions: **www.xerox.com/faq508**.

For more information, contact your local Xerox sales representative or call **1-800-ASK-XEROX**.

xerox®

APPENDIX A

Name of Client & Project Title	City of New York – Enterprise Print Management Program	
Contract Value	$100,000,000.00	
Nature and Scope of Project:	In the past 5 years, we have delivered and installed **approximately 8000 devices** to the city. Most, if not all devices, are multi-functional devices in various sizes and speed bands.	
Project Duration:	**Start Date Year:** 2013	**End Date Year:** on-going
Nature of the Client:	This program is administered by the Department of Citywide Administrative Services.	
Nature of Client Audience:	All eligible Mayoral agencies and political subdivisions of the City of New York	
Number of Users:	Unknown	
# & Composition of Vendor Employees & Consultants Assigned:	The City of New York support is handled by a diverse team of professionals that consists of subject matter experts from sales, delivery and operations, transition, project management, technical service, and general management. Everyone on the team takes part in their respective phases of customer implementation of this program: Program phases were broken down into 3 phases: Assessment, Pilot and then Steady State Implementation. - Upon install of the environment – install team provides end user training - Follow up training provided on an as needed basis - Documentation provided to users/flyers/one pagers on how to use device functions - For immediate take over, we leverage walk in and take over or the bridge strategy to accommodate to immediate needs. Devices are monitored, thus - Break fixes are identified remotely and troubleshot remotely (dispatch when needed/users can also call in when they notice a problem) - Replenishments are proactively sent to KDC (Toner, CRU's)	
Client Contact Information:	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	

APPENDIX A

PROJECT REFERENCES

Name of Client & Project Title	State of Illinois – PSD4017714 – MFD Digital Photocopy Equipment	
Contract Value	$45,000,000	
Nature and Scope of Project:	Xerox Corporation has been a vendor to the State of Illinois since 2010 and under the MFD Equipment contract since 2014. We have supplied numerous State agencies with specified multi-functional devices as specified under the contract and within the terms and conditions set forth in the contract.	
Project Duration:	**Start Date Year:** 2014	**End Date Year:** on-going
Nature of the Client:	The Department of Central Management Services	
Nature of Client Audience:	All Governor's agencies and political subdivisions of the State of Illinois	
Number of Users:	Unknown	
# & Composition of Vendor Employees & Consultants Assigned:	Xerox has a diverse team of professionals that handles the daily needs of the State under this contract. The team consists of a General Manager, VP of Sales, Sales Manager, Client Managers, Account Operations Manager, and Technical Service Managers. Other resources are available as State requirements demand.	
Client Contact Information:	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.** **Reference Contacts:** Name: Mr. Doug Jackson Title: DOIT Print Manager Department: Central Management Services Full Address: 120 West Jefferson, Springfield, Illinois 62702 Telephone: 217-558-3771 E-mail: Doug.jackson@illinois.gov Relation/Role to Project: Internal Champion Name: Rose Rebbe Title: DHS Fiscal Manager Department: Central Management Services Full Address: 120 West Jefferson, Springfield, Illinois 62702 Telephone: 217-558-1277 E-mail: rose.rebbe@illinois.gov Relation/Role to Project:	

APPENDIX A

	the quality of the vendor's performance. **2 contacts required.** **Reference Contacts:** Name: Scott Bryant Title: Executive Director Department: DCAS Full Address: One Centre Street, NYC, NY 10007 Telephone: 212-386-6282 E-mail: sbryant@dcas.nyc.gov Relation/Role to Project: Program Champion Name: Mersida Ibric Title: Deputy Commissioner Department: DCAS Full Address: One Centre Street, NYC, NY 10007 Telephone: 212-386-6311 E-mail: mibric@dcas.nyc.gov Relation/Role to Project: Total responsibility for overseeing the EPM program.

APPENDIX A

Name of Client & Project Title	US Fish and Wildlife Service	
Contract Value	$1,500,000 +	
Nature and Scope of Project:	Managed Print Services firm fixed price IDIQ/BPA. • Assessed new HQ layout for most efficient and optimized printing design. Achieved significant reduction in A4 printers while strategically locating convenience MFD's along floor perimeter and locating workgroup MFD's centrally in "print centers" on each floor. • Provided implementation resources to include technicians, analysts, and trainers to ensure a smooth transition. Conducted follow up assessment 12 months later with no changes to original design required. • 100% of MFD's are color enabled-Print, copy, scan, and fax • Additional solutions include follow me print, workflow scanning (streamlining license application process), and mobile printing. All employees can print safely and securely from desktop or mobile devices. • Complete integration with FWS network and IT security protocols • (1) Docucare on-site associate performing 1st level service support and supply replenishment • Flat rate pricing plan-pricing remains fixed regardless of volume enabling accurate budgeting, reduction in staff time reconciling invoices and cost savings. Pro-active monitoring of in-place equipment utilizing Xerox Device Management tool (XDM). Detailed reporting on all MFD's performance presented during business reviews.	
Project Duration:	**Start Date Year:** 2014	**End Date Year:** on-going
Nature of the Client:	Federal Government Agency	
Nature of Client Audience:	Offices and staff throughout the United States.	
Number of Users:	Unknown	
# & Composition of Vendor Employees & Consultants Assigned:	Team consisting of Sales, Technical Service, Analyst Services, Pricing, Contract Management, and General Management.	

APPENDIX A

<table>
<tr>
<td>Client Contact Information:</td>
<td>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.

Reference Contacts:
Name: Mark Newcastle Title: Print Services Manager
Department: Printing Services
Full Address: 5275 Leesburg Pike, Falls Church, VA 22041
Telephone: 703-358-2197 E-mail: mark.newcastle@fws.gov
Relation/Role to Project: Decision Maker

Name: Vicky Neator Title: Print Services Specialist
Department: Printing Services
Full Address: 5275 Leesburg Pike, Falls Church, VA 220041
Telephone: 703-358-2197 E-mail: vicky.neator@fws.gov
Relation/Role to Project: Internal Champion</td>
</tr>
</table>

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.

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Manufacturer Name		**Xerox**		**Xerox**		**Xerox**		**Xerox**		**Xerox**		**Xerox**
Manufacturer Model Number		**B405DN**		**B7025D**		**B7035D**		**B8045H**		**B8055H**		**B8065H**
Volume, Capability, and Speed												
Pages Printed per Month minumum (including copied if applicable)	10,000	up to 110K	15,000	up to 107K	30,000	up to 153K	60,000	up to 175K	100,000	up to 200K	125,000	up to 250K
Laser or equivalent technology	Mandatory	Included	Mandatory	Included	Mandatory	Included	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	Mandatory	Included	Mandatory	Included	Mandatory	Included
Black and White printing	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Color printing	N/A		N/A		N/A		N/A		N/A		N/A	
Automatically use most cost effective method for black-and-white or color	N/A		N/A		N/A		N/A		N/A		N/A	
Password protected printing for confidential documents	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Black and White Copying	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Color Copying	N/A		N/A		N/A		N/A		N/A		N/A	
Black and White Scanning	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Color Scanning	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Black and White Faxing	Optional	Included	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
Internet Fax Expansion Kit	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included
Fax option provides programmable distribution lists.	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Optional	Mandatory	Optional	Mandatory	Optional
Time for first page from Standby Mode 40 seconds or less	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Minimum Black and White Print Speed Page Per Minute (PPM)	19 PPM	47 PPM	25 PPM	25 PPM	35 PPM	35 PPM	45 PPM	45 PPM	55 PPM	55 PPM	65 PPM	65 PPM
Minimum Color Print Speed Page Per Minute (PPM)	N/A		N/A		N/A		N/A		N/A		N/A	
Minimum Copy Speed Page Per Minute (PPM)	19 PPM	47 PPM	25 PPM	25 PPM	35 PPM	35 PPM	45 PPM	45 PPM	55 PPM	55 PPM	65 PPM	65 PPM
50 Sheets Automatic Document Feeder Capacity	Mandatory	60 Sheets	Mandatory	110 Sheets	Mandatory	110 Sheets	Mandatory	200 Sheets	Mandatory	200 Sheets	Mandatory	200 Sheets
Automatic Duplex Printing	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Automatic Duplex Copying	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Minimum Collating and Stapling Speed	Optional	NA	25 PPM	25 PPM	35 PPM	35 PPM	45 PPM	45 PPM	55 PPM	55 PPM	65 PPM	65 PPM
3-hole Punch	Optional	NA	Optional	NA	Optional	NA	Optional	Optional	Optional	Optional	Optional	Optional
Saddle Stitch	Optional	NA	Optional	NA	Optional	NA	Optional	Optional	Optional	Optional	Optional	Optional
Job queuing	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Functional concurrency	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Media Sizes, Types, and Trays												
Standard 8.5 x 11 inch Media	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Standard 8.5 x 14 inch Media	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Standard 11 x 17 inch Media	N/A		N/A	Included	N/A	Included	N/A	Included	N/A	Included	N/A	Included
LaserJet paper	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Multipurpose paper	Mandatory	Included	Mandatory	Included	Mandatory	Included	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	Mandatory	Included	Mandatory	Included	Mandatory	Included
Standard envelope media	N/A		N/A		N/A		N/A		N/A		N/A	
Paper Labels	N/A		N/A		N/A		N/A		N/A		N/A	
Card Stock	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included
Transparencies	N/A		N/A		N/A		N/A		N/A		N/A	
Soft and High Gloss Laser paper	N/A		N/A		N/A		N/A		N/A		N/A	
Color LaserJet transparency	N/A		N/A		N/A		N/A		N/A		N/A	
Minimum Paper Trays or Drawers Standard	1	2	3	3	3	3	3	5	3	5	3	5
Additional trays or drawers for paper sources	Optional	Optional	Optional	NA	Optional	NA	Optional	Optional	Optional	Optional	Optional	Optional
High Capacity Tray or Drawer	Optional	NA	Optional	NA	Optional	NA	Optional	Optional	Optional	Optional	Optional	Optional
Exit Tray	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included
Minimum Paper Input Capacity	500 sheets	550 Sheets	1000 sheets	1,140 sheets	1000 sheets	1,140 sheets	1000 sheets	4,700 Sheets	1000 sheets	4,700 Sheets	1000 sheets	4,700 Sheets
Minimum Output Capacity	100 sheets	250 Sheets	200 sheets	500 sheet	200 sheets	500 sheet	200 sheets	2,000 Sheets	200 sheets	2,000 Sheets	200 sheets	2,000 Sheets
Memory and Storage												
Minimum Standard Memory	512MB	2GB	512MB	2GB	512MB	2GB	512MB	4GB	512MB	4GB	512MB	4GB
Minimum Memory Expandable to	N/A		N/A		N/A		N/A		N/A		N/A	
Memory Expansion Kit	Optional	NA	Optional	NA	Optional	NA	Optional	NA	Optional	NA	Optional	NA
40GB or more internal storage	Mandatory	16GB	Mandatory	320GB	Mandatory	320GB	Mandatory	250GB	Mandatory	250GB	Mandatory	250GB

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Compatibility and Connectivity												
Common user interface within each lot	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
LDAP Authentication	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Windows 7 client operating system	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Windows 8 client operating system upgradability if not currently available	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Mac client operating system	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included
Linux client operating system	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included
Windows Server 2012	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Windows Server 2016	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Print Drivers compatible with SAP	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
32 bit and 64 bit drivers	Mandatory	Included	Mandatory	Included	Mandatory	Included	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	Mandatory	Included	Mandatory	Included	Mandatory	Included
Ethernet 100mbs Full Duplex connections	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
RJ45 interface	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Internal NIC card	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Wake-On-LAN-enabled NIC cards disabled or protected with hardened password	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
TCP/IP Protocol (not direct TCP/IP printing)	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Static IP Assignment;	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
IPv6 Compatible	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Unisys e-Workflow and imaging (Infoimage)	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
"Twain" compliant device	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Print Quality												
600 by 600 dpi Minimum Print Quality Black	Mandatory	1200x1200	Mandatory	1200x1200	Mandatory	1200x1200	Mandatory	1200x1200	Mandatory	1200x1200	Mandatory	1200x1200
600 by 600 dpi Minimum Print Quality Color	N/A		N/A		N/A		N/A		N/A		N/A	
600 by 600 dpi Minimum Copy Quality Black	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
600 by 600 dpi Minimum Copy Quality Color	N/A		N/A		N/A		N/A		N/A		N/A	
600 dpi Minimum Scan Resolution	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Copier Reduction/Enlarge Range 25-400%	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Common user interface look for PCL and PostScript print drivers	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Postscript or Postscript/PCL all in one driver page description languages	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included
PCL driver page description languages	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Digital Output												
Select file format at device	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
.pdf Format	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
.docx format	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
.rtf format	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
.jpg format	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Tiff 6.0 format using CCITT Group 4 compression	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Output to email	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Output to FTP	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Output to USB memory	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Output to network file	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Output to shared folders	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Equipment Requirements												
Energy Star compliant.	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Devices shall not emit ozone in excess of 0.02 mg/m3	Mandatory	None Detected	Mandatory	None Detected	Mandatory	None Detected	Mandatory	0.149 mg/h	Mandatory	0.149 mg/h	Mandatory	0.149 mg/h
Devices shall not emit dust in excess of 0.25 mg/m3	Mandatory	None Detected	Mandatory	None Detected	Mandatory	0.67 mg/h	Mandatory	None detected	Mandatory	None detected	Mandatory	None detected
Devices shall not emit styrene in excess of 0.11 mg/m3	Mandatory	None Detected	Mandatory	None Detected	Mandatory	None Detected	Mandatory	0.2510 mg/h	Mandatory	0.2510 mg/h	Mandatory	0.2510 mg/h
Badge Reader - Secure Printing	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
Printer Management Features												
Remote Management via Web Interface	N/A		N/A		N/A		N/A		N/A		N/A	
Remote Configuration Capability	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Restrict color to authorized users	N/A		N/A		N/A		N/A		N/A		N/A	

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Manufacturer Name		**Xerox**		**Xerox**		**Xerox**		**Xerox**		**Xerox**		**Xerox**
Manufacturer Model Number		**B7025D**		**B7025S**		**B7035S**		**B8045H**		**B8055H**		**B8065H**
Volume, Capability, and Speed												
Pages Printed per Month minumum (including copied if applicable)	10,000	up to 107K	15,000	up to 107K	30,000	up to 153K	60,000	up to 175K	100,000	up to 200K	125,000	up to 250K
Laser or equivalent technology	Mandatory	Included	Mandatory	Included	Mandatory	Included	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	Mandatory	Included	Mandatory	Included	Mandatory	Included
Black and White printing	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Color printing	N/A		N/A		N/A		N/A		N/A		N/A	
Automatically use most cost effective method for black-and-white or color	N/A		N/A		N/A		N/A		N/A		N/A	
Password protected printing for confidential documents	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Black and White Copying	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Color Copying	N/A		N/A		N/A		N/A		N/A		N/A	
Black and White Scanning	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Color Scanning	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Black and White Faxing	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
Internet Fax Expansion Kit	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
Fax option provides programmable distribution lists.	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Optional	Mandatory	Optional	Mandatory	Optional
Time for first page from Standby Mode 40 seconds or less	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Minimum Black and White Print Speed Page Per Minute (PPM)	19 PPM	25 PPM	25 PPM	25 PPM	35 PPM	35 PPM	45 PPM	45 PPM	55 PPM	55 PPM	65 PPM	65 PPM
Minimum Color Print Speed Page Per Minute (PPM)	N/A		N/A		N/A		N/A		N/A		N/A	
Minimum Copy Speed Page Per Minute (PPM)	19 PPM	25 PPM	25 PPM	25 PPM	35 PPM	35 PPM	45 PPM	45 PPM	55 PPM	55 PPM	65 PPM	65 PPM
50 Sheets Automatic Document Feeder Capacity	Mandatory	110 Sheets	Mandatory	110 Sheets	Mandatory	110 Sheets	Mandatory	200 Sheets	Mandatory	200 Sheets	Mandatory	200 Sheets
Automatic Duplex Printing	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Automatic Duplex Copying	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Minimum Collating and Stapling Speed	Optional	Optional	25 PPM	25 PPM	35 PPM	35 PPM	45 PPM	45 PPM	55 PPM	55 PPM	65 PPM	65 PPM
3-hole Punch	Optional	NA	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
Saddle Stitch	Optional	NA	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
Job queuing	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Functional concurrency	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Media Sizes, Types, and Trays												
Standard 8.5 x 11 inch Media	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Standard 8.5 x 14 inch Media	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Standard 11 x 17 inch Media	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
LaserJet paper	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Multipurpose paper	Mandatory	Included	Mandatory	Included	Mandatory	Included	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	Mandatory	Included	Mandatory	Included	Mandatory	Included
Standard envelope media	N/A		N/A		N/A		N/A		N/A		N/A	
Paper Labels	N/A		N/A		N/A		N/A		N/A		N/A	
Card Stock	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included
Transparencies	N/A		N/A		N/A		N/A		N/A		N/A	
Soft and High Gloss Laser paper	N/A		N/A		N/A		N/A		N/A		N/A	
Color LaserJet transparency	N/A		N/A		N/A		N/A		N/A		N/A	
Minimum Paper Trays or Drawers Standard	1	2	3	3	3	3	3	5	3	5	3	5
Additional trays or drawers for paper sources	Optional	Optional	Optional	NA	Optional	NA	Optional	Optional	Optional	Optional	Optional	Optional
High Capacity Tray or Drawer	Optional	NA	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
Exit Tray	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included
Minimum Paper Input Capacity	500 sheets	620 sheets	1000 sheets	1,140 sheets	1000 sheets	1,140 sheets	1000 sheets	4,700 Sheets	1000 sheets	4,700 Sheets	1000 sheets	4,700 Sheets
Minimum Output Capacity	100 sheets	500 sheet	200 sheets	500 sheet	200 sheets	500 sheet	200 sheets	2,000 Sheets	200 sheets	2,000 Sheets	200 sheets	2,000 Sheets
Memory and Storage												
Minimum Standard Memory	512MB	2GB	512MB	2GB	512MB	2GB	512MB	4GB	512MB	4GB	512MB	4GB
Minimum Memory Expandable to	N/A		N/A		N/A		N/A		N/A		N/A	
Memory Expansion Kit	Optional	NA	Optional	NA	Optional	NA	Optional	NA	Optional	NA	Optional	NA
40GB or more internal storage	Mandatory	320GB	Mandatory	320GB	Mandatory	320GB	Mandatory	250GB	Mandatory	250GB	Mandatory	250GB

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Compatibility and Connectivity												
Common user interface within each lot	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
LDAP Authentication	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Windows 7 client operating system	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Windows 8 client operating system upgradability if not currently available	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Mac client operating system	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included
Linux client operating system	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included
Windows Server 2012	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Windows Server 2016	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Print Drivers compatible with SAP	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
32 bit and 64 bit drivers	Mandatory	Included	Mandatory	Included	Mandatory	Included	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	Mandatory	Included	Mandatory	Included	Mandatory	Included
Ethernet 100mbs Full Duplex connections	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
RJ45 interface	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Internal NIC card	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Wake-On-LAN-enabled NIC cards disabled or protected with hardened password	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
TCP/IP Protocol (not direct TCP/IP printing)	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Static IP Assignment;	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
IPv6 Compatible	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Unisys e-Workflow and imaging (Infoimage)	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
"Twain" compliant device	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model	Segment4	Specifications of Proposed Model	Segment 5	Specifications of Proposed Model	Segment 6	Specifications of Proposed Model
Print Quality												
600 by 600 dpi Minimum Print Quality Black	Mandatory	1200x1200	Mandatory	1200x1200	Mandatory	1200x1200	Mandatory	1200x1200	Mandatory	1200x1200	Mandatory	1200x1200
600 by 600 dpi Minimum Print Quality Color	N/A		N/A		N/A		N/A		N/A		N/A	
600 by 600 dpi Minimum Copy Quality Black	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
600 by 600 dpi Minimum Copy Quality Color	N/A		N/A		N/A		N/A		N/A		N/A	
600 dpi Minimum Scan Resolution	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Copier Reduction/Enlarge Range 25-400%	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Common user interface look for PCL and PostScript print drivers	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Postscript or Postscript/PCL all in one driver page description languages	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included	Optional	Included
PCL driver page description languages	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Digital Output												
Select file format at device	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
.pdf Format	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
.docx format	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
.rtf format	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
.jpg format	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Tiff 6.0 format using CCITT Group 4 compression	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Output to email	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Output to FTP	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Output to USB memory	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Output to network file	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Output to shared folders	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Equipment Requirements												
Energy Star compliant.	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Devices shall not emit ozone in excess of 0.02 mg/m3	Mandatory	None Detected	Mandatory	None Detected	Mandatory	None Detected	Mandatory	0.149 mg/h	Mandatory	0.149 mg/h	Mandatory	0.149 mg/h
Devices shall not emit dust in excess of 0.25 mg/m3	Mandatory	None Detected	Mandatory	None Detected	Mandatory	0.67 mg/h	Mandatory	None detected	Mandatory	None detected	Mandatory	None detected
Devices shall not emit styrene in excess of 0.11 mg/m3	Mandatory	None Detected	Mandatory	None Detected	Mandatory	None Detected	Mandatory	0.2510 mg/h	Mandatory	0.2510 mg/h	Mandatory	0.2510 mg/h
Badge Reader - Secure Printing	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional	Optional
Printer Management Features												
Remote Management via Web Interface	N/A		N/A		N/A		N/A		N/A		N/A	
Remote Configuration Capability	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included	Mandatory	Included
Restrict color to authorized users	N/A		N/A		N/A		N/A		N/A		N/A	

	Segment 1	Specifications of Proposed Model	Segment 2	Specifications of Proposed Model	Segment 3	Specifications of Proposed Model
Manufacturer Name		**Xerox**		**Xerox**		**Xerox**
Manufacturer Model Number		**C7030D**		**C8045H**		**C8035T**
Volume, Capability, and Speed						
Pages Printed per Month minumum (including copied if applicable)	15,000	129K	20,000	200K	15,000	110K
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	Optional	Optional	Included	Optional	Optional
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	30 PPM	40 PPM	45 PPM	30 PPM	35 PPM
Minimum Color Print Speed Page Per Minute (PPM)	30 PPM	30 PPM	40 PPM	45 PPM	30 PPM	35 PPM
Minimum Copy Speed Page Per Minute (PPM)	30 PPM	30 PPM	40 PPM	45 PPM	30 PPM	35 PPM
50 Sheets Automatic Document Feeder Capacity	Mandatory	110	Mandatory	130 Sheets	Mandatory	Included
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	30 PPM	40 PPM	45 PPM	30 PPM	35 PPM
3-hole Punch	Optional	NA	Optional	Optional	Optional	Optional
Saddle Stitch	Optional	NA	Optional	Optional	Optional	Optional
Job queuing	Mandatory	Included	Mandatory	Included	Mandatory	Included
Functional concurrency	Mandatory	Included	Mandatory	Included	Mandatory	Included

	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	NA	N/A	NA	N/A	N/A
Paper Labels	N/A	Included	N/A	Included	N/A	Included
Card Stock	Optional	Included	Optional	Included	Optional	Included
Transparencies	N/A	Included	N/A	Included	N/A	Included
Soft and High Gloss Laser paper	N/A	Included	N/A	Included	N/A	Included
Color LaserJet transparency	N/A	Included	N/A	Included	N/A	Included
Minimum Paper Trays or Drawers Standard	1	2	1	5	1	5
Additional trays or drawers for paper sources	Optional	Optional	Optional	Optional	Optional	Optional
High Capacity Tray or Drawer	Optional	NA	Optional	Optional	Optional	Optional
Exit Tray	Optional	Included	Optional	Included	Optional	Optional
Minimum Paper Input Capacity	500 sheets	620	500 sheets	3,140	500 sheets	2,180
Minimum Output Capacity	100 sheets	500	100 sheets	2,000	100 sheets	2,000
Memory and Storage						
Minimum Standard Memory	512MB	4GB	512MB	8GB	512MB	8GB
Minimum Memory Expandable to		NA		NA		NA
Memory Expansion Kit	Optional	NA	Optional	NA	Optional	NA
40GB or more internal storage	Mandatory	320GB	Mandatory	250GB	Mandatory	250GB

	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

	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	1200x2400	Mandatory	1200x2400	Mandatory	1200x2400
600 by 600 dpi Minimum Print Quality Color	Mandatory	1200x2400	Mandatory	1200x2400	Mandatory	1200x2400
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	Included	Optional	Included	Optional	Included
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	Optional	Optional	Optional	Optional	Optional
.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/m3	Mandatory	None Detected	Mandatory	0.109 mg/h	Mandatory	0.132 mg/h
Devices shall not emit dust in excess of 0.25 mg/m3	Mandatory	0.67 mg/h	Mandatory	0.190 mg/h	Mandatory	0.194 mg/h
Devices shall not emit styrene in excess of 0.11 mg/m3	Mandatory	None Detected	Mandatory	0.055 mg/h	Mandatory	0.028 mg/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	

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 COMMERCIALLY 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: ______________________________	By: ______________________________
Signature	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.

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When it comes to seamless integration into your work environment and helping you get important tasks done faster, there's no smarter option than the affordable, reliable and supremely business-ready VersaLink B7025/B7030/B7035 Multifunction Printer—featuring Xerox® ConnectKey® Technology.

HIGHER PERFORMANCE. OPTIMIZED EFFICIENCY.

Right out of the box, you'll count on your Xerox® VersaLink B7000 Series Multifunction Printer to consistently and flawlessly perform the tasks that make your business work more efficiently. From IT-free installation wizards, to step-by-step configuration options, you're ready to go—hassle free.

And with an entirely re-engineered paper path and new LED print head technology, we've taken day-in, day-out reliability to an impressive level of excellence.

VersaLink devices are loaded with features and time-saving Xerox® technologies designed to speed up information sharing and reduce inefficient workflows. Ensure information accuracy with Scan and Fax preview, and do more with scanned documents with built-in optical character recognition (OCR).

When it comes to safeguarding critical documents and data, VersaLink devices deliver benchmark security that protects all points of vulnerability, including protection from unauthorized device access, secure network communication, 256-bit hard disk encryption with secure overwrite and the ability to add security to individual documents.

EASY TO USE. EASY TO CUSTOMIZE.

With the VersaLink B7000 Series Multifunction Printer's oversize, customizable 7-inch color touchscreen, you can tap, swipe and pinch your way through tasks and functions with mobile-like ease.

Preloaded Xerox® ConnectKey® Apps help optimize office efficiency, and on-screen access to the extensive Xerox App Gallery provides expanded functionality—like the optional Xerox® Easy Translator Service app, which quickly translates scanned documents into numerous languages.

Get more done in less time by creating customized 1-Touch Apps to automate multi-step workflows for individuals or groups. Simply tap your new app to quickly perform the job you configured. And with Simple ID, individual users and groups enter a user ID and password once, and then enjoy fast, secure access to task-specific presets, individualized favorite contacts, and commonly used apps on a personalized home screen.

READY FOR THE WAY YOU WORK.

The VersaLink B7000 Series Multifunction Printer gives you the freedom to work where and how you want—with out-of-the-box direct connectivity to Google Drive™, Microsoft® OneDrive® and DropBox™, and access to additional options through the Xerox App Gallery.

The ability to connect and print from multiple devices is key for today's worker, and VersaLink devices meet the challenge with optional Wi-Fi® and Wi-Fi Direct®, plus Apple® AirPrint®, Google Cloud Print™, Xerox® Print Service Plug-in for Android™, Near Field Communication (NFC) Tap-to-Pair and Mopria®.

Learn more about why Xerox is the only choice for today's mobile professionals by visiting **www.xerox.com/mobile**.

XEROX® CONNECTKEY® TECHNOLOGY—THE NEXUS OF YOUR COMPLETE PRODUCTIVITY ECOSYSTEM

From Xerox—the company that created the modern workplace—we present the next revolution in workplace productivity. With a consistent user experience across a wide range of devices, mobile and cloud connectivity and a growing library of apps to expand functionality, you'll work faster, better and smarter.

Intuitive User Experience
An entirely new—and yet entirely familiar way to interact that includes a tablet-like experience, with gesture-based touchscreen controls and easy customization.

Mobile and Cloud Ready
Instant connectivity to cloud and mobile devices right from the user interface, with access to pre-loaded, cloud-hosted services that let you work where, when and how you want.

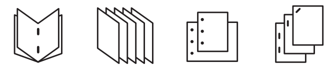
Benchmark Security
Full multi-level protection for both documents and data, ready to guard against and eliminate emerging threats and meet or exceed regulatory compliance.

Enables Next Generation Services
Work more efficiently and manage resources more effectively. Easy integration of Xerox® Managed Print Services enables remote monitoring of service delivery and consumables.

Gateway to New Possibilities
Instantly extend your capabilities with access to the Xerox App Gallery, featuring real-world apps designed to optimize digital workflows. Commission our network of partners to design innovative, business-specific solutions.

Find out more about how you'll work smarter at **www.connectkey.com**.

FINISHING APPLICATIONS



1 **A 110-sheet Duplex Automatic Document Feeder (DADF)** scans two-sided black-and-white or color originals for copy, scan and fax jobs.

2 **Optional work surface** (included with Convenience Stapler) gives you plenty of room to sort documents.

3 **Card Reader Bay** with embedded USB port.[1]

4 **An easily accessible USB port**[1] allows users to quickly print from or scan to any standard USB memory device.

5 **The 100-sheet Bypass Tray** handles media sizes from 3.5 x 3.87 in. to 11.69 x 17 in./88.9 x 98.4 mm to 297 x 431.8 mm.

6 **The standard 520-sheet Tray 1** handles media sizes from 5.5 x 7.17 in. to 11.69 x 17 in./139.7 x 182 mm to 297 x 431.8 mm.

[1] USB ports can be disabled.

MULTIPLE PAPER TRAY OPTIONS TO FIT EVERY NEED:

7 **Add the Single Tray Module** to the Desktop model to increase the total paper capacity to 1,140 sheets (includes Bypass Tray). Or choose the optional Three Tray Module (not shown) to increase the total paper capacity to 2,180 sheets (includes Bypass Tray).

8 **Choose the optional Single Tray with Stand Module** to increase the total paper capacity to 1,140 sheets (includes Bypass Tray) and provides storage for toner cartridges and other supplies.

9 **Choose the optional High-Capacity Tandem Tray Module** allows for a total paper capacity of up to 3,140 sheets (includes Bypass Tray).

10 **The optional High-Capacity Feeder** holds 2,000 sheets of letter/A4 paper, increasing the maximum paper capacity to 5,140 sheets.

ADD INCREASED VERSATILITY WITH FINISHING OPTIONS:

11 **The Dual Catch Trays** (optional with Desktop model) stack up to 250 sheets each, lower tray offsets.

12 **The optional Office Finisher LX** gives you advanced finishing functions at a great value and offers optional booklet making.

13 **The optional Integrated Office Finisher** provides 500-sheet stacking and 50-sheet, single-position stapling.

INTRODUCING TOUCHSCREEN SUPERIORITY

Meet our all-new, 7-inch color touchscreen —the user interface that sets a higher standard for customization, personalization and versatility.

By presenting a familiar "mobile" experience—with support for gestural input and task-focused apps that share a common look and feel—fewer steps are needed to complete even the most complex jobs.

A highly intuitive layout guides you through every task from start to finish, with a natural hierarchy placing critical functions near the top of the screen and commonly used options front and center. Don't like where a function or app is located? Customize the layout to make it yours.

This unmatched balance of hardware technology and software capability helps everyone who interacts with the VersaLink® B7000 Series Multifunction Printer get more work done, faster.

Xerox® VersaLink® B7025/B7030/B7035

ConnectKey® Technology

The VersaLink B7025/B7030/B7035 Multifunction Printer is built on Xerox® ConnectKey® Technology.
For more information, visit **www.connectkey.com**.

DEVICE SPECIFICATIONS	VersaLink B7025	VersaLink B7030	VersaLink B7035
Speed	Up to 25 ppm	Up to 30 ppm	Up to 35 ppm
Monthly Duty Cycle[1]	Up to 107,000 pages	Up to 129,000 pages	Up to 153,000 pages
Hard Drive/Processor/Memory	320 GB HDD[2]/1.05 GHz Dual-core/2 GB memory		
Connectivity	Ethernet 10/100/1000 Base-T, High-speed USB 3.0, Wi-Fi® and Wi-Fi Direct® with optional Wi-Fi Kit		
Controller Features	Unified Address Book, Configuration Cloning, Scan Preview, Xerox Extensible Interface Platform®, Xerox App Gallery, Xerox® Standard Accounting, Role Based Permissions, Convenience Authentication Enabled, Online Support		
Copy and Print Resolution	**Copy:** Up to 600 x 600 dpi; **Print:** Up to 1200 x 1200 dpi		
First-copy-out Time (as fast as)	As fast as 6.8 seconds	As fast as 5.4 seconds	As fast as 5.4 seconds
First-print-out Time	As fast as 10.4 seconds	As fast as 9.1 seconds	As fast as 9.1 seconds
Page Description Languages	PCL® 5e/PCL 6/PDF/XPS/TIFF/JPEG/HP-GL/optional Adobe® PostScript® 3™		
Paper Input Standard	**Duplex Automatic Document Feeder (DADF):** 110 sheets: Standard sizes: 5.5 x 8.5 in. to 11 x 17 in./A5 to A3; Custom sizes (duplex): 4.92 x 4.33 in. to 11.69 x 17 in./125 x 110 mm to 297 x 431.8 mm; Custom sizes (simplex): 4.92 x 3.35 in. to 11.69 x 17 in./125 x 85 mm to 297 x 431.8 mm		
	Bypass Tray: 100 sheets; Custom sizes: 3.5 x 3.87 in. to 11.69 x 17 in./88.9 x 98.4 mm to 297 x 431.8 mm		
	Tray 1: 520 sheets; Custom sizes: 5.5 x 7.17 in. to 11.69 x 17 in./139.7 x 182 mm to 297 x 431.8 mm		
Choose One	**Single Tray Module:** 520 sheets; Custom sizes: 5.5 x 7.17 in. to 11.69 x 17 in./139.7 x 182 mm to 297 x 431.8 mm **Single Tray with Stand:** 520 sheets; Custom sizes: 5.5 x 7.17 in. to 11.69 x 17 in./139.7 x 182 mm to 297 x 431.8 mm **Three Tray Module** (1,560 sheets): 520 sheets each; Custom sizes: 5.5 x 7.17 in. to 11.69 x 17 in./139.7 x 182 mm to 297 x 431.8 mm **High-Capacity Tandem Tray** (2,520 sheets): Tray 2: 520 sheets; Custom sizes: 5.5 x 7.17 in. to 11.69 x 17 in./139.7 x 182 mm to 297 x 431.8 mm; Tray 3: 870 sheets; Standard sizes: 8.5 x 11 in. and 7.25 x 10.5 in./A4 or B5; Tray 4: 1,130 sheets; Standard sizes: 8.5 x 11 in. and 7.25 x 10.5 in./A4 or B5		
Optional	**Envelope Tray:** Up to 60 envelopes: #10 commercial, Monarch, DL, C5; Custom sizes: 3.9 x 5.8 in. to 6.4 x 9.5 in./98 x 148 mm to 162 x 241 mm **High-Capacity Feeder (HCF):** 2,000 sheets; Standard sizes: 8.5 x 11 in. and 7.25 x 10.5 in./A4 or B5		
Paper Output/ Finishing Standard	**Dual Catch Tray[2]:** 250 sheets each; Lower tray offsets		
Optional	**Integrated Office Finisher:** 500-sheet stacker, 50 sheets stapled, single-position stapling **Office Finisher LX:** 2,000-sheet stacker, 50 sheets stapled, 3-position stapling, optional hole-punch, optional booklet maker (score, saddle stitch) **Convenience Stapler with Work Surface:** Staples 50 sheets		
INTUITIVE USER EXPERIENCE			
Customize and Personalize	Walkup customization, Personalize Home Screen by User, Multiple Home Screens with Simple ID, Customize by Site, Function or Workflow with Xerox App Gallery and Xerox® App Studio		
Print Drivers	Job Identification, Bi-directional Status, Job Monitoring, Xerox® Global Print Driver® and Mobile Express Driver®		
Xerox® Embedded Web Server	PC or mobile—Status Information, Responsive Design, Settings, Device Management, Cloning		
Preview	Preview of Scan/Fax with Zoom, Rotate, Add Page		
Print Features	Print from USB, Secure Print, Sample Set, Personal Print, Saved Job, Xerox® Earth Smart Driver Settings, Job Identification, Booklet Creation, Store and Recall Driver Settings, Bi-directional Real-time Status, Scaling, Job Monitoring, Application Defaults, Two-sided Printing (as default), Skip Blank Pages, Draft Mode		
Scan	Optical Character Recognition (OCR), Scan to USB/Email/Network (FTP/SMB), Scan File Formats: PDF, PDF/A, XPS, JPEG, TIFF; Convenience Features: Scan to Home, Searchable PDF, Single/Multi-Page PDF/XPS/TIFF/Password Protected PDF		
Fax[3]	Optional Walk-up Fax (one-line or three-line options available, includes LAN Fax, Direct Fax, Fax Forward to Email), optional Fax Over IP		
MOBILE AND CLOUD READY			
Mobile Printing	Apple® AirPrint®[6], Google Cloud Print™ Ready, Xerox® Print Service and Mopria® Print Service Plug-ins for Android™, @PrintByXerox		
Mobility Options	Xerox® Mobile Print and Mobile Print Cloud[5], Connect via NFC/Wi-Fi Direct Printing[5], Xerox® Mobile Link App[4]. Visit **www.xerox.com/officemobileapps** for available apps.		
Cloud Connectors[4]	Print from/Scan to Google Drive™, Microsoft® OneDrive®, Dropbox™, Microsoft Office 365®, Box®, Xerox® DocuShare® Platform[5] and more		
BENCHMARK SECURITY			
Network Security	IPsec, HTTPS, encrypted email. Network Authentication, SNMPv3, SSL/TLS, Security Certificates, Pre-installed Self-signed Certificates, Cisco® Identity Services Engine (ISE) integration		
Device Access	Firmware Verification, User access and internal firewall, Port/IP/Domain Filtering, Audit Log, Access Controls, User Permissions, Smart Card Enabled (CAC/PIV/.NET), Xerox® Integrated Card Reader Bay		
Data Protection	Setup/Security Wizards, Job Level Encryption via HTTPS/IPPS submission, Encrypted hard disk (AES 256-bit, FIPS 140-2) and image overwrite, Common Criteria Certification (ISO 15408) (undergoing evaluation), Encrypted Apps with Embedded Certificate Support		
Document Security	Secure Print, Secure Fax, Secure Email, Password Protected PDF		
ENABLES NEXT GENERATION SERVICES			
Print Management	Xerox® Print Management and Mobility Suite[5], Configuration Cloning, Xerox® Standard Accounting, Equitrac[5], Y Soft[5] and more		
Managing Print	Xerox® Device Manager, Xerox® Support Assistance, Auto Meter Read, Managed Print Services tools		
Sustainability	Cisco EnergyWise®, Earth Smart Printing, Print User ID on margins		
GATEWAY TO NEW POSSIBILITIES			
Cloud Services	Xerox® Easy Translator[5], Xerox® Healthcare MFP (U.S. only)[5], CapturePoint™[5], many additional services available		
Xerox App Gallery	Many apps and cloud services available. Visit **www.xerox.com/appgallery** for a growing selection of Xerox® apps available for adding functions to the Printer/MFP.		

[1] Maximum volume capacity expected in any one month. Not expected to be sustained on a regular basis; [2] HDD and Dual Catch Tray are optional on Desktop model; [3] Requires analog phone line; [4] Free optional download from Xerox App Gallery to the Printer—**www.xerox.com/xeroxappgallery**; [5] Purchased option; [6] Visit **www.apple.com** for AirPrint Certification list.

For more detailed specifications, go to **www.xerox.com/VersaLinkB7000Specs**.

VB7BR-01UB

xerox®

XEROX® ALTALINK® MULTIFUNCTION PRINTER

The fleet-ready, black-and-white workflow accelerator.

B8045/B8055/B8065/B8075/B8090

ConnectKey®
Technology

xerox®

Xerox® AltaLink® B8045/B8055/B8065/B8075/B8090 Multifunction Printer

Introducing our latest black-and-white smart multifunction printer intelligent enough to change the way you work. Offering a next generation, mobile-ready user experience, the AltaLink B8000 Series is built for ease of use, security and the future-proof flexibility of app-based workflows. Transform your fleet—and then your business.

SMART AND PRODUCTIVE

You've never seen a multifunction printer like this before. From its tablet-like user interface to its right-out-of-the-box mobile-friendly connectivity options, the Xerox® AltaLink B8000 Series is the multifunction device today's workers have been waiting for.

Optimized for business processes, and easy to manage as a standalone device or as part of an entire fleet, it's designed to enable multitasking and collaboration. Create personalized workflows, automate complex tasks, print and scan directly to and from the cloud with services such as Box®, Microsoft® OneDrive®, Google Drive™, Dropbox™, Microsoft Office 365™ and email. Connect any time, from anywhere on any device.

With the touch of a button, you can go to our Xerox App Gallery and download these simple, yet powerful, serverless apps to your AltaLink multifunction printer to increase user productivity and shorten everyday tasks.

Built-in mobile connectivity, including Near Field Communication (NFC) Tap-to-Pair, optional Wi-Fi Direct®, @PrintByXerox, Apple® AirPrint®, Google Cloud Print™, Xerox® Print Service Plug-in for Android™ and Mopria®, provides the time-saving convenience your workforce wants and needs.

POWERFUL AND SCALABLE

Your workgroups operate more efficiently and effectively with AltaLink. Manage, monitor and upgrade your entire fleet, or provide interactive training and support right from your desktop with our remote user interface.

Fewer maintenance hassles, less IT support, high-capacity paper trays and the ability to print on varying paper sizes add up to increased uptime and greater productivity. Scanning, printing and faxing can be done simultaneously, allowing for multitasking during peak periods—and your choice of finishing options means you can configure your AltaLink device for any work environment and any document type, including booklets, brochures and pamphlets.

BUILT-IN SECURITY

The AltaLink B8000 Series Multifunction Printer provides the maximum level of security through our strategic approach to comprehensive security that prevents intrusions and keeps documents and data safe. Our partnerships with McAfee® and Cisco® proactively address risks at the fleet and individual device level.

Multiple layers of security include data encryption, disk overwrite and industry certifications. At the user level, Secure Print holds documents for release until they're ready to be retrieved at the device.

XEROX® CONNECTKEY® TECHNOLOGY—THE NEXUS OF YOUR COMPLETE PRODUCTIVITY ECOSYSTEM

From Xerox—the company that created the modern workplace—we present the next revolution in workplace productivity. With a consistent user experience across a wide range of devices, mobile and cloud connectivity and a growing library of apps to expand functionality, you'll work faster, better and smarter.

Intuitive User Experience
An entirely new—and yet entirely familiar way to interact that includes a tablet-like experience with gesture-based touchscreen controls and easy customization.

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Instant connectivity to cloud and mobile devices right from the user interface, with access to pre-loaded, cloud-hosted services that let you work where, when and how you want.

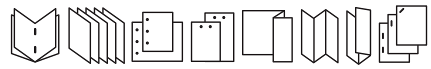
Benchmark Security
Full multi-level protection for both documents and data, ready to guard against and eliminate emerging threats and meet or exceed regulatory compliance.

Enables Next Generation Services
Work more efficiently and manage resources more effectively. Easy integration of Xerox® Managed Print Services enables remote monitoring of service delivery and consumables, plus remote configuration for even more time savings.

Gateway to New Possibilities
Instantly extend your capabilities with access to the Xerox App Gallery, featuring real-world apps designed to optimize digital workflows. Commission our network of partners to design innovative, business-specific solutions.

Find out more about how you'll work smarter at **www.connectkey.com**.

FINISHING APPLICATIONS



CHOOSE THE CONFIGURATION THAT MEETS YOUR NEEDS

1 **Single-Pass Duplex Automatic Document Feeder** scans documents at up to 200 images per minute.

2 **Convenience Stapler** (optional) staples up to 50 sheets of 20 lb/75 gsm media.

3 **Bypass Tray** handles up to 100 sheets of 80 lb Cover/216 gsm.

4 **Two 500-sheet universal trays** are adjustable up to 11 x 17 in./A3.

5 **Envelope Kit** (optional—replaces Tray 2) provides trouble-free feeding of up to 50 envelopes.

6 **High-Capacity Tandem Tray** holds a total of 3,600 sheets of letter/A4-size paper.

7 **High-Capacity Feeder** (optional) holds 3,300 sheets of paper. This brings the maximum capacity up to 8,000 sheets.

8 **Offset Catch Tray (OCT)** (optional; included with all finishers) holds 400 sheets.

9 **Office Finisher** (optional with AltaLink® B8045/B8055/B8065/B8075) provides 50-sheet multiposition stapling with an optional hole punch.

10 **Office Finisher with Booklet Maker** (optional with AltaLink B8045/B8055/B8065/B8075) provides all the finishing of the Office Finisher the capability to create 60-page saddle-stitched booklets (2 to 15 sheets).

11 **High Volume Finisher (HVF)** (optional with AltaLink B8065/B8075; required for AltaLink B8090) features 100-sheet multiposition stapling and an optional hole punch.

12 **Post Process Inserter** (optional with HVF and with HVF with Booklet Maker) inserts up to 250 sheets of cover stock or other media (16 lb to 57 lb Bond/80 lb Cover/60 to 216 gsm).

13 **High Volume Finisher with Booklet Maker** (optional with AltaLink B8065/B8075/B8090) provides all the finishing of the High Volume Finisher with additional saddle-stitch booklet making capabilities (2 to 15 sheets / 60 pages).

14 **Z-Fold/C-Fold Unit** (optional with HVF with Booklet Maker) adds letter-size Z-folding and C-folding (50 sheets or unlimited capacity with tray stop in the down position).

15 **Keyboard** (optional)

16 **Xerox® Integrated RFID Card Reader E1.0** (optional) adds card based authentication with support for over 90 access cards.

17 **Near Field Communication (NFC) Tap-to-Pair** allows users to tap their mobile device to an AltaLink B8000 and the MFP will be added to their device list and instantly allow printing.

INTRODUCING MOBILE DEVICE-LIKE TOUCHSCREEN SUPERIORITY

Meet our all-new, 10.1-inch color touchscreen —the user interface that sets a higher standard for customization, ease of use and versatility.

By presenting a familiar “mobile” experience—with support for gestural input and task-focused apps that share a common look and feel—fewer steps are needed to complete even the most complex jobs.

A highly intuitive layout guides you through every task from start to finish, with a natural hierarchy placing critical functions near the top of the screen and commonly used options front and center. Don’t like where a function or app is located? Customize the layout to make it yours.

This unmatched balance of hardware technology and software smarts helps everyone who interacts with the AltaLink® B8000 Series get more work done, faster. Try our new UI at **www.xerox.com/AltaLinkUI**.

Xerox® AltaLink® B8045/B8055/B8065/B8075/B8090 Multifunction Printer

ConnectKey® Technology

DEVICE SPECIFICATIONS	AltaLink B8045	AltaLink B8055	AltaLink B8065	AltaLink B8075	AltaLink B8090
Speed	Up to 45 ppm	Up to 55 ppm	Up to 65 ppm	Up to 75 ppm	Up to 90 ppm
Monthly Duty Cycle*	Up to 175,000 pages	Up to 200,000 pages	Up to 250,000 pages	Up to 300,000 pages	Up to 400,000 pages
Hard Drive/Processor/Memory	Minimum 250 GB HDD/1.8 GHz Quad Core/4 GB system memory				
Connectivity	10/100/1000Base-T Ethernet, High-Speed USB 2.0 direct print, Wi-Fi Direct® with optional Xerox® USB Wireless Adapter, NFC Tap-to-Pair				
Copy and Print	**Copy Resolution:** Up to 600 x 600 dpi; **Print Resolution:** Up to 1200 x 1200, 256 shades of gray				
First-copy-out Time	As fast as 3.8 seconds from the platen/ 7.4 seconds from the Duplex Automatic Document Feeder (DADF)		As fast as 3.3 seconds from the platen/7.2 seconds from the DADF	As fast as 2.9 seconds from the platen/6.9 seconds from the DADF	As fast as 4.9 seconds from the platen/8.7 seconds from the DADF
First-print-out Time	As fast as 3.9 seconds		As fast as 4.9 seconds		
Warm-up from Power Off (Boot Time)	As fast as 120 seconds				
Page Description Languages	Adobe® PostScript® 3™, Adobe PDF version 1.7, PCL® 5c/PCL 6, Optional XML Paper Specification (XPS)				
Paper Input Standard	**Single-Pass Duplex Automatic Document Feeder:** 200 sheets; Speed: up to 200 ipm (duplex); Sizes: 4.9 x 5 in. to 11.7 x 17 in./ 125 x 138 mm to 297 x 432 mm **Bypass Tray:** 100 sheets; Custom sizes: 4.25 x 5.5 to 11 x 17 in./A6 to A3 **Trays 1 and 2:** 500 sheets each; Custom sizes: 5.5 x 8.5 to 11 x 17 in./A5 to A3 **High-Capacity Tandem Tray Module:** 3,600-sheet total (1,600 and 2,000 sheets); Size 8.5 x 11 in./A4				
Optional	**High-Capacity Feeder (HCF):** 3,300 sheets; Size 8.5 x 11 in./A4 long edge feed **HCF Kits** (HCF required) (only available for B8065/B8075/B8090): 1,250-sheet 11 x 17 in. Short Edge Kit or 1,250-sheet Letter/Legal Short Edge Kit **Envelope Tray** (Replaces Tray 2): Up to 50 envelopes: #10 Commercial, Monarch, DL, C5				
Paper Output/ Finishing Optional	**Offset Catch Tray** (Required when finishers are not attached—not available with B8090): 400 sheets **Office Finisher** (Not available with B8090): 2,000 + 250-sheet trays, 50-sheet multi-position stapling, optional hole punch **Office Finisher with Booklet Maker** (Not available with B8090): 2,000 + 250-sheet trays, 50-sheet multi-position stapling, saddle-stitch booklet making (2 to 15 sheets (60 pages)), optional hole punch **High Volume Finisher (HVF)** (Optional with B8065/B8075; HVF or HVF with Booklet Maker is required for B8090): 3,000 + 250-sheet trays, 100-sheet multi-position stapling, optional hole punch **High Volume Finisher with Booklet Maker** (Optional with B8065/B8075/B8090): 3,000 + 250-sheet trays, 100-sheet multi-position stapling, saddle-stitch booklet making (2 to 15 sheets (60 pages)), optional hole punch **Z-Fold/C-Fold Unit** (Optional with HVF with Booklet Maker): Adds letter-size Z-folding and C-folding **Post-Process Inserter** (Optional with HVF and with HVF with Booklet Maker): Adds preprinted inserts **Convenience Stapler:** 50-sheet stapling (based on 20 lb Bond/75 gsm), includes Work Surface				

INTUITIVE USER EXPERIENCE

Customize and Personalize	Site, Function or Workflow Customization with Xerox App Gallery and Xerox® App Studio
Print Drivers	Job Identification, Bi-directional Status, Job Monitoring, Xerox® Global Print Driver®, Xerox® Mobile Express Driver®
Xerox® Embedded Web Server	PC or mobile—Status Information, Settings, Device Management, Cloning
Remote Console/Preview	Remote User Interface
Print Features	Print from USB, Sample Set, Saved Job, Booklet Creation, Store and Recall Driver Settings, Scaling, Job Monitoring, Application Defaults, Two-sided Printing, Draft Mode
Scan and Fax	Scan to USB/Email/Network (FTP/SMB), Scan File Formats: PDF, PDF/A, XPS, JPG, TIFF; Convenience Features: Scan to Home, Searchable PDF, Single/ Multi-page PDF/XPS/TIFF, Password-protected PDF; Fax Features: Walk-up Fax (one-line or three-line options available, includes LAN Fax, Direct Fax, Fax Forward to Email), Fax dialing, Unified Address Book, Optical Character Recognition (OCR)

MOBILE AND CLOUD READY

Mobile Connectivity	Apple® AirPrint®, Google Cloud Print™ Ready, Xerox® Print Service Plug-in for Android™, Mopria® Print Service Plug-in for Android, NFC, Wi-Fi Direct Printing
Mobile Printing	@PrintByXerox, Xerox® Mobile Print, Xerox® Mobile Print Cloud, Xerox® Mobile Link App; Visit **www.xerox.com/officemobileapps** for available apps.
Cloud Connectivity	Print from/Scan to Google Drive™, Microsoft® OneDrive®, DropBox™, Microsoft Office 365™, Box®, Xerox® DocuShare® and more.

BENCHMARK SECURITY

Network Security	IPsec, HTTPS, SFTP and Encrypted Email, Network Authentication, SNMPv3, SHA-256 Hash Message Authentication, SSL, TLS, Security Certificates, Automatic Self-signed Certificate, Cisco® Identity Services Engine (ISE) integration
Device Access	Firmware Verification, User Access and Internal Firewall, Port/IP/Domain Filtering, Audit Log, Access Controls, User Permissions, Smart Card Enablement Kit (CAC/PIV/.NET), Xerox® Integrated RFID Card Reader E1.0
Data Protection	Encrypted Hard Disk (AES 256-bit, FIPS 140-2, Validated) and Image Overwrite, McAfee® ePolicy Orchestrator®, McAfee Integrity Control, Whitelisting, Job Level Encryption via HTTPS and Drivers
Document Security	Common Criteria Certification (ISO 15408), Encrypted Secure Print, FIPS Encrypted Print Drivers

ENABLES NEXT GENERATION SERVICES

Print Management	Xerox® Print Management and Mobility Suite, Configuration Cloning, Xerox® Standard Accounting, Equitrac, Y Soft, PaperCut and more partner solutions
Managing Print	Xerox® Device Manager, Xerox® Support Assistance, Auto Meter Read, Managed Print Services Tools
Sustainability	Cisco EnergyWise®, Print User ID on Margins, Earth Smart Print Settings

GATEWAY TO NEW POSSIBILITIES

Cloud Services	Xerox® Easy Translator, Xerox® Healthcare MFP (U.S. only), many additional services available
Xerox App Gallery	Many apps and cloud services available. Visit **www.xerox.com/appgallery** for a growing selection of apps available for adding functions to the MFP.

* Maximum volume capacity expected in any one month. Not expected to be sustained on a regular basis.

For more detailed specifications, including the latest certifications, go to **www.xerox.com/AltalinkB8000Specs**.

AB8BR-01UE

xerox®

XEROX® VERSALINK® PRINTER AND MULTIFUNCTION PRINTER

Redefining office productivity.

B400/B405

ConnectKey® Technology

xerox®

Xerox® VersaLink® B400 Printer and Xerox® VersaLink® B405 Multifunction Printer

Whether stand-alone or as a part of your extended fleet, the Xerox® VersaLink B400 Printer and VersaLink B405 Multifunction Printer take your team to new levels of productivity becoming true workplace assistants. Work the way you want—from any device—with maximum security and easy connectivity to and from both cloud and network-based locations.

To learn more about VersaLink device features, go to **www.xerox.com/VersalinkEG**

EASY, OPTIMIZED PRODUCTIVITY.

Right out of the box, you'll count on your Xerox® VersaLink® B400 Printer or VersaLink B405 Multifunction Printer to consistently and flawlessly perform the tasks that make your business work more efficiently. From IT-free installation wizards, to step-by-step configuration options, you're ready to go—hassle free.

And count on day in, day out reliability thanks to our trusted paper path technology.

VersaLink devices are loaded with features and time-saving Xerox technologies designed to speed up information sharing and reduce inefficient workflows. Ensure information accuracy with Scan and Fax preview[1], and do more with scanned documents with built-in optical character recognition (OCR)[1].

Print with total peace of mind knowing that VersaLink devices deliver a spectrum of stringent security features, including Secure Print and card authentication to control access.

AN ENTIRELY NEW WAY TO WORK.

With the customizable 5-inch color touchscreen, you can tap, swipe and pinch your way through tasks and functions with mobile-like ease.

Preloaded Xerox® ConnectKey® Apps help optimize office efficiency, and on-screen access to the extensive Xerox App Gallery provides expanded functionality—like the optional Xerox® Easy Translator Service app[1], which quickly translates scanned documents into numerous languages.

Get more done in less time by creating customized 1-Touch Apps[1] to automate multi-step workflows for individuals or groups. Simply tap your new app to quickly perform the job you configured. And with Simple ID, individual users and groups enter a user ID and password once, and then enjoy fast, secure access to task-specific presets, individualized favorite contacts, and commonly used apps on a personalized home screen.

UPWARD MOBILITY FOR EVERY WORK STYLE.

The VersaLink B400 Printer and VersaLink B405 Multifunction Printer give you the freedom to work where and how you want—with direct connectivity to Google Drive™, Microsoft® OneDrive® and DropBox™, and access to additional options through the Xerox App Gallery.

The ability to connect and print from multiple devices is key for today's worker, and VersaLink devices meet the challenge with Apple® AirPrint®, Google Cloud Print™, Xerox® Print Service Plug-in for Android™, Near Field Communication (NFC) Tap-to-Pair and Mopria® plus optional Wi-Fi and Wi-Fi Direct.

Learn more about why Xerox is the only choice for today's mobile professionals by visiting **www.xerox.com/mobile.**

[1] VersaLink B405 only

XEROX® CONNECTKEY® TECHNOLOGY—THE NEXUS OF YOUR COMPLETE PRODUCTIVITY ECOSYSTEM

From Xerox—the company that created the modern workplace—we present the next revolution in workplace productivity. With a consistent user experience across a wide range of devices, mobile and cloud connectivity and a growing library of apps to expand functionality, you'll work faster, better and smarter.

Intuitive User Experience
An entirely new—and yet entirely familiar way to interact that includes a tablet-like experience with gesture-based touchscreen controls and easy customization.

Mobile and Cloud Ready
Instant connectivity to cloud and mobile devices right from the user interface, with access to pre-loaded, cloud-hosted services that let you work where, when and how you want.

Benchmark Security
Full multi-level protection for both documents and data, ready to guard against and eliminate emerging threats and meet or exceed regulatory compliance.

Enables Next Generation Services
Work more efficiently and manage resources more effectively. Easy integration of Xerox® Managed Print Services enables remote monitoring of service delivery and consumables.

Gateway to New Possibilities
Instantly extend your capabilities with access to the Xerox App Gallery, featuring real-world apps designed to optimize digital workflows. Commission our network of partners to design innovative, business-specific solutions.

Find out more about how you'll work smarter at **www.connectkey.com**.

CHOOSE THE CONFIGURATION THAT MEETS YOUR NEEDS:

1 A 60-sheet Reversing Automatic Document Feeder (RADF) scans two-sided originals for copy, scan and fax jobs.

2 Card Reader Bay with embedded USB port.[2]

3 An easily accessible **USB port**[2] allows users to quickly print from or scan to[3] any standard USB memory device.

4 250-sheet output tray with tray-full sensor.

5 150-sheet Bypass Tray handles media sizes from 3 x 5 in. to 8.5 x 14 in./76 x 127 mm to 216 x 356 mm.

6 With the **550-sheet paper tray**, standard paper capacity totals 700 sheets (including Bypass Tray).

7 Up to three optional 550-sheet paper trays increase total paper capacity to 2,350 sheets.

8 Optional stand provides storage for toner cartridges, paper and other supplies.

[2] USB ports can be disabled
[3] VersaLink B405 only.

Xerox® VersaLink® B400 Printer
Print.

Xerox® VersaLink® B405 Multifunction Printer
Print. Copy. Scan. Fax. Email.

INTRODUCING TOUCHSCREEN SUPERIORITY.

Meet our tiltable, 5-inch capacitive color touchscreen—the user interface that sets a higher standard for customization, personalization and versatility.

By presenting a familiar "mobile" experience—with support for gestural input and task-focused apps that share a common look and feel—fewer steps are needed to complete even the most complex jobs.

A highly intuitive layout guides you through every task from start to finish, with a natural hierarchy placing critical functions near the top of the screen and commonly used options front and center. Don't like where a function or app is located? Customize the layout to make it yours.

This unmatched balance of hardware technology and software capability helps everyone who interacts with the VersaLink B400 Printer or VersaLink B405 Multifunction Printer get more work done, faster.

Xerox® VersaLink® B400/B405

ConnectKey® Technology

The VersaLink B400 Printer and B405 Multifunction Printer are built on Xerox® ConnectKey® Technology. For more information, visit **www.connectkey.com**.

DEVICE SPECIFICATIONS	VersaLink B400N	VersaLink B400DN	VersaLink B405DN
Speed	Up to 47 ppm letter/Up to 45 ppm A4		
Duty Cycle[1]	Up to 110,000 pages/month[1]		
Processor/Memory	1.05 GHz Dual Core/2 GB		
Connectivity	Ethernet 10/100/1000 Base-T, High-speed USB 3.0, Wi-Fi 802.11n and Wi-Fi Direct with optional Wi-Fi Kit (concurrent wired and wireless connections supported), NFC Tap-to-Pair		
Controller Features	Unified Address Book (B405), Configuration Cloning, Scan Preview (B405), Xerox Extensible Interface Platform®, Xerox App Gallery, Xerox® Standard Accounting, Online Support (accessed from the user interface and print driver)		
Paper Handling Paper Input — Standard	NA		**Reversing Automatic Document Feeder (RADF):** 60 sheets; Custom sizes: 5.5 x 5.5 in. (140 x 140 mm) to 8.5 x 14 in. (216 x 356 mm)
	Bypass Tray: Up to 150 sheets; Custom sizes: 3 x 5 in. to 8.5 x 14 in./76 x 127 mm to 216 x 356 mm		
	Tray 1: Up to 550 sheets; Custom sizes: 5.8 x 8.3 in. to 8.5 x 14 in./148 x 210 mm to 216 x 356 mm		
Optional	**3 Additional Trays:** Up to 550 sheets each; Custom sizes: 5.8 x 8.3 in. to 8.5 x 14 in./148 x 210 mm to 216 x 356 mm		
Total Capacity (std./max.)	700 sheets/2,350 sheets		
Paper Output	250 sheets		
Automatic Two-sided Output	N/A	Standard	
Print and Copy Resolution	**Print:** Up to 1200 x 1200 dpi (enhanced)		**Print:** Up to 1200 x 1200 dpi (enhanced) **Copy:** Up to 600 x 600 dpi
First-page-out Time (as fast as)	**Print:** As fast as 8 seconds		**Print:** As fast as 8 seconds **Copy:** As fast as 6 seconds
Page Description Languages	PCL®5e/PCL 6/PDF/XPS/TIFF/JPEG/HP-GL/Adobe® PostScript® 3™		
INTUITIVE USER EXPERIENCE			
Customize and Personalize	Walkup customization, Personalize Home Screen by User, Multiple Home Screens with Simple ID, Customize by Site, Function or Workflow with Xerox App Gallery and Xerox® App Studio		
Print Drivers	Job Identification, Bi-directional Status, Job Monitoring, Xerox® Global Print Driver® and Mobile Express Driver®		
Xerox® Embedded Web Server	PC or mobile—Status Information, Responsive Design, Settings, Device Management, Cloning		
Preview	NA		Preview of Scan/Fax with Zoom, Rotate, Add Page
Print Features	Print from USB, Secure Print, Sample Set, Personal Print, Saved Job, Xerox® Earth Smart Driver Settings, Job Identification, Booklet Creation, Store and Recall Driver Settings, Bi-directional Real-time Status, Scaling, Job Monitoring, Application Defaults, Two-sided Printing (as default), Skip Blank Pages, Draft Mode		
Scan and Fax[2]	NA		Scan to USB/Email/Network (FTP/SMB), Scan File Formats: PDF, PDF/A, XPS, JPEG, TIFF; Convenience Features: Scan to Home, Searchable PDF, Single/Multi-Page PDF/XPS/TIFF/Password Protected PDF, Fax Features: Walk-up Fax includes LAN Fax, Direct Fax, Fax Forward to Email), Unified Address Book, Optical Character Recognition (OCR)
MOBILE AND CLOUD READY			
Mobile Printing	Apple® AirPrint®[5], Google Cloud Print™ Ready, Xerox® Print Service and Mopria® Print Service Plug-ins for Android™, @PrintByXerox		
Mobility Options	Xerox® Mobile Print and Mobile Print Cloud[4], Connect via NFC/Wi-Fi Direct Printing[4], Xerox® Mobile Link App (B405)[3]. Visit **www.xerox.com/officemobileapps** for available apps.		
Cloud Connectors[3]	Print from/Scan to[6] Google Drive™, Microsoft® OneDrive®, Dropbox™, Microsoft Office 365®, Box®, Xerox® DocuShare® Platform[4] and more		
BENCHMARK SECURITY			
Network Security	IPsec, HTTPS, encrypted email. Network Authentication, SNMPv3, SSL/TLS, Security Certificates, Pre-installed Self-signed Certificates, Cisco® Identity Services Engine (ISE) integration		
Device Access	Firmware Verification, User access and internal firewall, Port/IP/Domain Filtering, Audit Log, Access Controls, User Permissions, Smart Card Enabled (CAC/PIV/.NET), Xerox® Integrated Card Reader Bay		
Data Protection	Setup/Security Wizards, Job Level Encryption via HTTPS/IPPS submission, Encrypted hard disk (AES 256-bit, FIPS 140-2), Common Criteria Certification (ISO 15408) (undergoing evaluation), Encrypted Apps with Embedded Certificate Support		
Document Security	Secure Print, Secure Fax (B405), Secure Email (B405), Password Protected PDF (B405)		
ENABLES NEXT GENERATION SERVICES			
Print Management	Xerox® Print Management and Mobility Suite[4], Configuration Cloning, Xerox® Standard Accounting, Equitrac[4], Y Soft[4] and more		
Managing Print	Xerox® Device Manager, Xerox® Support Assistance, Auto Meter Read, Managed Print Services tools		
Sustainability	Cisco EnergyWise®, Earth Smart Printing, Print User ID on margins		
GATEWAY TO NEW POSSIBILITIES			
Cloud Services	Xerox® Easy Translator (B405)[4], Xerox® Healthcare MFP (B405 – U.S. only)[4], CapturePoint™ (B405)[4], many additional services available		
Xerox App Gallery	Many apps and cloud services available. Visit **www.xerox.com/appgallery** for a growing selection of Xerox® apps available for adding functions to the Printer/MFP.		

[1] Maximum volume capacity expected in any one month. Not expected to be sustained on a regular basis; [2] Requires analog phone line; [3] Free optional download from Xerox App Gallery to the Printer—**www.xerox.com/xeroxappgallery**; [4] Purchased option; [5] Visit **www.apple.com** for AirPrint Certification list; [6] Scan to available for B405.

Certifications

To view the latest list of certifications, go to **www.xerox.com/OfficeCertifications**

Supplies

Standard Capacity Toner Cartridge: 5,900 pages[7]	106R03580
High Capacity Toner Cartridge: 13,900 pages[7]	106R03582
Extra High Capacity Toner Cartridge: 24,600 pages[7]	106R03584
Drum Cartridge: 65,000 pages[8]	101R00554

Options

550-sheet Feeder (B400)	497K13620
550-sheet Feeder (B405)	497K13630
Productivity Kit with 16 GB Solid State Drive	097S04913
Stand	497K13660
Wireless Network Adapter (Wi-Fi Kit)	497K16750
External Card Reader/RFID Kit (B400)	497K18380
Internal Card Reader/RFID Kit (B405)	497K18120

[7] Average standard pages. Declared Yield in accordance with ISO/IEC 19752. Yield will vary based on image, area coverage and print mode.
[8] Approximate pages. Declared yield will vary depending on job run length, media size/orientation and machine speed. For more information, visit **http://www.office.xerox.com/latest/SUPGL-01.PDF**.

Configurations vary by geography.

For more detailed specifications, go to **www.xerox.com/VersalinkB400Specs** or **www.xerox.com/VersalinkB405Specs**.
For more information, visit us at **www.xerox.com**.

29 Jan 2018

Buyers Lab Showers Xerox With 15 Awards

Xerox wins Monochrome Printer & MFP Line of the Year Award, 13 picks as top printers, copiers and MFPs in their categories, plus Top MFP App Ecosystem

Awards season is upon us, and Xerox kicked it off by so dominating the Winter Keypoint Intelligence BLI awards, that if there were an award for getting awards, we would get it.

Of the 34 BLI (Buyers Lab, Inc.) awards given in the three categories covering MFPs and printers, Xerox won 13—almost 40 percent. The next highest vendor total was seven for Kyocera. In addition, we won the overall BLI 2018 Monochrome Printer & MFP Line of the Year Award—and the Outstanding MFP App Ecosystem for the Xerox App Gallery.

The huge award haul is a fitting bookend to last year's record rollout of 29 new ConnectKey-enabled AltaLink® and VersaLink® printers and MFPs for the workplace, the largest technology introduction in our 110-year history. It's the most BLI awards we've ever won in one season and among the most ever won by a vendor in a single season.

Marlene Orr, director, Printer & MFP Analysis, Keypoint Intelligence / Buyers Lab, explained why Xerox won the Line of the Year award: "By integrating ConnectKey technology into the monochrome printer and MFP line, Xerox has taken device connectivity, security, functionality, and the user experience to the next level.… And with the ability to deploy a variety of downloadable 'apps' for common functions such as scanning to cloud services, the VersaLink models become the center of digital transformation and productivity. By offering an intuitive design, strong performance, and robust security infrastructure at every workgroup level, Xerox monochrome printers and MFPs are the ideal choice for business users."

Upon learning of the resounding wave of award recognition, Tracey Koziol, senior vice president, Workplace Solutions Business Group, Xerox said: "Customer and partner feedback continues to be overwhelmingly positive about our new line of smart, secure, ConnectKey-enabled workplace assistants. Taking 13 BLI Winter 2018 Pick Awards, plus the prestigious BLI 2018 Monochrome Printer & MFP Line of the Year, is fantastic industry recognition and a great way to start to the new year."

Here's the complete list of Winter 2018 BLI awards Xerox has won:

Seven Copier/MFP Winter 2018 Picks

- Xerox VersaLink B7025—Outstanding 25-ppm Copier MFP
- Xerox VersaLink B7035—Outstanding 35-ppm Copier MFP
- Xerox VersaLink C7020—Outstanding 20-ppm Color Copier MFP
- Xerox VersaLink C7025—Outstanding 25-ppm Color Copier MFP
- Xerox AltaLink C8045—Outstanding 45-ppm Color Copier MFP
- Xerox AltaLink C8055—Outstanding 55-ppm Color Copier MFP
- Xerox AltaLink C8070—Outstanding 70-ppm Color Copier MFP

Six Printer/MFP Winter 2018 Picks:

- Xerox VersaLink B600 Series—Outstanding Printer for Large Workgroups
- Xerox VersaLink B605 Series—Outstanding Multifunction Printer for Large Workgroups
- Xerox VersaLink C500 Series—Outstanding Color Printer for Mid-Size Workgroups
- Xerox VersaLink C505 Series—Outstanding Color Multifunction Printer for Mid-Size Workgroups
- Xerox VersaLink C600 Series—Outstanding Color Printer for Large Workgroups
- Xerox VersaLink C7000 Series—Outstanding Tabloid Color Printer for Mid-Size Workgroups

One Product Line of the Year Award

- BLI 2018 Monochrome Printer & MFP Line of the Year

One App Award

- Outstanding MFP App Ecosystem—Xerox App Gallery

Congratulations to everyone who collaborated in bringing these award-winning products to life and to the market.

A Tweet posted by BLI congratulating Xerox on the start to an award-winning 2018.

Tags: Xerox News, English, channel partner; awards; Channels

XEROX® VERSALINK® COLOR MULTIFUNCTION PRINTER

Reliable. Connected. Business Ready.

C7020/C7025/C7030

ConnectKey® Technology

xerox®

Xerox® VersaLink® C7020/C7025/C7030 Color Multifunction Printer

The Xerox® ConnectKey® Technology-enabled VersaLink C7000 Series Color Multifunction Printer offers flawless reliability, seamless integration and advanced productivity. Cloud connected, mobile ready, app-enabled, and easy to personalize, the C7000 Series is your modern workplace assistant—helping you excel today and stay ready for the future.

FLAWLESS RELIABILITY. SUPERIOR PERFORMANCE.

Right out of the box, you'll count on your Xerox® VersaLink C7000 Series Color Multifunction Printer to consistently and flawlessly perform the tasks that make your business work more efficiently. From IT-free installation wizards, to step-by-step configuration options, you're ready to go—hassle free.

Designed for superior reliability, the VersaLink C7000 Series features a new hardware design with fewer moving parts, strengthened paper-path components, and an advanced imaging system.

VersaLink devices are loaded with features and time-saving Xerox® technologies designed to speed up information sharing and reduce inefficient workflows. Ensure information accuracy with Scan and Fax preview, easily archive, organize and search with scanned documents with built-in optical character recognition (OCR).

When it comes to safeguarding critical information, VersaLink devices deliver a spectrum of stringent security features, including Secure Print and card authentication to control access.

Count on superior print quality to make your work look its best. A print resolution of up to 1200 x 2400 dpi delivers sharp text and fine line detail, plus exceptional color vibrancy, solid fills and skin tones.

CLOUD CONNECTED. PERSONALIZED EFFICIENCY.

With the VersaLink C7000 Series Color Multifunction Printer's oversize, customizable 7-inch color touchscreen, you can tap, swipe and pinch your way through tasks and functions with mobile-like ease.

Preloaded Xerox® ConnectKey® Apps help optimize office efficiency, and on-screen access to the extensive Xerox App Gallery provides expanded functionality—like the optional Xerox® Easy Translator Service app, which quickly translates scanned documents into numerous languages.

Get more done in less time by creating customized 1-Touch Apps to automate multi-step workflows for individuals or groups. Simply tap your new app to quickly perform the job you configured. And with Simple ID, individual users and groups enter a user ID and password once, and then enjoy fast, secure access to task-specific presets, individualized favorite contacts, and commonly used apps on a personalized home screen.

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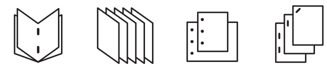
Benchmark Security
Full multi-level protection for both documents and data, ready to guard against and eliminate emerging threats and meet or exceed regulatory compliance.

Enables Next Generation Services
Work more efficiently and manage resources more effectively. Easy integration of Xerox® Managed Print Services enables remote monitoring of service delivery and consumables.

Gateway to New Possibilities
Instantly extend your capabilities with access to the Xerox App Gallery, featuring real-world apps designed to optimize digital workflows. Commission our network of partners to design innovative, business-specific solutions.

Find out more about how you'll work smarter at **www.connectkey.com**.

FINISHING APPLICATIONS



1 **A 110-sheet Duplex Automatic Document Feeder (DADF)** scans two-sided black-and-white or color originals for copy, scan and fax jobs.

2 **Optional Convenience Stapler and Work Surface**.

3 **Card Reader Bay** with embedded USB port.[1]

4 **An easily accessible USB port**[1] allows users to quickly print from or scan to any standard USB memory device.

5 **The 100-sheet Bypass Tray** handles media sizes from 3.5 x 3.87 in. to 11.69 x 17 in./88.9 x 98.4 mm to 297 x 431.8 mm.

6 **The standard 520-sheet Tray 1** handles media sizes from 5.5 x 7.17 in. to 11.69 x 17 in./139.7 x 182 mm to 297 x 431.8 mm.

[1] USB ports can be disabled.

MULTIPLE PAPER TRAY OPTIONS TO FIT EVERY NEED:

7 **Add the Single Tray Module** to the Desktop model to increase the total paper capacity to 1,140 sheets (includes Bypass Tray).

8 **Choose the Single Tray with Stand Module** to increase the total paper capacity to 1,140 sheets (includes Bypass Tray) and provides storage for toner cartridges and other supplies.

9 **Choose the Three Tray Module** increases the total paper capacity to 2,180 sheets (includes Bypass Tray). Or choose the optional High-Capacity Tandem Tray Module (not shown) allows for a total paper capacity of up to 3,140 sheets (includes Bypass Tray).

10 **The optional High-Capacity Feeder** holds 2,000 sheets of letter/A4 paper, increasing the maximum paper capacity to 5,140 sheets.

ADD INCREASED VERSATILITY WITH FINISHING OPTIONS:

11 **The Dual Catch Trays** (optional with Desktop model) stack up to 250 sheets each, lower tray offsets.

12 **The optional Office Finisher LX** gives you advanced finishing functions at a great value and offers optional booklet making (score, saddle-stitch).

13 **The optional Integrated Office Finisher** provides 500-sheet stacking and 50-sheet, single-position stapling.

INTRODUCING TOUCHSCREEN SUPERIORITY

Meet our all-new, 7-inch color touchscreen —the user interface that sets a higher standard for customization, personalization and versatility.

By presenting a familiar "mobile" experience—with support for gestural input and task-focused apps that share a common look and feel—fewer steps are needed to complete even the most complex jobs.

A highly intuitive layout guides you through every task from start to finish, with a natural hierarchy placing critical functions near the top of the screen and commonly used options front and center. Don't like where a function or app is located? Customize the layout to make it yours.

This unmatched balance of hardware technology and software capability helps everyone who interacts with the VersaLink® C7000 Series Color Multifunction Printer get more work done, faster.

Xerox® VersaLink® C7020/C7025/C7030

ConnectKey® Technology

The VersaLink C7020/C7025/C7030 Color Multifunction Printer is built on Xerox® ConnectKey® Technology. For more information, visit **www.connectkey.com**.

DEVICE SPECIFICATIONS	**VersaLink C7020**	**VersaLink C7025**	**VersaLink C7030**
Speed	Up to 20 ppm	Up to 25 ppm	Up to 30 ppm
Monthly Duty Cycle[1]	Up to 87,000 pages	Up to 107,000 pages	Up to 129,000 pages
Hard Drive/Processor/Memory	320 GB HDD[2]/1.05 GHz Dual-core/4 GB memory		
Connectivity	Ethernet 10/100/1000 Base-T, High-speed USB 3.0, Wi-Fi® and Wi-Fi Direct® with optional Wi-Fi Kit, NFC Tap-to-Pair		
Controller Features	Unified Address Book, Configuration Cloning, Scan Preview, Xerox Extensible Interface Platform®, Xerox App Gallery, Xerox® Standard Accounting Tool, Role Based Permissions, Convenience Authentication Enabled, Online Support		
Copy and Print Resolution	**Copy:** Up to 600 x 600 dpi; **Print:** Up to 1200 x 2400 dpi		
First-copy-out Time (as fast as)	As fast as 9.0 seconds color/6.9 seconds black-and-white		As fast as 7.2 seconds color/ 5.8 seconds black-and-white
First-print-out Time	As fast as 9.4 seconds color/ 7.2 seconds black-and-white	As fast as 9.4 seconds color/ 7.1 seconds black-and-white	As fast as 7.3 seconds color/ 5.6 seconds black-and-white
Page Description Languages	PCL® 5e/PCL 6/PDF/XPS/TIFF/JPEG/HP-GL/optional Adobe® PostScript® 3™		
Paper Input Standard	**Duplex Automatic Document Feeder (DADF):** 110 sheets: Speed: up to 55 ipm; Custom sizes (duplex): 4.92 x 4.33 in. to 11.69 x 17 in./ 125 x 110 mm to 297 x 431.8 mm; Custom sizes (simplex): 4.92 x 3.35 in. to 11.69 x 17 in./125 x 85 mm to 297 x 431.8 mm		
	Bypass Tray: 100 sheets; Custom sizes: 3.5 x 3.87 in. to 11.69 x 17 in./88.9 x 98.4 mm to 297 x 431.8 mm		
	Tray 1: 520 sheets; Custom sizes: 5.5 x 7.17 in. to 11.69 x 17 in./139.7 x 182 mm to 297 x 431.8 mm		
Choose One	**Single Tray Module:** 520 sheets; Custom sizes: 5.5 x 7.17 in. to 11.69 x 17 in./139.7 x 182 mm to 297 x 431.8 mm **Single Tray with Stand:** 520 sheets; Custom sizes: 5.5 x 7.17 in. to 11.69 x 17 in./139.7 x 182 mm to 297 x 431.8 mm **Three Tray Module** (1,560 sheets): 520 sheets each; Custom sizes: 5.5 x 7.17 in. to 11.69 x 17 in./139.7 x 182 mm to 297 x 431.8 mm **High-Capacity Tandem Tray** (2,520 sheets): Tray 2: 520 sheets; Custom sizes: 5.5 x 7.17 in. to 11.69 x 17 in./139.7 x 182 mm to 297 x 431.8 mm; Tray 3: 870 sheets; Standard sizes: 8.5 x 11 in. and 7.25 x 10.5 in./A4 or B5; Tray 4: 1,130 sheets; Standard sizes: 8.5 x 11 in. and 7.25 x 10.5 in./A4 or B5		
Optional	**Envelope Tray:** Up to 60 envelopes: #10 commercial, Monarch, DL, C5; Custom sizes: 3.9 x 5.8 in. to 6.4 x 9.5 in./98 x 148 mm to 162 x 241 mm **High-Capacity Feeder (HCF):** 2,000 sheets; Standard sizes: 8.5 x 11 in. and 7.25 x 10.5 in./A4 or B5		
Paper Output/ Finishing Standard	**Dual Catch Tray[2]:** 250 sheets each; Lower tray offsets		
Optional	**Integrated Office Finisher:** 500-sheet stacker, 50 sheets stapled, single-position stapling **Office Finisher LX:** 2,000-sheet stacker, 50 sheets stapled, 3-position stapling, optional hole-punch, optional booklet maker (score, saddle stitch) **Convenience Stapler and Work Surface:** Staples 50 sheets		
INTUITIVE USER EXPERIENCE			
Customize and Personalize	Walkup customization, Personalize Home Screen by User, Multiple Home Screens with Simple ID, Customize by Site, Function or Workflow with Xerox App Gallery and Xerox® App Studio		
Print Drivers	Job Identification, Bi-directional Status, Job Monitoring, Xerox® Global Print Driver® and Mobile Express Driver®		
Embedded Web Server	PC or mobile—Status Information, Responsive Design, Settings, Device Management, Cloning		
Preview	Preview of Scan/Fax with Zoom, Rotate, Add Page		
Print Features	Print from USB, Secure Print, Sample Set, Personal Print, Saved Job, Xerox® Earth Smart Driver Settings, Job Identification, Booklet Creation, Store and Recall Driver Settings, Bi-directional Real-time Status, Scaling, Job Monitoring, Application Defaults, Two-sided Printing (as default), Skip Blank Pages, Draft Mode		
Scan	Optical Character Recognition (OCR), Scan to USB/Email/Network (FTP/SMB), Scan File Formats: PDF, PDF/A, XPS, JPEG, TIFF; Convenience Features: Scan to Home, Searchable PDF, Single/Multi-Page PDF/XPS/TIFF/Password Protected PDF		
Fax[3]	Optional Walk-up Fax (one-line or three-line options available, includes LAN Fax, Direct Fax, Fax Forward to Email), optional Fax Over IP		
MOBILE AND CLOUD READY			
Mobile Printing	Apple® AirPrint®[6], Google Cloud Print™ Ready, Xerox® Print Service and Mopria® Print Service Plug-ins for Android™, @PrintByXerox		
Mobility Options	Xerox® Mobile Print and Mobile Print Cloud[5], Connect via NFC/Wi-Fi Direct Printing[5], Xerox® Mobile Link App[4]. Visit **www.xerox.com/officemobileapps** for available apps.		
Cloud Connectors[4]	Print from/Scan to Google Drive™, Microsoft® OneDrive®, Dropbox™, Microsoft Office 365®, Box®, Xerox® DocuShare® Platform[5] and more		
BENCHMARK SECURITY			
Network Security	IPsec, HTTPS, encrypted email. Network Authentication, SNMPv3, SSL/TLS, Security Certificates, Pre-installed Self-signed Certificates, Cisco® Identity Services Engine (ISE) integration		
Device Access	Firmware Verification, User access and internal firewall, Port/IP/Domain Filtering, Audit Log, Access Controls, User Permissions, Smart Card Enabled (CAC/PIV/.NET), Integrated Card Reader Bay		
Data Protection	Setup/Security Wizards, Job Level Encryption via HTTPS/IPPS submission, Encrypted hard disk (AES 256-bit, FIPS 140-2) and image overwrite, Common Criteria Certification (ISO 15408) (undergoing evaluation), Encrypted Apps with Embedded Certificate Support		
Document Security	Secure Print, Secure Fax, Secure Email, Password Protected PDF		
ENABLES NEXT GENERATION SERVICES			
Print Management	Xerox® Print Management and Mobility Suite[5], Configuration Cloning, Xerox® Standard Accounting Tool, Equitrac[5], Y Soft[5] and more		
Managing Print	Xerox® Device Manager, Support Assistance, Auto Meter Read, Managed Print Services tools		
Sustainability	Cisco EnergyWise®, Earth Smart Printing, Print User ID on margins		
GATEWAY TO NEW POSSIBILITIES			
Cloud Services	Xerox® Easy Translator[5], Xerox® Healthcare MFP Solution (U.S. only)[5], CapturePoint™[5], many additional services available		
Xerox App Gallery	Many apps and cloud services available. Visit **www.xerox.com/appgallery** for a growing selection of Xerox® apps available for adding functions.		

[1] Maximum volume capacity expected in any one month. Not expected to be sustained on a regular basis; [2] HDD and Dual Catch Tray are optional on Desktop model; [3] Requires analogue phone line; [4] Free optional download from Xerox App Gallery to the Printer—**www.xerox.com/xeroxappgallery**; [5] Purchased option; [6] Visit **www.apple.com** for AirPrint Certification list.

For more detailed specifications, go to **www.xerox.com/VersaLinkC7000Specs**.

 VC7BR-01UB

XEROX® ALTALINK® COLOR MULTIFUNCTION PRINTER

Smart, Secure and Connected

C8030/C8035/C8045/C8055/C8070

ConnectKey® Technology

xerox®

Xerox® AltaLink® C8030/C8035/C8045/C8055/C8070 Color Multifunction Printer

Xerox® AltaLink devices provide new levels of capability and connectivity for mid-size, large workgroups and busy offices. With AltaLink, your extended workforce has instant and secure access to the documents, data and workflows it needs to work faster and more efficiently—from every location and with any device.

SMART AND PRODUCTIVE

You've never seen a multifunction printer like this before. From its tablet-like user interface to its right-out-of-the-box mobile-friendly connectivity options, the Xerox® AltaLink C8000 Series is the color multifunction device today's workers have been waiting for.

Optimized for business processes, and easy to manage as a standalone device or as part of an entire fleet, it's designed to enable multitasking and collaboration. Create customized workflows, automate complex tasks, print and scan directly to and from the cloud with services like Box®, Microsoft® OneDrive®, Google Drive™, Dropbox™ and Microsoft Office 365™. Connect any time, from anywhere and any device.

With the touch of a button, you can go to our Xerox App Gallery and download simple, yet powerful, serverless apps to your AltaLink color multifunction printer to increase user productivity and shorten everyday tasks.

Built-in mobile connectivity, including Near Field Communication (NFC) Tap-to-Pair, optional Wi-Fi Direct®, @PrintByXerox, Google Cloud Print™, Xerox® Print Service Plug-in for Android™ and Mopria® provides the time-saving convenience your workforce wants and needs.

POWERFUL AND SCALABLE

Your workgroups operate more efficiently and effectively with AltaLink. Manage, monitor and upgrade your entire fleet with our Embedded Web Server, or provide interactive training and support right from your desktop with our remote user interface.

Fewer maintenance hassles, less IT support, high-capacity paper trays and the ability to print on varying paper sizes add up to increased uptime and greater productivity. Scanning, printing and faxing can be done simultaneously, allowing for multitasking during peak periods—and your choice of finishing options means you can configure your AltaLink device for any work environment and any document type, including booklets, brochures and pamphlets.

BUILT-IN SECURITY

The AltaLink C8000 Series Color Multifunction Printer provides the maximum level of security through our strategic approach to comprehensive security that prevents intrusions and keeps documents and data safe. Our partnerships with McAfee® and Cisco® proactively address risks at the fleet and individual device level.

Multiple layers of security include data encryption, disk overwrite and industry certifications. At the user level, Secure Print holds documents for release until they're ready to be retrieved at the device.

COLOR WHERE IT COUNTS

With high resolution output of 1200 x 2400 dpi, photo-quality color images and crisp text will give your documents clarity and impact. You can also upgrade your AltaLink C8000 Series with the Xerox® EX-c C8000 Print Server Powered by Fiery®, enabling office users to quickly, efficiently and cost effectively print professional-looking documents.

XEROX® CONNECTKEY® TECHNOLOGY—THE NEXUS OF YOUR COMPLETE PRODUCTIVITY ECOSYSTEM

From Xerox—the company that created the modern workplace—we present the next revolution in workplace productivity. With a consistent user experience across a wide range of devices, mobile and cloud connectivity and a growing library of apps to expand functionality, you'll work faster, better and smarter.

Intuitive User Experience
An entirely new—and yet entirely familiar way to interact that includes a tablet-like experience with gesture-based touchscreen controls and easy customization.

Mobile and Cloud Ready
Instant connectivity to cloud and mobile devices right from the user interface, with access to pre-loaded, cloud-hosted services that let you work where, when and how you want.

Benchmark Security
Full multi-level protection for both documents and data, ready to guard against and eliminate emerging threats and meet or exceed regulatory compliance.

Enables Next Generation Services
Work more efficiently and manage resources more effectively. Easy integration of Xerox® Managed Print Services enables remote monitoring of service delivery and consumables, plus remote configuration for even more time savings.

Gateway to New Possibilities
Instantly extend your capabilities with access to the Xerox App Gallery, featuring real-world apps designed to optimize digital workflows. Commission our network of partners to design innovative, business-specific solutions.

Find out more about how you'll work smarter at **www.connectkey.com**.

FINISHING APPLICATIONS

1 Single-Pass Duplex Automatic Document Feeder (DADF) saves time by simultaneously scanning both sides of two-sided documents at up to 139 impressions per minute.

2 Convenience Stapler (optional) staples up to 50 sheets of 20 lb/80 gsm media.

3 Bypass Tray handles up to 100 sheets of 20 lb/80 gsm, also feeds up to 110 lb Cover/300 gsm media.

4 Two 520-sheet adjustable trays (standard with all configurations). Tray 1 handles media sizes up to 11.7 x 17 in./A3 and Tray 2 handles media sizes up to 12 x 18 in./SRA3.

5 Envelope Kit (optional—replaces Tray 1) provides trouble-free feeding of up to 60 envelopes.

6 High-Capacity Tandem Tray Module (optional) brings the total paper capacity up to 3,140 sheets.

7 Four Tray Module (optional with C8030/C8035) holds a total of 2,180 sheets.

8 High-Capacity Feeder (optional) holds 2,000 sheets of letter/A4 paper, increasing the maximum paper capacity to 5,140 sheets.

9 Business Ready (BR) Finisher (optional) gives you advanced finishing functions at a great value.

10 BR Booklet Maker Finisher (optional) provides advanced finishing the capability to create 64-page saddle-stitched booklets (2 to 16 sheets).

11 C-Fold/Z-Fold Unit (optional) adds three folds: C-fold, Z-fold and Z-half-fold to the BR Finisher or BR Booklet Maker Finisher.

12 Offset Catch Tray (OCT) (standard on all configurations and included with all finishers).

13 Integrated Office Finisher (optional with C8030/C8035) provides 500-sheet stacking and 50-sheet, single-position stapling.

14 Office Finisher LX (optional with C8030/C8035/C8045/C8055) gives you advanced finishing functions at a great value, and offers optional crease/score and saddle-stitch booklet making capable of 60-page booklets (2 to 15 sheets).

15 Xerox® Integrated RFID Card Reader E1.0 (optional) adds card based authentication with support for over 90 access cards.

16 Near Field Communication (NFC) Tap-to-Pair allows users to tap their mobile device to the AltaLink C8000 user panel and instantly connect with the MFP.

INTRODUCING MOBILE DEVICE-LIKE TOUCHSCREEN SUPERIORITY

Meet our all-new, 10.1-inch color touchscreen—the user interface that sets a higher standard for customization, ease of use and versatility.

By presenting a familiar “mobile” experience—with support for gestural input and task-focused apps that share a common look and feel—fewer steps are needed to complete even the most complex jobs.

A highly intuitive layout guides you through every task from start to finish, with a natural hierarchy placing critical functions near the top of the screen and commonly used options front and center. Don’t like where a function or app is located? Customize the layout to make it yours.

This unmatched balance of hardware technology and software smarts helps everyone who interacts with the AltaLink® C8000 Series get more work done, faster. Try our new UI at **www.xerox.com/AltaLinkUI**.

Xerox® AltaLink® C8030/C8035/C8045/C8055/C8070 Color Multifunction Printer

ConnectKey® Technology

DEVICE SPECIFICATIONS		AltaLink C8030	AltaLink C8035	AltaLink C8045	AltaLink C8055	AltaLink C8070
Speed (Color/Black-and-white)		Up to 30/30 ppm	Up to 35/35 ppm	Up to 45/45 ppm	Up to 50/55 ppm	Up to 70/70 ppm
Monthly Duty Cycle*		Up to 90,000 pages	Up to 110,000 pages	Up to 200,000 pages	Up to 300,000 pages	Up to 300,000 pages
Hard Drive/Processor/Memory		Minimum 250 GB HDD/Intel® Atom™ Quad Core 1.91 GHz/2 MB Cache/8 GB system memory				
Connectivity		10/100/1000Base-T Ethernet, High-Speed USB 2.0 direct print, Wi-Fi Direct® with optional Xerox® USB Wireless Adapter, NFC Tap-to-Pair				
Optional Controller		Xerox® EX-c C8000 Print Server Powered by Fiery®				
Copy and Print	Resolution	**Copy:** Up to 600 x 600 dpi; **Print:** Up to 1200 x 2400 dpi				
First-copy-out Time (as fast as) (from platen/warmed-up state)		8.1 seconds color/6.7 seconds black-and-white		7.8 seconds color/6.4 seconds black-and-white	7.2 seconds color/5.7 seconds black-and-white	5.2 seconds color/4.9 seconds black-and-white
First-print-out Time (as fast as)		6.5 seconds color/5.3 seconds black-and-white	6.4 seconds color/5.2 seconds black-and-white	6.5 seconds color/5.3 seconds black-and-white	6.0 seconds color/4.7 seconds black-and-white	4.7 seconds color/4.0 seconds black-and-white
Page Description Languages		Adobe® PostScript® 3™, Adobe PDF version 1.7, PCL® 5c/PCL 6, Optional XML Paper Specification (XPS)				
Paper Input	Standard	**Single-Pass Duplex Automatic Document Feeder:** 130 sheets; Speed: up to 139 ipm (duplex); Sizes: 3.4 x 4.9 in. to 11.7 x 17 in./85 x 125 mm to 297 x 432 mm **Bypass Tray:** 100 sheets; Custom sizes: 3.5 x 3.9 to 12.6 x 19 in./89 x 98 mm to 320 x 483 mm (SEF) **Tray 1:** 520 sheets; Custom sizes: 5.5 x 7.2 in. to 11.7 x 17 in./140 x 182 mm to 297 x 432 mm (SEF) **Tray 2:** 520 sheets; Custom sizes: 5.5 x 7.2 in. to 12 x 18 in./140 x 182 mm to SRA3 (SEF)				
	Choose One	**Four Tray Module** (Trays 3 and 4—available with C8030/C8035): 1,040 sheets; 520 sheets each; Custom sizes: 5.5 x 7.2 to 12 x 18 in./ 140 x 182 mm to SRA3 (SEF) **High Capacity Tandem Tray Module:** 2,000 sheets; One 867-sheet paper tray and one 1,133-sheet paper tray; Sizes: 8.5 x 11 in./A4				
	Optional	**High-Capacity Feeder (HCF):** 2,000 sheets; Size 8.5 x 11 in./A4 long edge feed **Envelope Tray (replaces Tray 1):** Up to 60 envelopes: #10 Commercial, Monarch, DL, C5				
Paper Output/ Finishing	Standard	**Dual Offset Catch Tray** (standard when finishers are not attached): 250 sheets each; Face up Tray: 100 sheets				
	Optional	**Integrated Office Finisher** (Available with C8030/C8035): 500-sheet stacker, 50 sheets stapled, single-position stapling **Office Finisher LX** (Available with C8030/C8035/C8045/C8055): 2,000-sheet stacker, 50 sheets stapled, 2-position stapling, optional hole punch, optional booklet maker (score, saddle stitch 2 to 15 sheets (60 pages)) **BR Finisher:** 3,000-sheet stacker and 500-sheet top tray, 50-sheet multiposition stapling and 2/3-hole punching **BR Booklet Maker Finisher:** 1,500-sheet stacker and 500-sheet top tray, 50-sheet multiposition stapling and 2/3-hole punching plus saddle-stitch booklet making (2 to 16 sheets, 64 pages) and V-folding **C-Fold/Z-Fold Unit:** Adds Z-folding, Letter Z-folding and Letter C-folding to the BR Finisher and BR Booklet Maker Finisher **Convenience Stapler:** 50-sheet stapling (based on 80 gsm), includes Work Surface				

INTUITIVE USER EXPERIENCE	
Customize and Personalize	Site, Function or Workflow Customization with Xerox App Gallery and Xerox® App Studio
Print Drivers	Job Identification, Bi-directional Status, Job Monitoring, Xerox® Global Print Driver®, Xerox® Mobile Express Driver®
Xerox® Embedded Web Server	PC or mobile—Status Information, Settings, Device Management, Cloning
Remote Console/Preview	Remote User Interface
Print Features	Print from USB, Sample Set, Saved Job, Booklet Creation, Store and Recall Driver Settings, Scaling, Job Monitoring, Application Defaults, Two-sided Printing, Draft Mode
Scan and Fax	Scan to USB/Email/Network (FTP/SMB), Scan File Formats: PDF, PDF/A, XPS, JPG, TIFF; Convenience Features: Scan to Home, Searchable PDF, Single/ Multi-page PDF/XPS/TIFF, Password-protected PDF; Fax Features: Walk-up Fax (one-line or three-line options available, includes LAN Fax, Direct Fax, Fax Forward to Email), Fax dialing, Unified Address Book, Optical Character Recognition (OCR)

MOBILE AND CLOUD READY	
Mobile Connectivity	Apple® AirPrint®, Google Cloud Print™ Ready, Xerox® Print Service Plug-in for Android™, Mopria® Print Service Plug-in for Android, NFC, Wi-Fi Direct Printing
Mobile Printing	@PrintByXerox, Xerox® Mobile Print, Xerox® Mobile Print Cloud, Xerox® Mobile Link App; Visit **www.xerox.com/officemobileapps** for available apps.
Cloud Connectivity	Print from/Scan to Google Drive™, Microsoft® OneDrive®, DropBox™, Microsoft Office 365™, Box®, Xerox® DocuShare® and more.

BENCHMARK SECURITY	
Network Security	IPsec, HTTPS, SFTP and Encrypted Email, Network Authentication, SNMPv3, SHA-256 Hash Message Authentication, SSL, TLS, Security Certificates, Automatic Self-signed Certificate, Cisco® Identity Services Engine (ISE) integration
Device Access	Firmware Verification, User Access and Internal Firewall, Port/IP/Domain Filtering, Audit Log, Access Controls, User Permissions, Smart Card Enablement Kit (CAC/PIV/.NET), Xerox® Integrated RFID Card Reader E1.0
Data Protection	Encrypted Hard Disk (AES 256-bit, FIPS 140-2, Validated) and Image Overwrite, McAfee® ePolicy Orchestrator®, McAfee Integrity Control, Whitelisting, Job Level Encryption via HTTPS and Drivers
Document Security	Common Criteria Certification (ISO 15408), Encrypted Secure Print, FIPS Encrypted Print Drivers

ENABLES NEXT GENERATION SERVICES	
Print Management	Xerox® Print Management and Mobility Suite, Configuration Cloning, Xerox® Standard Accounting, Equitrac, Y Soft, PaperCut and more partner solutions
Managing Print	Xerox® Device Manager, Xerox® Support Assistance, Auto Meter Read, Managed Print Services Tools
Sustainability	Cisco EnergyWise®, Print User ID on Margins, Earth Smart Print Settings

GATEWAY TO NEW POSSIBILITIES	
Cloud Services	Xerox® Easy Translator, Xerox® Healthcare MFP (U.S. only), many additional services available
Xerox App Gallery	Many apps and cloud services available. Visit **www.xerox.com/appgallery** for a growing selection of apps available for adding functions to the MFP.

* Maximum volume capacity expected in any one month. Not expected to be sustained on a regular basis.

For more detailed specifications, including the latest certifications, go to **www.xerox.com/AltalinkC8000Specs**.

xerox®

Xerox® CentreWare® Web
Brochure

Xerox® CentreWare® Web

Simplify your device management.

Improve ROI on printing devices and reduce IT administration burdens.

The advanced capabilities of Xerox® Centreware® Web make it easy to intelligently manage print devices from a single powerful interface. It gives you a browser window on virtually all of your networked printers and multifunction devices across your enterprise. From here you can manage installations, configuration settings, run reporting and diagnostics – even perform break/fix actions. Best of all, CentreWare Web is available as a free download at **www.xerox.com/centrewareweb**.

Discover output devices with ease.

CentreWare Web gives IT managers the ability to find and manage printers and multifunction devices in the enterprise, whether they're networked or locally connected. It supports both Xerox® and non-Xerox devices, so it's the ideal all-in-one tool to intelligently manage today's multi-vendor device environments.

Easily and securely discover multiple Simple Network Management Protocol (SNMP) v3 devices in one step. In addition, the administrator can run a scheduled discovery or import a list of devices to be added to CentreWare Web. The adminstrator can also perform a quick discovery by simply entering in the IP Address of the device and best of all, CentreWare Web can automatically detect any newly added SNMPv3 device on the network.

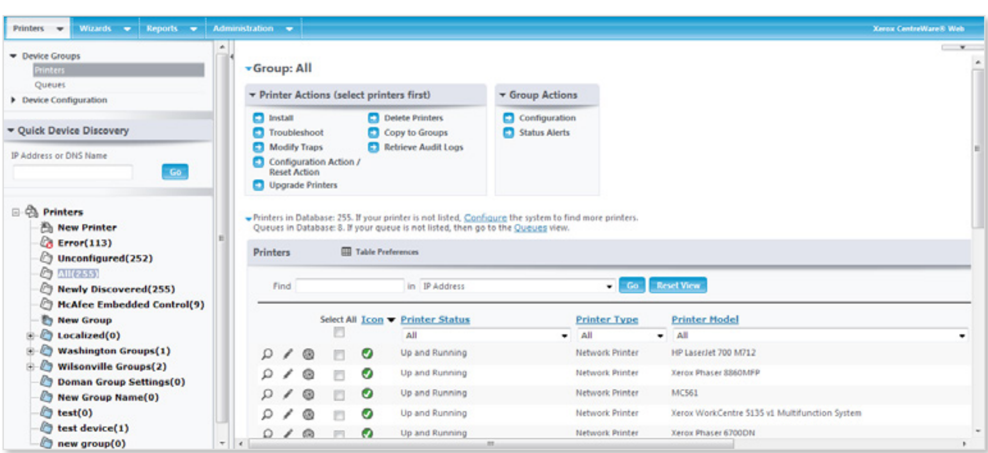
Work efficiently with one-stop administration.

CentreWare Web setup and basic installation wizards make it easy to manage configurations centrally. You can automatically configure firmware upgrades to be run on specific groups of devices, during low network traffic hours and receive confirmations once upgrades are configured. The tool's intuitive interface makes it simple to configure even advanced features, with an extensive built-in help system and powerful customization tools.

It's easy to install purchased options such as McAfee® Integrity Control on devices from a central location by simply uploading the feature key file and deploying to a single device or a fleet of devices through configuration sets. This feature works on models that support the upload of a feature key.

Reduce IT costs with proactive remote monitoring.

You can minimize the impact of outages on employees and the helpdesk by configuring CentreWare Web to alert IT managers of potential device issues before they can become problems. The tool can send email alerts warning of low consumable levels and device errors such as fuser or drum malfunctions. This means fewer helpdesk or service calls and increased IT staff productivity.



CentreWare Web gives IT managers the ability to find and manage printers and multifunction devices.

Remotely troubleshoot and quickly resolve issues.

Xerox® CentreWare® Web makes it easy to perform troubleshooting routines on remote devices that are in an error state. You can troubleshoot individual devices or query and test a group of devices at the same time with detailed feedback and the ability to send test pages from the remote web console.

At a more detailed level, the tool can evaluate a device problem and provide time-coded status updates along with an assessment of the skill level needed to solve the problem. Administrators can also review documents currently in the print queue and enable error traps to provide even more detail about the problem.

Remote fleet management is quick and easy. Built directly into the CentreWare Web's display*, administrators can interact with their fleet remotely – running the devices directly; as if they are standing at the device*.

Secure role based access controls.

CentreWare Web's support for standards-based security protocols such as HTTPs and Windows-based authentication helps you quickly integrate the tool into your existing security systems.

New capabilities of CentreWare Web make it easy to setup and allow printers to be managed in groups with access controls. Role-based administrator controls can be used to limit access for remote administrators and control the ability to run or modify configuration sets or reports. In addition, CentreWare Web can automatically discover devices that support the McAfee® Embedded Control and add them to built-in group named McAfee Embedded Control, allowing the administrator to easily identify and respond to alerts generated by these devices.

An administrator can also setup security levels, determine whether email alerts are configured, if a server is registered, and if the device is registered with the McAfee ePolicy Orchestrator (ePO) server.

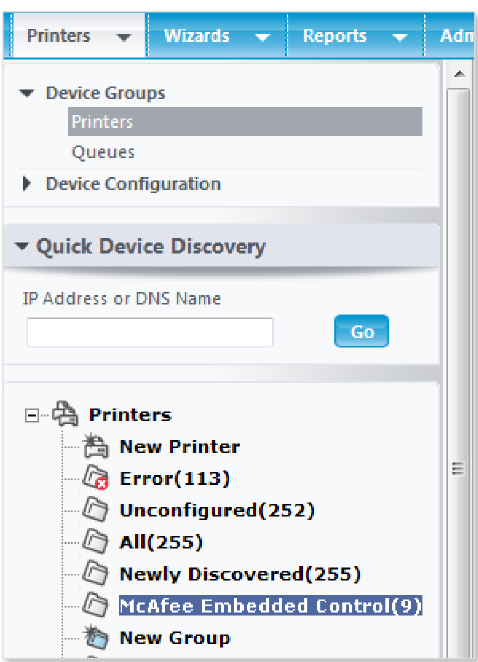
Gain insight with comprehensive reporting.

CentreWare Web offers an extensive array of customizable reports, including assets, usage, alert history and network accounting. You can schedule automated reporting of individual printers, or groups of printers, as well as easily export selected reports.

The reporting system helps you take control of color output costs as well, by enabling you to track color and black-and-white usage separately.

Supplies reports allow you to check supplies before the device triggers an alert that the supply is low. You can register eligible devices with Xerox® Remote Services and enable automated supplies reordering for even more convenience and hands-off administration.

* Available for Xerox® devices built on Xerox® ConnectKey® Technology.



CentreWare Web can automatically discover devices that support the McAfee Embedded Control and add them to built-in group named McAfee Embedded Control.

Xerox® CentreWare® Web
Device Management Software

Benefits

Better Cost Management

- Proactive alert monitoring reduces service calls and downtime
- Easy deployment and simplified administration maximize IT staff productivity, letting you shift IT resources to other critical tasks
- Reduce tool expense and complexity; CentreWare Web is all you need to manage both Xerox® and non-Xerox (RFC 3805 SNMP-compliant) output devices
- Centralized administration allows IT managers to remotely manage systems, eliminating the expense of on-site service calls
- Integrates with existing Microsoft Windows security, requiring no additional security/authorization tools
- Network accounting-enabled to provide accurate usage tracking, reporting and billing
- Ensures more accurate meter reads for bill-back to appropriate groups
- Usage tracking lets you intelligently manage assets cost-effectively
- Create audit reports with easy to use exported HTML or CSV formats
- Consistent reports in familiar, easy-to-read formats, giving you comprehensive, easy to understand analysis that's instantly actionable
- Flexible data collection settings can provide data daily, weekly, monthly or annually
- Allows you to proactively ensure supplies are available with easy access to supplies reports
- Installation of feature options from a central location, such as McAfee® Embedded Control and XPS minimizes install time at the individual devices
- Offers the ability to capture device Audit Logs to facilitate non-repudiation needs

More Effective Device Administration

- Familiar web browser interface makes it easy to set up, configure, upgrade, repair and track devices on the network
- Troubleshooting tools simplify diagnosis and resolution of device problems
- Configuration Sets let you establish templates to define network protocol, scanning, job accounting and security settings across compatible devices
- Configuration Tasks can be easily created, scheduled and applied to a set of devices which are selected using a flexible logical (boolean) expression
- Enables a variety of settings specific to Hewlett-Packard devices
- Supports discovery of non-IETF MIB-compliant devices such as HP JetDirect-based printers
- Uses existing Microsoft Active Directory configurations, enhancing printer discovery and queue management
- Supports custom grouping of devices to make them easier to manage
- Group polling feature allows you to set polling intervals for specific device groups
- Easily manage and stay compliant with Security policies by configuring alerts and grouping devices in separate windows
- Manage Paper Settings and Default Fax Settings remotely – apply settings on the entire fleet in one easy step
- Built directly into the CentreWare Web's display, administrators can interact with their fleet remotely*
- Multiple threads for device software updates of a fleet improves the speed of upgrading multiple devices*

For more information, visit us at **www.xerox.com/centrewareweb**.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: December 31, 2017

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from: ______ to: _______

Commission File Number 001-04471

xerox

XEROX CORPORATION
(Exact Name of Registrant as specified in its charter)

New York	**16-0468020**
(State of incorporation)	(IRS Employer Identification No.)
P.O. Box 4505, 201 Merritt 7 **Norwalk, Connecticut 06851-1056**	**(203) 968-3000**
(Address of principal executive offices)	**(Registrants telephone number, including area code)**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $1 par value	**New York Stock Exchange**
	Chicago Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer (Do not check if smaller reporting company)	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting stock of the registrant held by non-affiliates as of June 30, 2017 was $7,302,297,923.

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date:

Class	Outstanding at January 31, 2018
Common Stock, $1 par value	254,673,473

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following document are incorporated herein by reference:

Document	Part of Form 10-K in which Incorporated
Xerox Corporation Notice of 2018 Annual Meeting of Shareholders and Proxy Statement (to be filed no later than 120 days after the close of the fiscal year covered by this report on Form 10-K)	III

Cautionary Statement Regarding Forward-Looking Statements

This document, and other written or oral statements made from time to time by management contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “will”, “should” and similar expressions, as they relate to us, are intended to identify forward-looking statements. These statements reflect management’s current beliefs, assumptions and expectations and are subject to a number of factors that may cause actual results to differ materially. Such factors include but are not limited to: our ability to address our business challenges in order to reverse revenue declines, reduce costs and increase productivity so that we can invest in and grow our business; changes in economic and political conditions, trade protection measures, licensing requirements and tax laws in the United States and in the foreign countries in which we do business; changes in foreign currency exchange rates; our ability to successfully develop new products, technologies and service offerings and to protect our intellectual property rights; the risk that multi-year contracts with governmental entities could be terminated prior to the end of the contract term and that civil or criminal penalties and administrative sanctions could be imposed on us if we fail to comply with the terms of such contracts and applicable law; the risk that partners, subcontractors and software vendors will not perform in a timely, quality manner; actions of competitors and our ability to promptly and effectively react to changing technologies and customer expectations; our ability to obtain adequate pricing for our products and services and to maintain and improve cost efficiency of operations, including savings from restructuring actions; the risk that individually identifiable information of customers, clients and employees could be inadvertently disclosed or disclosed as a result of a breach of our security systems; reliance on third parties, including subcontractors, for manufacturing of products and provision of services; our ability to manage changes in the printing environment and expand equipment placements; interest rates, cost of borrowing and access to credit markets; funding requirements associated with our employee pension and retiree health benefit plans; the risk that our operations and products may not comply with applicable worldwide regulatory requirements, particularly environmental regulations and directives and anti-corruption laws; the outcome of litigation and regulatory proceedings to which we may be a party; the risk that we do not realize all of the expected strategic and financial benefits from the separation and spin-off of our Business Process Outsourcing business; the effects on our business resulting from actions of activist shareholders; and other factors that are set forth in the “Risk Factors” section, the “Legal Proceedings” section, the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and other sections of this Annual Report on Form 10-K, as well as in our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K filed with the SEC. Furthermore, the actual results of the Transactions could vary materially as a result of a number of factors, including, but not limited to: (i) the risk that the transactions may not be completed in a timely manner or at all, which may adversely affect Xerox’s business and the price of Xerox’s common stock, (ii) the failure to satisfy the conditions to the consummation of the transactions, including the receipt of certain approvals from Xerox’s shareholders and certain governmental and regulatory approvals, (iii) the parties may be unable to achieve expected synergies and operating efficiencies in the transactions within the expected time frames or at all, (iv) the transactions may not result in the accretion to Xerox’s earnings or other benefits, (v) the occurrence of any event, change or other circumstance that could give rise to the termination of the transaction agreements, (vi) the effect of the announcement or pendency of the transactions on Xerox’s and/or Fujifilm business relationships, operating results, and business generally, risks related to the proposed transactions disrupting Xerox’s current plans and operations and potential difficulties in Xerox’s employee retention as a result of the transactions, (vii) risks related to diverting management’s attention from Xerox’s ongoing business operations, (viii) the outcome of any legal proceedings that may be instituted against Xerox, its officers or directors related to the transaction agreements or the transactions and (ix) the possibility that competing offers or acquisition proposals for Xerox will be made. Xerox assumes no obligation to update any forward-looking statements as a result of new information or future events or developments, except as required by law.

Fuji Xerox Co., Ltd. (“Fuji Xerox”) is a joint venture between Xerox Corporation and Fujifilm in which Xerox holds a noncontrolling 25% equity interest and Fujifilm holds the remaining equity interest. In April 2017, Fujifilm formed an independent investigation committee (“IIC”) to primarily conduct a review of the appropriateness of the accounting practices at Fuji Xerox’s New Zealand subsidiary and at other subsidiaries. The IIC completed its review during the second quarter 2017 and identified aggregate adjustments to Fuji Xerox’s financial statements of approximately JPY 40 billion (approximately $360 million) primarily related to misstatements at Fuji Xerox’s New Zealand and Australian subsidiaries. We determined that our share of the total adjustments identified as part of the investigation was approximately $90 million and impacted our fiscal years 2009 through 2017. We concluded that we should revise our previously issued annual and interim consolidated financial statements for 2014, 2015 and 2016 and the first quarter of 2017 the next time they are filed. Our review of this matter has been completed. However, Fujifilm and Fuji Xerox continue to review Fujifilm’s oversight and governance of Fuji Xerox as well as Fuji Xerox’s oversight and governance over its businesses in light of the findings of the IIC. At this time, we can provide no assurance re lative to the outcome of any potential governmental investigations or any consequences thereof that may happen as a result of this matter.

Xerox Corporation
Form 10-K
December 31, 2017

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Part I

Item 1. Business

Transaction to Combine Xerox and Fuji Xerox

On January 31, 2018, Xerox entered into a Redemption Agreement with FUJIFILM Holdings Corporation, a Japanese company ("Fujifilm"), and Fuji Xerox Co., Ltd, a Japanese company in which Xerox indirectly holds a 25 percent equity interest and Fujifilm holds the remaining 75 percent equity interest ("Fuji Xerox") (the "Redemption Agreement"), pursuant to which, among other things, (i) Fuji Xerox shall redeem for cash most or all of Fujifilm's 75 percent equity interest in Fuji Xerox and (ii) Fuji Xerox shall become an indirect majority or wholly owned subsidiary of Xerox (the "Redemption"). The combined company resulting from the Fujifilm Transactions (as defined below) shall hereinafter be referred to as "New Fuji Xerox".

Concurrently with the execution and delivery of the Redemption Agreement, Xerox entered into a Share Subscription Agreement with Fujifilm (the "Subscription Agreement" and together with the Redemption Agreement, the "Fujifilm Transaction Agreements"), pursuant to which, among other things, (i) Fujifilm shall subscribe for and purchase from Xerox, and Xerox shall issue to Fujifilm, a number of shares of common capital stock of Xerox (and after Closing, of New Fuji Xerox, "Common Stock") representing 50.1 percent of (i) the aggregate number of issued and outstanding shares of Common Stock (excluding any performance shares issued under the Company's existing employee incentive plans) plus (ii) such additional shares of Common Stock that would be issued and outstanding assuming the exercise of in-the-money options as of 5:00 p.m. New York time two business days prior to closing of the Fujifilm Transactions (as defined below) (the "Closing") plus (iii) any shares of Common Stock reserved for issue relating to restricted stock units outstanding as of the Closing that are fully vested as of 5:00 p.m. New York time two business days prior to the Closing (collectively, the "Fully Diluted Capital Stock") of Xerox in exchange for (A) cash and (B) all of the issued and outstanding equity interests of Fuji Xerox not held by Xerox or its wholly owned subsidiaries and (ii) Xerox shall become a direct, majority owned subsidiary of Fujifilm (the "Issuance" and together with the Redemption, the "Fujifilm Transactions"). In addition, pursuant to the terms of the Subscription Agreement, at Closing, an aggregate number of shares equal to the "True-Up Shares" (as defined in the Subscription Agreement) shall be held in escrow and released to Fujifilm as and if necessary for Fujifilm to maintain its ownership percentage.

In connection with the Fujifilm Transactions, Xerox expects to pay a special pro rata cash dividend to its shareholders in an amount equal to $2.5 billion in the aggregate (the "Special Dividend"), which is expected to be financed through the issuance of debt that will be incurred by New Fuji Xerox. Fujifilm will not be a shareholder of Xerox as of the record date for the Special Dividend and therefore will not receive any payment in respect thereof.

As noted above, immediately following the Closing, Fujifilm is expected to own approximately 50.1 percent of the Fully Diluted Capital Stock of New Fuji Xerox and Xerox shareholders are expected to own approximately 49.9 percent. Further, pursuant to that certain Shareholders Agreement, to be entered into by Xerox and Fujifilm at Closing (the "Shareholders Agreement"), the Board of Directors of New Fuji Xerox will have twelve directors, which will initially be composed of seven individuals designated by Fujifilm and five individuals from among the members of the Board of Directors of the Company immediately prior to Closing designated by Xerox in consultation with and subject to reasonable approved by Fujifilm. Accordingly, the Fujifilm Transactions are expected to be accounted for as a reverse acquisition.

Xerox must pay to Fujifilm a $183 million termination fee in the event that the Subscription Agreement is terminated (i) by either party because the applicable shareholder approvals are not obtained if an alternative acquisition proposal is publicly announced prior to the Xerox shareholder meeting duly called for the purpose of obtaining the applicable shareholder approvals and Xerox enters into a definitive agreement with respect to, or otherwise consummates, an alternative acquisition proposal within 12 months after the termination of the Subscription Agreement; (ii) by Fujifilm (A) in connection with a material and intentional breach by Xerox of its non-solicitation obligations resulting in a third party making an alternate acquisition proposal that is reasonably likely to materially interfere with the Fujifilm Transactions or (B) following a change in the recommendation by the Board of Directors of Xerox; or (iii) by Xerox in order to enter into a definitive agreement with a third party with respect to a superior proposal, in each case as set forth in, and subject to the conditions of, the Fujifilm Transaction Agreements.

We expect the Fujifilm Transactions, which require Xerox shareholder approval, to close in the second half of 2018 subject to customary regulatory approvals, filings with the U.S. Securities and Exchange Commission, tax considerations, and securing any necessary financing. Until the combination is complete, each of Xerox, Fuji Xerox and Fujifilm will continue to be separate, independent organizations and will operate as usual.

Company Separation

On December 31, 2016, Xerox Corporation completed the Separation of its Business Process Outsourcing (BPO) business from its Document Technology and Document Outsourcing (DT/DO) business (the "Separation"). The Separation was accomplished through the transfer of the BPO business into a new legal entity, Conduent Incorporated ("Conduent"), and then distributing one hundred percent (100%) of the outstanding common stock of Conduent to Xerox Corporation stockholders (the "Distribution").

As a result of the Separation and Distribution, the BPO business is presented as discontinued operations and, as such, has been excluded from continuing operations for all periods presented. Accordingly, continuing operations represents the ongoing DT/DO business. Refer to Note 5 - Divestitures for additional information regarding discontinued operations.

Our Business

Xerox is a print technology and intelligent work solutions leader focused on helping people communicate and work better. We apply our expertise in imaging and printing, data analytics, and the development of secure and automated solutions to help our customers improve productivity and increase client satisfaction.

We operate in a market estimated at approximately $85 billion(1). Our primary offerings span three main areas: Managed Document Services, Workplace Solutions and Graphic Communications. Our Managed Document Services offerings help customers, ranging from small businesses to global enterprises, optimize their printing and related document workflow and business processes. Xerox led the establishment of this expanding market and continues as the industry leader. Our Workplace Solutions and Graphic Communications products and solutions support the work processes of our customers by providing them with efficient and cost effective printing and workflow solutions.

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(1) Market estimates are derived from third-party forecasts produced by firms such as International Data Corporation (IDC).

Our Strategy and Business Model

Our strategy is to increase our participation in the growth areas of our industry while maintaining leadership in the more mature areas through innovation in digital print technology and services. Our Strategic Transformation program (see: *Accelerate Productivity and Cost Initiatives through Strategic Transformation* section below) is intended to enable us to make investments to improve our revenue trajectory while expanding our margins. Our post-sale business model enables us to deliver sustainable cash flows. We believe the combination of an improving revenue trajectory along with expanding operating margins and strong cash flow will enable us to deliver positive shareholder returns over time. To accomplish this, we focus on the following areas:

Maintain Leadership and Focus on Strategic Growth Areas

We are a leader in our industry and have a strong and valuable global brand. We systematically evaluate our competition and the needs of our customers and partners to maintain our leadership position and make the portfolio and distribution investments to further penetrate growth areas of the market.

We expect to focus on the following:

- Expand leadership in Managed Document Services by leveraging our strength in large enterprises and broadening our SMB (small to mid-sized business) offerings.
- Increase SMB coverage through resellers and partners (including multi-brand dealers) and continued distribution acquisitions.
- Gain share in the A4 product segment of the market, where historically we have been underrepresented, by strengthening our product portfolio and increasing our distribution capacity.
- Extend leadership in digital color production through continued innovation and growth in new markets.

Geographically, our footprint spans approximately 160 countries and allows us to deliver our technology and solutions to customers of all sizes, regardless of complexity or number of customer locations.

Innovate to Differentiate Our Offerings

We direct our research and development (R&D) investments to areas such as workflow automation, color printing and customized communication, as well as improving the quality and reducing the environmental impact of digital printing. We believe that a critical role of our research is to identify new competency areas for the future. Accordingly, we are investing in new and novel printing technology applications that could offer attractive opportunities in adjacent markets. We expect this will deliver incremental value for our customers and drive profitable revenue growth for our business.

Accelerate Productivity and Cost Initiatives through Strategic Transformation

We have a proven track record of maintaining strong margins through ongoing cost and productivity initiatives. As markets shift, we undertake restructuring to optimize our workforce and facilities to best align our resources with the growth areas of our business, and to maximize profitability and cash flow in businesses that are declining. In 2016, we initiated a three-year Strategic Transformation program to simplify and create a significantly more effective organization that delivers productivity and cost reduction beyond our historical range of $300 to $350 million of annual savings. The program targets areas such as delivery, remote connectivity, sales productivity, pricing optimization, design efficiency and supply chain optimization. We believe that the program will enable us to reinvest in our business to improve the revenue trajectory and margin expansion. During the first two years, the program delivered over $1.2 billion in gross productivity gains and cost savings and we expect it to provide approximately $475 million of additional cost reductions in 2018. Our goal is to achieve approximately $1.7 billion in savings over the three-year period, outperforming our initial $1.5 billion target.

Engage, Develop and Support Our People

Our offerings are supported by a global workforce focused on delivering value to our customers. We continue to develop our employees by investing in the processes and systems that enable them to perform their jobs more effectively. We had approximately 35,300 employees worldwide at December 31, 2017.

Post-Sale Driven Business Model and Shareholder-Centered Capital Allocation

Our business is based on a post-sale, or annuity, model that provides significant recurring revenue and cash generation. In 2017, over 75% of our total revenue was related to post-sale revenue streams including document services, equipment maintenance, consumable supplies and financing, among other elements. The remainder of our revenue was from equipment sales, either from lease agreements that qualify as sales for accounting purposes or outright cash sales.

Our post-sale model supports ongoing strong cash flows, and we have a balanced capital allocation approach with the following objectives:

- Maintaining an investment grade credit profile,
- Selectively pursue acquisitions in targeted growth areas, and
- Return capital to shareholders, targeting to deliver over 50% of free cash flow back to shareholders through dividends and share repurchases over time.

Acquisitions and Divestitures

As part of our strategy, we are focused on increasing our Small and Mid-sized (SMB) coverage through resellers and partners (including multi-brand dealers) and continued distribution acquisitions.

Details about our acquisitions and divestitures in 2017 can be found in Note 4 - Acquisitions and Note 5 - Divestitures, in the Consolidated Financial Statements.

Innovation and Research

Xerox has a rich heritage of innovation, which continues to be a core strength of the company as well as a competitive differentiator. Our aim is to create value for our customers, our shareholders and our employees by driving innovation in key areas. Our investments in innovation align with our growth opportunities in areas like workflow automation, color printing, customized communication and new and novel applications of printing technology.

Our research efforts can be categorized under four themes:

Digital Printing - Improve the cost and capability of digital printing for documents and beyond

Advances in digital printing are enabling mass customization at a run cost approaching the cost of analog printing. We are continuously investing in research to reduce the cost of digital printing consumables while maintaining the high print quality that our customers expect. Our research is also focused on developing new printing technologies that enable us to print digitally on a broader range of media and substrates such as foils, cartons, and directly on end-use products, which will open up new growth markets such as digital packaging. Printing with functional inks will also allow us to add intelligence to packaging, such as sensors, memory, and interactive features, which will enable new analytic-based services, higher security and new consumer experiences. As a responsible corporate citizen, we are also investing in research to lower the environmental impact of our products and consumables.

Personalization at Scale - Enhance value by providing secure, real-time, context-aware personalized products, solutions and services

Whether business correspondence, personal communication, manufactured items or information services, personalization increases the value of communication. Our research leads to technologies that improve the efficiency, economics, relevance and security of our customers' products and services. We help customers improve the impact of their communications by leveraging vast information resources available from private databases or public sources including social media and delivering personalized messages, products and services. Examples of innovation focus areas include creating new capabilities in imaging, multi-media marketing campaign management, workflow automation and augmented reality to deliver personalization at scale.

Agile Enterprise - Create simple, automated and touch-less business workflows resulting in lower cost, higher quality and increased agility

Enterprises of all sizes require agility in order to quickly respond to market changes and new requirements. To enable greater business process agility, our research goals are to simplify, automate and enable business processes on the cloud via flexible platforms that run on robust and scalable infrastructures. We continue to invest in new capabilities to help people better leverage and integrate paper and digital workflows. And we go beyond that to develop innovations for the automation of business workflows. These capabilities leverage our research in image, video and natural language processing, as well as machine learning. Application of these methods to business workflows enables technology automate tasks, thus allowing workers to focus on higher value activities.

Usable Analytics - Transform big data into useful information resulting in better business decisions

Competitive advantage can be achieved by better utilizing available and real-time information. Today, information resides in an ever-increasing universe of servers, repositories and formats. The vast majority of information is unstructured, including text, images, voice and videos. One of our key research areas is making sense of unstructured information using natural language processing and semantic analysis. A second major research area focuses on developing proprietary methods for prescriptive analytics applied to business processes. Here, we seek to better manage very large data systems in order to extract business insights and use those insights to provide our clients with actionable recommendations. Tailoring these methods to various vertical applications leads to new customer value propositions.

Our innovation goals are supported by cross disciplinary research programs in our different research centers. PARC, the most prominent of these centers, is a wholly-owned subsidiary of Xerox located in Silicon Valley, California. It provides Xerox commercial and government clients with R&D and open innovation services. PARC scientists have deep technological expertise in areas that we consider fundamental to bring high-impact innovations to our customers and the world; such areas include big data analytics, intelligent sensing, computer vision, networking, printed electronics, energy, and digital design and manufacturing.

Investment in R&D is critical for competitiveness in our fast-paced markets. One of the ways that we maintain our market leadership is through coordination of our R&D with Fuji Xerox (an equity investment in which we maintain a 25% ownership interest).

Our total research, development and engineering expenses (RD&E), which include sustaining engineering expenses for hardware engineering and software development after we launch a product, totaled $446 million in 2017, $476 million in 2016 and $511 million in 2015. Fuji Xerox R&D expenses were $536 million in 2017, $628 million in 2016 and $569 million in 2015.

Segment Information

Following the separation of the BPO business, we realigned our operations to better manage the business and serve our customers and the markets in which we operate. In 2017, we transitioned to a geographic focus and are primarily organized from a sales perspective on the basis of “go-to-market” sales channels. These sales channels are structured to serve a range of customers for our products and services. As a result of this transition and change in structure, we concluded that we have one operating and reportable segment - the design, development and sale of printing technology and related solutions.

Accordingly, the section below primarily discusses the business based on our primary offerings (Managed Document Services, Workplace Solutions and Graphic Communications) that are brought to the market through these geographic-based sales channels.

Revenues

We have a broad and diverse base of customers by both geography and industry, ranging from SMBs to graphic communications companies, governmental entities, educational institutions and Fortune 1000 corporations. Our business does not depend upon a single customer, or a few customers, the loss of which would have a material adverse effect on our business. Our business spans three primary offering areas: Managed Document Services (MDS), Workplace Solutions and Graphic Communications. In addition, a smaller portion of our revenues comes from non-core streams including paper sales in our developing market countries, wide-format systems, licensing revenue and Global Imaging Systems network integration solutions.

Our **Managed Document Services** includes a continuum of solutions and services that helps our customers optimize their print and communications infrastructure, ensure the highest levels of security & productivity, and enable their digital business objectives. Our primary offerings within Managed Document Services are Managed Print Services (MPS), Multi-Channel Communication Services and a range of Digital Solutions including Workflow Automation Services, Content Management and Digitization Services. MDS excludes legacy printing sourcing contracts that transferred to us upon the spin-off of the BPO business.

In our MPS business, we help companies assess and optimize their print infrastructure, secure and integrate their environment and automate and simplify their business processes. We provide the most comprehensive portfolio of MPS services in the industry and are recognized as an industry leader by major analyst firms including Gartner, IDC, Quocirca, InfoTrends and Forrester. Our MPS offering targets clients ranging from large, global enterprises to governmental entities and to small and medium-sized businesses, including those served via our channel partners. Our Next Generation Xerox Partner Print Services is a comprehensive suite of services that allows channel partners to support their SMB customers with some of our best-in-class tools, processes, and workflow solutions developed by Xerox for large enterprises.

In our Multi-Channel Communications Services business, we help large enterprise and global clients drive effective communications across a range of digital and physical touch points. We offer a range of platform-enabled digital services that deliver relevant and timely communications focused on customer acquisition, onboarding or retention. Our portfolio includes Collateral Management Services, Demand Generation Services, Product Information Management Services and Centralized Print Production Services.

Our Digital Solutions portfolio features our Workflow Automation solutions, Content Management solutions and Digitization Services. Our Xerox Workflow Automation Services help our customers assess, optimize and automate their workflow in a secure and integrated IT environment. By eliminating ineffective processes, we bring our clients operational excellence in routine workflows as well as industry-specific processes. These offerings are enhanced and complemented by our proprietary content management software solutions including DocuShare 7 and our cloud-based DocuShare Flex platform. In addition, we operate a network of centers that digitize and automate paper & digital workflows enabling our customers to operate cost-efficiently in a fully-digitized environment with speed, quality and 24x7 availability.

Our **Workplace Solutions** area is made up of two strategic product groups, Entry and Mid-Range, which share common technology, manufacturing and product platforms. Workplace Solutions revenues include the sale of products and supplies, as well as the associated technical service and financing of those products.

- Entry comprises desktop monochrome and color printers and multifunction printers (MFPs) ranging from small personal devices to workgroup printers and MFPs that serve the needs of office workgroups. Entry products are sold to customers in all segments from SMB to enterprise, principally through a global network of reseller partners and service providers, as well as through our direct sales force.
- Mid-Range are larger devices that have more features and can handle higher print volumes and larger paper sizes than Entry devices. These products are sold through dedicated partners, our direct sales force, multi-branded channel partners and resellers worldwide. We are a leader in this area of the market and offer a wide range of MFPs, copiers, digital printing presses and light production devices, and solutions that deliver flexibility and advanced features.

Our **Graphic Communications Solutions** are designed for customers in the graphic communications, in-plant and production print environments with high-volume printing requirements. These solutions enable full-color, on-demand printing of a wide range of applications, including variable data for personalized content and one-to-one marketing. Graphic Communications Solutions revenues include the sale of products, software and supplies, as well as the associated technical service and financing of those products.

- Our cut-sheet presses provide graphic communications and commercial printers with high speed, high-volume printing. They are ideal for publishing, transaction printing, print on demand and one-to-one marketing, offering the best in high speed, productivity and resolution and color. We are the worldwide leader in the cut-sheet color and monochrome production industry.

- Our inkjet presses offer a broad range of roll fed, continuous feed printing technologies, including waterless inkjet and aqueous inkjet for vivid color, and toner-based flash fusing for black and white. Our portfolio spans a variety of print speeds, image quality, feeding, finishing and media options. We continue to develop and integrate our production inkjet business to bring the high-end capabilities of toner-based presses such as speed and inline color correction to the more price sensitive market of inkjet.
- Our FreeFlow portfolio of software offerings brings intelligent automation and integration to the processing of print jobs, from file preparation to final production, for a touchless workflow. It helps customers of all sizes address a wide range of business opportunities including automation, personalization and even electronic publishing. In 2017, we sold our FreeFlow Print Server (FFPS) DFE business to Electronics for Imaging (EFI). Under the terms of the deal, we established a strategic partnership that will bring to market a next generation digital front end (DFE) solution with more efficiencies, performance and quality to meet the most demanding production requirements. Additionally, EFI will continue to supply and support the current range of FFPS. It should be noted that the sale agreement comprises only the small FFPS business and does not impact our FreeFlow portfolio of software solutions which remains a key plank for our customers' workflow strategy.

Geographic Information

Overall, approximately 40% of our revenue is generated by customers outside the U.S. Additional details can be found in Note 3 - Segment and Geographic Area Reporting.

Patents, Trademarks and Licenses

In 2017, Xerox and its subsidiaries were awarded 544 U.S. utility patents. Including our research partner Fuji Xerox, we were awarded 1,116 U.S. utility patents during the period. Our patent portfolio evolves as new patents are awarded to us and as older patents expire. As of December 31, 2017, Xerox held approximately 11,470 U.S. design and utility patents. These patents expire at various dates up to 20 years or more from their original filing dates. While we believe that our portfolio of patents and applications has value, in general no single patent is essential to our business. In addition, any of our proprietary rights could be challenged, invalidated or circumvented, or may not provide significant competitive advantages.

In 2017, we were party to numerous patent-licensing agreements and, in a majority of them, we licensed or assigned our patents to others in return for revenue and/or access to their patents or to further our business goals. Most patent licenses expire concurrently with the expiration of the last patent identified in the license. We were also party to a number of cross-licensing agreements with companies that also hold substantial patent portfolios. These agreements vary in subject matter, scope, compensation, significance and duration.

In the U.S., we own about 210 U.S. trademarks, either registered or applied for. These trademarks have a perpetual life, subject to renewal every 10 years. We vigorously enforce and protect our trademarks.

Marketing and Distribution

We go to market with a services-led approach and sell our products and services directly to customers through our worldwide sales force and through independent agents, dealers, value-added resellers, systems integrators and the Web. In addition, our wholly-owned subsidiary, Global Imaging Systems (GIS), an office technology dealer comprised of regional core companies in the U.S., sells document management and network integration systems and services. We continued to broaden our distribution to small and mid-sized businesses in 2017 through expanding our network of resellers and partners (including multi-brand dealers) as well as GIS's acquisition of three equipment and document services dealer companies.

In Europe, Africa, the Middle East and parts of Asia, we distribute our products through Xerox Limited, a company established under the laws of England, as well as through related non-U.S. companies. Xerox Limited enters into distribution agreements with unaffiliated third parties to distribute our products in many of the countries located in these regions, and previously entered into agreements with unaffiliated third parties who distribute our products in Sudan. Sudan, among others, has been designated as a state sponsor of terrorism by the U.S. Department of State and is subject to U.S. economic sanctions. We maintain an export and sanctions compliance program, and believe that we have been, and are in compliance with, U.S. laws and government regulations for Sudan. We have no assets, liabilities or operations in Sudan other than liabilities under the distribution agreements. After observing required prior notice periods, Xerox Limited terminated its distribution agreements with distributors servicing Sudan in August 2006. Now, Xerox has only legacy obligations to third parties, such as providing spare parts and supplies to these third parties. In 2017, total Xerox revenues of $10.3 billion included approximately $11 thousand attributable to Sudan.

Competition

Although we encounter competition in all areas of our business, we are the leader - or among the leaders - in each of our primary offering areas. We compete on the basis of technology, performance, price, quality, reliability, brand, distribution and customer service and support.

Our larger competitors include Canon, Hewlett-Packard Inc., Konica Minolta and Ricoh. Our brand recognition, reputation for document management expertise, innovative technology and service delivery excellence are our competitive advantages. These advantages, combined with our breadth of product offerings, global distribution channels and customer relationships, position us as a strong competitor going forward.

Customer Financing

We finance a large portion of our direct channel customer purchases of Xerox equipment through bundled lease agreements. We also provide lease financing to end-user customers who purchased Xerox equipment through our indirect channels. We compete with other third-party leasing companies with respect to the lease financing provide to these end-user customers. In both instances, financing facilitates customer acquisition of Xerox technology and enhances our value proposition, while providing Xerox a reasonable return on our investment in this business. Additionally, because we primarily finance our own products and have a long history of providing financing to our customers, we are able to minimize much of the risk normally associated with a finance business.

Because our lease contracts allow customers to pay for equipment over time rather than upfront upon installation, we maintain a certain level of debt to support our investment in these lease contracts. We fund our customer financing activity through a combination of cash generated from operations, cash on hand and proceeds from capital market offerings. At December 31, 2017, we had approximately $3.7 billion of finance receivables and $0.5 billion of equipment on operating leases, or Total Finance assets of $4.2 billion. We maintain an assumed 7:1 leverage ratio of debt to equity as compared to our Finance assets, which results in approximately $3.7 billion of our $5.5 billion of debt being allocated to our financing business.

Refer to "Debt and Customer Financing Activities" in the Capital Resources and Liquidity section of Management's Discussion and Analysis, included in Item 7 of this 2017 Form 10-K, for additional information.

Manufacturing and Supply

Our manufacturing and distribution facilities are located around the world. Our largest manufacturing site is in Webster, N.Y., where we produce the Xerox iGen, Nuvera, Brenva and Direct to Object Inkjet Printer systems, components, EA Toner, consumables, fusers and other products. Our other primary manufacturing operations are located in Dundalk, Ireland, for our High-End production products and consumables; Wilsonville, OR, for solid ink consumable supplies and components; and Aubagne, France, for Impika aqueous ink-jet production systems. We also have a facility in Venray, Netherlands, that manufactures supplies and provides supply chain management for our international operations.

We have arrangements with Fuji Xerox under which we purchase and sell products, some of which are the result of mutual research and development agreements. Refer to Note 10 - Investments in Affiliates, at Equity in the Consolidated Financial Statements for additional information regarding our relationship with Fuji Xerox.

We maintain a long-standing relationship of over 15 years with FLEX LTD (Flex) (formerly Flextronics), a global electronics manufacturing services company, for our mid-range and entry businesses. Our master supply agreement with Flex renews on an annual basis.

We also acquire products from various third parties in order to increase the breadth of our product portfolio and meet channel requirements.

Fuji Xerox

Fuji Xerox is an unconsolidated entity in which we own a 25% interest and FUJIFILM Holdings Corporation (Fujifilm) owns a 75% interest. Fuji Xerox develops, manufactures and distributes document processing products in Japan, China, Hong Kong, other areas of the Pacific Rim, Australia and New Zealand. We retain significant rights as a minority shareholder. Our technology licensing agreements with Fuji Xerox ensure that the two companies retain uninterrupted access to each other's portfolio of patents, technology and products. Refer to Note 10 - Investment in Affiliates, at Equity in the Consolidated Financial Statements for additional information regarding our investment in Fuji Xerox.

International Operations

The financial measures by geographical area for 2017, 2016 and 2015 that are included in Note 3 - Segment and Geographic Area Reporting in the Consolidated Financial Statements for additional information. See also the risk factor entitled “Our business, results of operations and financial condition may be negatively impacted by conditions abroad, including local economic and political environments, fluctuating foreign currencies and shifting regulatory schemes” in Part I, Item 1A included herein.

Backlog

Backlog, or the value of unfilled equipment orders, is not a meaningful indicator of future business prospects because a significant proportion of our revenue is fulfilled from existing inventories or within a short period of order signing.

Seasonality

Our revenues are affected by such factors as the introduction of new products, the length of sales cycles and the seasonality of technology purchases and printing volumes. These factors have historically resulted in lower revenues, operating profits and operating cash flows in the first and third quarter.

Other Information

Xerox is a New York corporation, organized in 1906 and our principal executive offices are located at 201 Merritt 7, P.O. Box 4505, Norwalk, Connecticut 06856-4505. Our telephone number is (203) 968-3000.

In the Investor Information section of our Internet website, you will find our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to these reports. We make these documents available as soon as we can after we have filed them with, or furnished them to, the U.S. Securities and Exchange Commission.

Our Internet address is **www.xerox.com**.

Item 1A. Risk Factors

If we are unsuccessful at addressing our business challenges, our business and results of operations may be adversely affected and our ability to invest in and grow our business could be limited.

We are in the process of addressing many challenges facing our business. One set of challenges relates to dynamic and accelerating market trends, such as the declines in installations and printed pages, fewer devices per location and an increase in electronic documentation. A second set of challenges relates to changes in the competitive landscape. Our primary competitors are exerting increased competitive pressure in targeted areas and are entering new markets; our emerging competitors are introducing new technologies and business models. These market and competitive trends make it difficult to reverse the current declines in revenue over the past several years. A third set of challenges relates to our continued efforts to reduce costs and increase productivity in light of declining revenues. In addition, we are vulnerable to increased risks associated with our efforts to address these challenges given the markets in which we compete, as well as, the broad range of geographic regions in which we and our customers and partners operate. If we do not succeed in these efforts, or if these efforts are more costly or time-consuming than expected, our business and results of operations may be adversely affected, which could limit our ability to invest in and grow our business.

Our business, results of operations and financial condition may be negatively impacted by conditions abroad, including local economic and political environments, fluctuating foreign currencies and shifting regulatory schemes.

A significant portion of our revenue is generated from operations, and we manufacture or acquire many of our products and/or their components, outside the United States. Our future revenues, costs and results of operations could be significantly affected by changes in foreign currency exchange rates - particularly the Japanese yen, the euro and the British pound - as well as by a number of other factors, including changes in local economic and political conditions, trade protection measures, licensing requirements, local tax regulations and other related legal matters. We use currency derivative contracts to hedge foreign currency denominated assets, liabilities and anticipated transactions. This practice is intended to mitigate or reduce volatility in the results of our foreign operations, but does not completely eliminate it. We do not hedge the translation effect of international revenues and expenses that are denominated in currencies other than the U.S. dollar. If our future revenues, costs and results of operations are significantly affected by economic or political conditions abroad and we are unable to effectively hedge these risks, they could materially adversely affect our results of operations and financial condition.

We operate globally and changes in tax laws could adversely affect our results.

We operate globally and changes in tax laws could adversely affect our results. We operate in approximately 160 countries and generate substantial revenues and profits in foreign jurisdictions. The international tax environment continues to change as a result of both coordinated actions by governments and unilateral measures designed by individual countries, both intended to tackle concerns over base erosion and profit shifting and perceived international tax avoidance techniques. The recommendations of the BEPS Project led by the Organization for Economic Cooperation and Development (OECD) are involved in much of the coordinated activity, although the timing and methods of implementation vary. Additionally, the U.S. government recently enacted comprehensive tax reform in December of 2017 through the passage and signing of the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act significantly revised the U.S. corporate income tax system. The exact ramifications of the legislation is subject to interpretation and could have a material impact on our financial position and/or results of operations.

Although our 2017 results of operations reflect our best estimate of the impact of the new tax law, future regulatory direction associated with the new tax law as well as new legislative developments could adversely affect our future effective tax rate and results.

If we fail to successfully develop new products, technologies and service offerings and protect our intellectual property rights, we may be unable to retain current customers and gain new customers and our revenues would decline.

The process of developing new products and solutions is inherently complex and uncertain. It requires accurate anticipation of customers' changing needs and emerging technological trends. We must work with our supply partners and commit resources before knowing whether these initiatives will result in products that are commercially successful and generate the revenues required to provide desired returns. In developing these new technologies and products, we rely upon patent, copyright, trademark and trade secret laws in the United States and similar laws in other countries, and agreements with our employees, customers, suppliers and other parties, to establish and maintain our intellectual property rights in technology and products used in our operations. It is possible that our intellectual property rights could be challenged, invalidated or circumvented, allowing others to use our intellectual property to our competitive detriment. Also, the laws of certain countries may not protect our proprietary rights to the same extent as the laws of the United States and we may be unable to protect our proprietary technology adequately against unauthorized third-party copying or use, which could adversely affect our competitive position. In addition, some of our products rely on technologies developed by third parties. We may not be able to obtain or to continue to obtain licenses and technologies from these third parties at all or on reasonable terms, or such third parties may demand cross-licenses to our intellectual property. If we fail to accurately anticipate and meet our customers' needs through the development of new products, technologies and service offerings or if we fail to adequately protect our intellectual property rights, we could lose market share and customers to our competitors and that could materially adversely affect our results of operations and financial condition.

Our government contracts are subject to termination rights, audits and investigations, which, if exercised, could negatively impact our reputation and reduce our ability to compete for new contracts.

A significant portion of our revenues is derived from contracts with U.S. federal, state and local governments and their agencies, as well as international governments and their agencies. Government entities typically finance projects through appropriated funds. While these projects are often planned and executed as multi-year projects, government entities usually reserve the right to change the scope of or terminate these projects for lack of approved funding and/or at their convenience. Changes in government or political developments, including budget deficits, shortfalls or uncertainties, government spending reductions (e.g., Congressional sequestration of funds under the Budget Control Act of 2011) or other debt or funding constraints, could result in lower governmental sales and in our projects being reduced in price or scope or terminated altogether, which also could limit our recovery of incurred costs, reimbursable expenses and profits on work completed prior to the termination.

Additionally, government agencies routinely audit government contracts. If the government finds that we inappropriately charged costs to a contract, the costs will be non-reimbursable or, to the extent reimbursed, refunded to the government. If the government discovers improper or illegal activities or contractual non-compliance in the course of audits or investigations, we may be subject to various civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines and suspensions or debarment from doing business with the government. Any resulting penalties or sanctions could have a material adverse effect on our business, financial condition, results of operations and cash flows. Further, the negative publicity that arises from findings in such audits or, investigations could have an adverse effect on our reputation and reduce our ability to compete for new contracts and could also have a material adverse effect on our business, financial condition, results of operations and cash flow.

We face significant competition and our failure to compete successfully could adversely affect our results of operations and financial condition.

We operate in an environment of significant competition, driven by rapid technological developments, changes in industry standards, and demands of customers to become more efficient. Our competitors include large international companies some of which have significant financial resources and compete with us globally to provide document processing products and services in each of the markets we serve. We compete primarily on the basis of technology, performance, price, quality, reliability, brand, distribution and customer service and support. Our future success is largely dependent upon our ability to compete in the markets we currently serve, to promptly and effectively react to changing technologies and customer expectations and to expand into additional market segments. To remain competitive, we must develop services, applications and new products; periodically enhance our existing offerings; remain cost efficient; and attract and retain key personnel and management. If we are unable to compete successfully, we could lose market share and important customers to our competitors and such loss could materially adversely affect our results of operations and financial condition.

Our profitability is dependent upon our ability to obtain adequate pricing for our products and services and to improve our cost structure.

Our success depends on our ability to obtain adequate pricing for our products and services that will provide a reasonable return to our shareholders. Depending on competitive market factors, future prices we obtain for our products and services may decline from current levels. In addition, pricing actions to offset the effect of currency devaluations may not prove sufficient to offset further devaluations or may not hold in the face of customer resistance and/or competition. If we are unable to obtain adequate pricing for our products and services, it could materially adversely affect our results of operations and financial condition.

We continually review our operations with a view towards reducing our cost structure, including reducing our employee base, exiting certain businesses, improving process and system efficiencies and outsourcing some internal functions. We engage in restructuring actions to reduce our cost structure. If we are unable to continue to maintain our cost base at or below the current level and maintain process and systems changes resulting from prior restructuring actions, it could materially adversely affect our results of operations and financial condition.

Our ability to sustain and improve profit margins is dependent on a number of factors, including our ability to continue to improve the cost efficiency of our operations through such programs as the Strategic Transformation program, the level of pricing pressures on our products and services, the proportion of high-end as opposed to low-end equipment sales (product mix), the trend in our post-sale revenue growth and our ability to successfully complete information technology initiatives. If any of these factors adversely materialize or if we are unable to achieve and maintain productivity improvements through design efficiency, supplier and manufacturing cost improvements and information technology initiatives, our ability to offset labor cost inflation, potential materials cost increases and competitive price pressures would be impaired, all of which could materially adversely affect our results of operations and financial condition.

We are subject to laws of the United States and foreign jurisdictions relating to individually identifiable information, and failure to comply with those laws could subject us to legal actions and negatively impact our operations.

We receive, process, transmit and store information relating to identifiable individuals, both in our role as a technology provider and as an employer. As a result, we are subject to numerous United States (both federal and state) and foreign jurisdiction laws and regulations designed to protect individually identifiable information. These laws have been subject to frequent changes, and new legislation in this area may be enacted at any time. For example, the General Data Protection Regulation will come into force in the European Union in May 2018. Changes to existing laws, introduction of new laws in this area, or failure to comply with existing laws that are applicable to us may subject us to, among other things, additional costs or changes to our business practices, liability for monetary damages, fines and/or criminal prosecution, unfavorable publicity, restrictions on our ability to obtain and process information and allegations by our customers and clients that we have not performed our contractual obligations, any of which may have a material adverse effect on our profitability and cash flow.

We are subject to breaches of our security systems, cyber attacks and service interruptions which could expose us to liability, litigation, and regulatory action and damage our reputation.

We have implemented security systems with the intent of maintaining and protecting our own, and our customers', clients' and suppliers' confidential information, including information related to identifiable individuals, against unauthorized access or disclosure. Despite such efforts, we may be subject to breaches of our security systems resulting in unauthorized access to our facilities or information systems and the information we are trying to protect.

Moreover, the risk of such attacks includes attempted breeches not only of our systems, but also those of our customers, clients and suppliers. The techniques used to obtain unauthorized access are constantly changing, are becoming increasingly more sophisticated and often are not recognized until after an exploitation of information has occurred. Therefore, we may be unable to anticipate these techniques or implement sufficient preventative measures. Unauthorized access to our facilities or information systems, or those of our suppliers, or accidental loss or disclosure of proprietary or confidential information about us, our clients or our customers could result in, among other things, a total shutdown of our systems that would disrupt our ability to conduct business or pay vendors and employees. In the event of such actions, we could be exposed to unfavorable publicity, governmental inquiry and oversight, litigation by affected parties and possible financial obligations for damages related to the theft or misuse of such information, any of which could have a material adverse effect on our profitability and cash flow. While from time to time attempts are made to access our systems, these attempts have not resulted in any material release of information, degradation or disruption to our systems. We may also find it necessary to make significant further investments to protect this information and our infrastructure.

We have outsourced a significant portion of our manufacturing operations and increasingly rely on third-party manufacturers, subcontractors and suppliers.

We have outsourced a significant portion of our manufacturing operations to third parties. We face the risk that those manufacturers may not be able to develop manufacturing methods appropriate for our products, quickly respond to changes in customer demand, and obtain supplies and materials necessary for the manufacturing process. In addition, they may experience labor shortages and/or disruptions, manufacturing costs could be higher than planned and the reliability of our products could decline. If any of these risks were to be realized, and similar third-party manufacturing relationships could not be established, we could experience interruptions in supply or increases in costs that might result in our being unable to meet customer demand for our products, damage our relationships with our customers and reduce our market share, all of which could materially adversely affect our results of operations and financial condition.

In addition, in our services business we may partner with other parties, including software and hardware vendors, to provide the complex solutions required by our customers. Therefore, our ability to deliver the solutions and provide the services required by our customers is dependent on our and our partners' ability to meet our customers' requirements and schedules. If we or our partners fail to deliver services or products as required and on time, our ability to complete the contract may be adversely affected, which may have an adverse impact on our revenue and profits.

We need to successfully manage changes in the printing environment and market because our operating results may be negatively impacted by lower equipment placements and usage trends.

The printing market and environment is changing as a result of new technologies, shifts in customer preferences in office printing and the expansion of new printing markets. Examples include mobile printing, color printing, packaging, print on objects, continuous feed inkjet printing and the expansion of the market for entry products (A4 printers) and high-end products. A significant part of our strategy and ultimate success in this changing market is our ability to develop and market technology that produces products and services that meet these changes. Our future success in executing on this strategy depends on our ability to make the investments and commit the necessary resources in this highly competitive market. If we are unable to develop and market advanced and competitive technologies, it may negatively impact expansion of our worldwide equipment placements, as well as sales of services and supplies occurring after the initial equipment placement (post sale revenue) in the key growth markets of digital printing, color and multifunction systems. We expect that revenue growth can be improved through our document management and consulting services in the areas of personalized and product life cycle communications, enterprise managed print services and document content and imaging. The ability to achieve growth in our equipment placements is subject to the successful implementation of our initiatives to provide advanced systems, industry-oriented global solutions and services for major customers, improve direct and indirect sales efficiency and expand and successfully manage our indirect distribution channels in the face of global competition and pricing pressures. Our ability to preserve our post sale revenue streams is largely dependent on our ability to increase the volume of pages printed, the mix and price of color pages, equipment utilization and color adoption, as well as our ability to retain a high level of supplies sales in unbundled contracts. There will be a lag between the increase in equipment placements and an increase in post-sale revenues. In addition, with respect to our indirect distribution channels, many of our partners sell competing products, further increasing the need to successfully manage our relationships with our partners to ensure they meet our specific sale and distribution requirements for equipment placements and post sale revenues. If we are unable to maintain a consistent level of revenue, it could materially adversely affect our results of operations and financial condition.

Our ability to fund our customer financing activities at economically competitive levels depends on our ability to borrow and the cost of borrowing in the credit markets.

The long-term viability and profitability of our customer financing activities is dependent, in part, on our ability to borrow and the cost of borrowing in the credit markets. This ability and cost, in turn, is dependent on our credit rating, which is currently investment grade, and is subject to credit market volatility. We primarily fund our customer financing activity through a combination of cash generated from operations, cash on hand, capital market offerings, sales and securitizations of finance receivables and commercial paper borrowings. Our ability to continue to offer customer financing and be successful in the placement of equipment with customers is largely dependent on our ability to obtain funding at a reasonable cost. If we are unable to continue to offer customer financing, it could materially adversely affect our results of operations and financial condition.

Our significant debt could adversely affect our financial health and pose challenges for conducting our business.

Our ability to provide customer financing is a significant competitive advantage. We have and will continue to have a significant amount of debt and other obligations, the majority of which support our customer financing activities. Our substantial debt and other obligations could have important consequences. For example, it could (i) increase our vulnerability to general adverse economic and industry conditions; (ii) limit our ability to obtain additional financing for future working capital, capital expenditures, acquisitions and other general corporate requirements; (iii) increase our vulnerability to interest rate fluctuations because a portion of our debt has variable interest rates; (iv) require us to dedicate a substantial portion of our cash flows from operations to service debt and other obligations thereby reducing the availability of our cash flows from operations for other purposes; (v) limit our flexibility in planning for, or reacting to, changes in our businesses and the industries in which we operate; (vi) place us at a competitive disadvantage compared to our competitors that have less debt; and (vii) become due and payable upon a change in control. If new debt is added to our current debt levels, these related risks could increase.

Our financial condition and results of operations could be adversely affected by employee benefit-related funding requirements.

We sponsor several defined benefit pension and retiree-health benefit plans throughout the world. We are required to make contributions to these plans to comply with minimum funding requirements imposed by laws governing these employee benefit plans. Although most of our major defined benefit plans have been amended to freeze current benefits and eliminate benefit accruals for future service, the projected benefit obligations under these benefit plans is measured annually and at December 31, 2017 exceeded the value of the assets of those plans by approximately $1.4 billion. The current underfunded status of these plans is a significant factor in determining the ongoing future contributions we will be required to make to these plans. Accordingly, we expect to have additional funding requirements in future years and we may make additional, voluntary contributions to the plans. Depending on our cash position at the time, any such funding or contributions to our defined benefit plans could impact our operating flexibility and financial position, including adversely affecting our cash flow for the quarter in which such funding or contributions are made. Weak economic conditions and related under-performance of asset markets could also lead to increases in our funding requirements.

We need to maintain adequate liquidity in order to meet our operating cash flow requirements, repay maturing debt and meet other financial obligations, such as payment of dividends to the extent declared by our Board of Directors. If we fail to comply with the covenants contained in our various borrowing agreements, it may adversely affect our liquidity, results of operations and financial condition.

Our liquidity is a function of our ability to successfully generate cash flows from a combination of efficient operations and continuing operating improvements, access to capital markets and funding from third parties. We believe our liquidity (including operating and other cash flows that we expect to generate) will be sufficient to meet operating requirements as they occur; however, our ability to maintain sufficient liquidity going forward subject to the general liquidity of and on-going changes in the credit markets as well as general economic, financial, competitive, legislative, regulatory and other market factors that are beyond our control.

Our $1.8 billion credit facility (the "Credit Facility") contains financial maintenance covenants, including maximum leverage (debt for borrowed money divided by consolidated EBITDA, as defined) and a minimum interest coverage ratio (consolidated EBITDA divided by consolidated interest expense, as defined). At December 31, 2017, we were in full compliance with the covenants and other provisions of the Credit Facility. Failure to comply with material provisions or covenants in the Credit Facility could have a material adverse effect on our liquidity, results of operations and financial condition.

Our business, results of operations and financial condition may be negatively impacted by legal and regulatory matters.

We have various contingent liabilities that are not reflected on our balance sheet, including those arising as a result of being involved in a variety of claims, lawsuits, investigations and proceedings concerning: securities law; governmental entity contracting, servicing and procurement laws; intellectual property law; environmental law; employment law; the Employee Retirement Income Security Act (ERISA); and other laws and regulations, as discussed in the “Contingencies” note in the Consolidated Financial Statements. Should developments in any of these matters cause a change in our determination as to an unfavorable outcome and result in the need to recognize a material accrual or materially increase an existing accrual, or should any of these matters result in a final adverse judgment or be settled for significant amounts above any existing accruals, it could have a material adverse effect on our results of operations, cash flows and financial position in the period or periods in which such change in determination, judgment or settlement occurs.

Due to the international scope of our operations, we are subject to a complex system of commercial and trade regulations around the world. Recent years have seen an increase in the development and enforcement of laws regarding trade compliance and anti-corruption, such as the U.S. Foreign Corrupt Practices Act and similar laws from other countries. Our numerous foreign subsidiaries, affiliates and joint venture partners are governed by laws, rules and business practices that differ from those of the U.S. The activities of these entities may not comply with U.S. laws or business practices or our Code of Business Conduct. Violations of these laws may result in severe criminal or civil sanctions, could disrupt our business, and result in an adverse effect on our reputation, business and results of operations or financial condition. We cannot predict the nature, scope or effect of future regulatory requirements to which our operations might be subject or the manner in which existing laws might be administered or interpreted.

Our operations and our products are subject to environmental regulations in each of the jurisdictions in which we conduct our business and sell our products. Some of our manufacturing operations use, and some of our products contain, substances that are regulated in various jurisdictions. For example, various countries and jurisdictions have adopted, or are expected to adopt, restrictions on the types and amounts of chemicals that may be present in electronic equipment or other items that we use or sell. Recently, a number of studies have been published by third parties regarding chemicals utilized in our industry, as well as potential health/safety impacts of machine emissions. Additional studies are planned, and depending on the results of such studies, regulatory initiatives could follow. We are monitoring these developments. If we do not comply with applicable rules and regulations in connection with the use of such substances and the sale of products containing such substances, then we could be subject to liability and could be prohibited from selling our products in their existing forms, which could have a material adverse effect on our results of operations and financial condition. Further, various countries and jurisdictions have adopted or are expected to adopt, programs that make producers of electrical goods, including computers and printers, responsible for certain labeling, collection, recycling, treatment and disposal of these recovered products. If we are unable to collect, recycle, treat and dispose of our products in a cost-effective manner and in accordance with applicable requirements, it could materially adversely affect our results of operations and financial condition.

Other potentially relevant initiatives throughout the world include proposals for more extensive chemical registration requirements and/or possible bans on the use of certain chemicals, various efforts to limit energy use in products and other environmentally related-programs impacting products and operations, such as those associated with climate change accords, agreements and regulations. For example, the European Union's Energy-Related Products Directive (ERP) has led to the adoption of “implementing measures” or "voluntary agreements" that require certain classes of products to achieve certain design and/or performance standards, in connection with energy use and potentially other environmental parameters and impacts. A number of our products are already required to comply with ERP requirements and further regulations are being developed by the EU authorities. Another example is the European Union “REACH” Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals), a broad initiative that requires parties throughout the supply chain to register, assess and disclose information regarding many chemicals in their products. Depending on the types, applications, forms and uses of chemical substances in various products, REACH and similar regulatory programs in other jurisdictions could lead to restrictions and/or bans on certain chemical usage. In the United States, the Toxics Substances Control Act (“TSCA”) is undergoing a major overhaul with similar potential for regulatory challenges. Xerox continues its efforts toward monitoring and evaluating the applicability of these and numerous other regulatory initiatives in an effort to develop compliance strategies. As these and similar initiatives and programs become regulatory requirements throughout the world and/or are adopted as public or private procurement requirements, we must comply or potentially face market access limitations that could have a material adverse effect on our operations and financial condition. Similarly, environmentally driven procurement requirements voluntarily adopted by customers in the marketplace (e.g., U.S. EPA EnergyStar, EPEAT) are constantly evolving and becoming more stringent, presenting further market access challenges if our products fail to comply. Concern over climate change, including global warming, has led to legislative and regulatory initiatives directed at limiting greenhouse gas emissions. For example, proposals that would impose mandatory requirements on greenhouse gas emissions continue to be considered by policy makers in the countries, states and territories in which we operate. Enacted laws and/or regulatory actions to address concerns about climate change and greenhouse gas emissions could negatively impact our business, including the availability of our products or the cost to obtain or sell those products.

The separation of our Business Process Outsourcing ("BPO") business from our Document Technology and Document Outsourcing business into two independent, publicly-traded companies may not yield the expected benefits.

The separation of our BPO business from our Document Technology and Document Outsourcing business into two independent, publicly-traded companies was completed on December 31, 2016. The Company may not be able to achieve the full strategic and financial benefits expected to result from the separation, or such benefits may be delayed or not occur at all. The expected increased focus of management exclusively on the Company's own business and its distinct needs, may not yield expected long-term growth and profitability. In addition, the separation has resulted in the Company becoming a smaller, less diversified enterprise with a narrower market focus, which could make it more vulnerable to changing market conditions and other adverse events. Further, although we have received an opinion from outside counsel as to the tax-free nature of the Separation, there can be no assurance that the United States Internal Revenue Service will not challenge this position or that a court would not sustain such a challenge. The potential negative impact of these events could have a material adverse impact on our business, financial condition, results of operations and prospects.

Our business and reputation could be negatively affected as a result of activist shareholders.

Certain of our shareholders have expressed views with respect to the operation of our business, our business strategy, corporate governance considerations or other matters that may not be fully aligned with our own. Responding to actions by activist shareholders can be costly and time-consuming, disrupt our operations and divert the attention of management and our employees. Perceived uncertainties as to our future direction may result in the loss of potential business opportunities, damage to our reputation and may make it more difficult to attract and retain qualified directors, personnel and business partners. These actions could also cause our stock price to experience periods of volatility.

Risk Factors Related to the Fujifilm Transactions

Our expectations regarding our business may be impacted by the following risk factors related to the pending Fujifilm Transactions:

The pendency of the Fujifilm Transactions could adversely affect our business.

In connection with the Fujifilm Transactions, some of our suppliers and customers may delay or defer sales and purchasing decisions, which could negatively impact revenues, earnings and cash flows regardless of whether the Fujifilm Transactions are completed. We have agreed in the Fujifilm Transaction Agreements to refrain from taking certain actions with respect to our business and financial affairs during the pendency of the Fujifilm Transactions, which restrictions could be in place for an extended period of time if completion of the Fujifilm Transactions is delayed and could adversely impact our financial condition, results of operations or cash flows. These restrictions may prevent us from pursuing otherwise attractive business opportunities and making other changes to our business before completion of the Fujifilm Transactions or termination of the Fujifilm Transaction Agreements. The process of seeking to accomplish the Fujifilm Transactions could also divert the focus of our management from pursuing other opportunities that could be beneficial to us.

The pursuit of the Fujifilm Transactions and the preparation for the integration of Xerox and Fuji Xerox have placed, and will continue to place, a significant burden on our management and internal resources. There is a significant degree of difficulty and management distraction inherent in the process of seeking to close the Fujifilm Transactions and integrate Xerox and Fuji Xerox, which could cause an interruption of, or loss of momentum in, the activities of our existing business, regardless of whether the Fujifilm Transactions are eventually completed. Our management team will be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage our existing businesses, service existing customers, attract new customers and develop new products, services or strategies. One potential consequence of such distractions could be the failure of management to realize other strategic opportunities that could be beneficial to us. If our senior management is not able to effectively manage the process leading up to and immediately following Closing, or if any significant business activities are interrupted as a result of the integration process, then our business could suffer.

We may be unable to attract and retain key employees during the pendency of the Fujifilm Transactions.

In connection with the Fujifilm Transactions, current and prospective employees of Xerox may experience uncertainty about their future roles with New Fuji Xerox following the Fujifilm Transactions, which may materially adversely affect our ability to attract and retain key personnel during the pendency of the Fujifilm Transactions. Key employees may depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with New Fuji Xerox following the Fujifilm Transactions. The departure of existing key employees or the failure of potential key employees to accept employment with New Fuji Xerox, despite our recruiting efforts, could have a material adverse impact on our business, financial condition and operating results, regardless of whether the Fujifilm Transactions are eventually completed.

The Fujifilm Transactions may not be completed on the terms or timeline currently contemplated, or at all, and failure to complete the Fujifilm Transactions may result in material adverse consequences to our business and operations.

The Fujifilm Transactions are subject to several closing conditions, including (i) the absence of any law or order issued or enacted by any governmental authority of competent jurisdiction in which any of Xerox, Fuji Xerox or their respective subsidiaries has material operations, which enjoins or otherwise prohibits the consummation of the Fujifilm Transactions; (ii) the approval by our shareholders of (A) the Issuance; (B) the issuance of certain true-up shares to Fujifilm pursuant to the terms set forth in the Subscription Agreement; and (C) the Certificate of Amendment to our Certificate of Incorporation (collectively, the “Applicable Shareholder Approvals”), (iii) expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and under any other applicable antitrust, competition, trade regulation or merger control law, (iv) the filing of notices and receipt of applicable national security approvals, including with respect to the Committee on Foreign Investment in the United States, the U.S. Department of Defense’s Defense Security Service, the Department of Energy and the U.S. State Department Directorate of Defense Trade Controls pursuant to the International Traffic in Arms Regulations and (v) Xerox’s declaration of the Special Dividend. The closing conditions also include the delivery to us of the audited financial statements and interim financial statements of Fuji Xerox for the fiscal years ended March 31, 2016, March 31, 2017 and March 31, 2018 that (x) are GAAP compliant, (y) fairly present in all material respects the consolidated financial position of Fuji Xerox and its consolidated subsidiaries as of the dates thereof and the interim financial statements of Fuji Xerox and (z) do not deviate, in any material respect, from the unaudited financial statements of Fuji Xerox and its subsidiaries provided to us prior to the date of the Fujifilm Transaction Agreements. If any one of these conditions is not satisfied or waived, the Fujifilm Transactions may not be completed. There is no assurance that the Fujifilm Transactions will be completed on the terms or timeline currently contemplated, or at all.

The parties have not yet obtained all regulatory clearances, consents and approvals required to complete the Fujifilm Transactions. Governmental or regulatory agencies could still seek to block or challenge the Fujifilm Transactions or could impose restrictions they deem necessary or desirable in the public interest as a condition to approving the Fujifilm Transactions. These restrictions could include a requirement to sell or hold separate certain specified businesses to obtain such regulatory approvals. If these approvals are not received, then neither we nor Fujifilm will be obligated to complete the Fujifilm Transactions.

If the Applicable Shareholder Approvals are not obtained or if the Fujifilm Transactions are not completed for any other reason, we would be subject to a number of risks, including the following:

- we and our shareholders would not realize the anticipated benefits of the Fujifilm Transactions, including payment of the Special Dividend to holders of our Common Stock as of the applicable record date and any expected synergies and operating efficiencies from the Fujifilm Transactions;
- the attention of our management may have been diverted to the Fujifilm Transactions instead of on our ongoing business operations and pursuit of other opportunities that may have been beneficial to us;
- resulting negative reactions from our customers, regulators and employees;
- we may be required to pay a termination fee of $183 million (the “Termination Fee”) if the Fujifilm Transaction Agreements are terminated in the case of certain events described in the Fujifilm Transaction Agreements, including due to an adverse change in our Board of Directors’ recommendation to our shareholders to approve the Fujifilm Transactions;

- we have incurred, and will continue to incur, significant costs, expenses and fees for professional services and other transaction costs in connection with the proposed Fujifilm Transactions, for which we will have received little or no benefit if the Fujifilm Transactions are not completed. Many of these fees and costs will be payable by us even if the Fujifilm Transactions are not completed and may relate to activities that we would not have undertaken other than to complete the Fujifilm Transactions;
- resulting negative reactions from the financial markets, including a decline in our stock price (which may reflect a market assumption that the Fujifilm Transactions will be completed); or
- Xerox could be subject to litigation from shareholders related to the Fujifilm Transaction Agreements.

The occurrence of any of these events individually or in combination could have a material adverse effect on our results of operations or the trading price of our Common Stock.

Even if the Fujifilm Transactions close, the integration of Xerox and Fuji Xerox following the Closing will present significant challenges that may result in a decline in the anticipated benefits of the Fujifilm Transactions.

Historically, Xerox and Fuji Xerox have operated as independent companies, and they will continue to do so until the completion of the Fujifilm Transactions. There can be no assurance that their businesses can be integrated successfully. New Fuji Xerox will be required to devote management attention and resources to integrating its business practices and operations, and prior to the Fujifilm Transactions, management attention and resources will be required to plan for such integration. Specifically, the following issues, among others, must be addressed in integrating the operations of Xerox and Fuji Xerox in order to realize the anticipated benefits of the Fujifilm Transactions:

- the potential inability (i) to successfully integrate the two businesses, including operations, technologies, products, customer services and offerings and corporate functions and/or (ii) to identify and eliminate redundant and underperforming functions and assets, in a manner that permits New Fuji Xerox to achieve the synergies and operating efficiencies expected to result from the Fujifilm Transactions, which could result in the expected benefits of the Fujifilm Transactions not being realized partly or wholly in the time frame currently anticipated or at all;
- consolidating and rationalizing the companies' information technology platforms and administrative infrastructures as well as accounting systems;
- integrating the companies' financial reporting and internal control systems, including compliance by New Fuji Xerox with Section 404 of the Sarbanes-Oxley Act of 2002, as amended, and the rules promulgated thereunder by the U.S. Securities and Exchange Commission;
- coordinating geographically separated organizations, systems and facilities;
- integrating personnel with diverse business backgrounds, business cultures and management philosophies, while maintaining focus on providing consistent, high-quality products and services;
- maintaining existing agreements with customers, distributors, providers and vendors and avoiding delays in entering into new agreements with prospective customers, distributors, providers and vendors;
- coordinating distribution and marketing efforts;
- lost sales and customers as a result of certain customers of either or both of the two businesses deciding not to do business with New Fuji Xerox, or deciding to decrease their amount of business in order to reduce their reliance on a single company;
- preserving important relationships of both Xerox and Fuji Xerox and resolving potential conflicts that may arise;
- performance shortfalls at one or both of Xerox and Fuji Xerox as a result of the diversion of management's attention caused by completing the Fujifilm Transactions and integrating the two businesses' operations;
- potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the Fujifilm Transactions; and
- effecting actions that may be required in connection with obtaining regulatory approvals.

Combining the businesses of Xerox and Fuji Xerox may be more difficult, costly or time-consuming than expected, which may adversely affect New Fuji Xerox's results and negatively affect the value of its Common Stock following the Fujifilm Transactions.

Xerox and Fuji Xerox have entered into the Fujifilm Transaction Agreements because each believes that the Fujifilm Transactions will be beneficial to its respective companies and shareholders and that combining the businesses of Xerox and Fuji Xerox will produce benefits and cost savings. If New Fuji Xerox is not able to successfully combine the businesses of Xerox and Fuji Xerox in an efficient and effective manner, the anticipated benefits and cost savings of the Fujifilm Transactions may not be realized fully, or at all, or may take longer to realize than expected, and the value of New Fuji Xerox Common Stock may be affected adversely.

An inability to realize the full extent of the anticipated benefits of the Fujifilm Transactions and the other transactions contemplated by the Fujifilm Transaction Agreements, as well as any delays encountered in the integration process, could have an adverse effect upon the revenues, level of expenses and operating results of New Fuji Xerox, which may adversely affect the value of New Fuji Xerox Common Stock following the Fujifilm Transactions.

In addition, the actual integration may result in additional and unforeseen expenses, and the anticipated benefits of the integration plan may not be realized. Actual growth and cost savings, if achieved, may be lower than what New Fuji Xerox expects and may take longer to achieve than anticipated. If New Fuji Xerox is not able to adequately address integration challenges, it may be unable to successfully integrate Xerox's and Fuji Xerox's operations or to realize the anticipated benefits of the integration of the two companies.

We may not realize the anticipated synergies, net cost reductions and growth opportunities from the Fujifilm Transactions.

The benefits that we expect to achieve as a result of the Fujifilm Transactions will depend, in part, on the ability of New Fuji Xerox to realize anticipated growth opportunities, net cost reductions and synergies. Our success in realizing these growth opportunities, net cost reductions and synergies, and the timing of this realization, depends on the successful integration of our historical business and operations and the historical business and operations of Fuji Xerox. Even if we are able to integrate the businesses and operations of Xerox and Fuji Xerox successfully, this integration may not result in the realization of the full benefits of the growth opportunities, net cost reductions and synergies that we currently expect from this integration within the anticipated time frame or at all. For example, we may be unable to eliminate duplicative costs. Moreover, we may incur substantial expenses in connection with the integration of our business and Fuji Xerox's business. While we anticipate that certain expenses will be incurred, such expenses are difficult to estimate accurately and may exceed current estimates. Accordingly, the benefits from the Transactions may be offset by costs or delays incurred in integrating the businesses.

In connection with the Fujifilm Transactions, we are acquiring entities that may have potential liabilities, including entities that have previously undergone a financial audit.

In connection with the Fujifilm Transactions, we are acquiring entities that may have potential liabilities relating to their businesses, including entities for which audited financial statements have not yet been provided. In addition, as previously disclosed, Fujifilm previously formed an independent investigation committee to conduct a review of the accounting practices at Fuji Xerox's New Zealand subsidiary and at other subsidiaries that identified aggregate adjustments to Fuji Xerox's financial statements of approximately JPY 40 billion, which primarily related to misstatements at Fuji Xerox's New Zealand and Australian subsidiaries as well as certain other adjustments. While Fujifilm and Fuji Xerox continue to review Fujifilm's oversight and governance of Fuji Xerox as well as Fuji Xerox's oversight and governance over its businesses in light of the findings of the independent investigation committee, there may be governmental investigations and additional consequences related thereto. To the extent we have not identified such liabilities or miscalculated their potential financial impact, these liabilities could have a material adverse effect on our business, prospects, results of operations, financial condition and/or cash flows.

Following the completion of the Fujifilm Transactions, New Fuji Xerox will be controlled by Fujifilm. The interests of Fujifilm may differ from the interests of other shareholders.

Immediately following Closing, Fujifilm is expected to own approximately 50.1 percent of the Fully Diluted Capital Stock of New Fuji Xerox and Xerox shareholders are expected to own approximately 49.9 percent.

Pursuant to the Shareholders Agreement, the Board of Directors of New Fuji Xerox will have twelve directors, which will initially be composed of seven individuals designated by Fujifilm and five individuals from among the members of the Board of Directors of Xerox immediately prior to Closing designated by Xerox in consultation with and subject to reasonable approved by Fujifilm. As a result of Fujifilm's ownership of a majority of the voting power of Common Stock, New Fuji Xerox will be a "controlled company" as defined in NYSE listing rules and will, therefore, not be subject to NYSE requirements that would otherwise require New Fuji Xerox to have (i) a majority of independent directors, (ii) a nominating committee composed solely of independent directors, (iii) a compensation committee composed solely of independent directors, and (iv) director nominees selected, or recommended to the Board of Directors by a nominating committee composed solely of independent directors.

Fujifilm may have different interests than other holders of Common Stock and may make decisions adverse to your interests. Subject to the terms and restrictions set forth in the Shareholders Agreement, Fujifilm would have control over matters submitted to the shareholders that require the affirmative vote of a majority or more of the outstanding shares of New Fuji Xerox. This concentrated control could discourage a potential investor from seeking to acquire Common Stock and, as a result, might harm the market price of that Common Stock. Given Fujifilm's ownership of the majority of the Common Stock of New Fuji Xerox and the interactions that will take place between New Fuji Xerox and Fujifilm, the success of New Fuji Xerox will depend in part on the reputation and success of Fujifilm.

The Fujifilm Transaction Agreements contain provisions that may discourage other companies from trying to acquire us.

The Fujifilm Transaction Agreements contain provisions that may discourage third parties from submitting business combination proposals to us that might result in greater value to our shareholders than the Fujifilm Transactions. The Fujifilm Transaction Agreements generally prohibit us from soliciting, initiating and facilitating or encouraging any inquiries regarding, or the making of any proposal or offer that constitutes, or that could reasonably be expected to lead to, an alternative acquisition proposal from any third party. This provision prevents us from seeking offers from other possible acquirers that may be superior to the Fujifilm Transactions. In addition, if the Fujifilm Transaction Agreements are terminated by us or Fujifilm in circumstances that obligate us to pay a Termination Fee, our financial condition may be adversely affected as a result of the payment of the Termination Fee, which might deter third parties from proposing alternative business combination proposals.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

We own several manufacturing, engineering and research facilities and lease other facilities. Our principal manufacturing and engineering facilities are located in New York, California, Oklahoma, Oregon, Canada, the U.K., Ireland, and the Netherlands. Our principal research facilities are located in California, New York, and Canada. Our Corporate Headquarters is a leased facility located in Norwalk, Connecticut.

As a result of implementing our restructuring programs (refer to Note 12 - Restructuring and Asset Impairment Charges in the Consolidated Financial Statements) as well as various productivity initiatives, several leased and owned properties became surplus. We are obligated to maintain our leased surplus properties through required contractual periods. We have disposed or subleased certain of these properties and are actively pursuing the successful disposition of remaining surplus properties.

In 2017, we owned or leased numerous facilities globally, which house general offices, sales offices, service locations, data centers, call centers and distribution centers. The size of our property portfolio at December 31, 2017 was approximately 14 million square feet and comprised of 687 leased properties and 108 owned properties (of which 73 are located on our Webster, New York campus). It is our opinion that our properties have been well maintained, are in sound operating condition and contain all the necessary equipment and facilities to perform their functions. We believe that our current facilities are suitable and adequate for our current businesses.

Item 3. Legal Proceedings

Refer to the information set forth under Note 19 "Contingencies and Litigation" in the Consolidated Financial Statements.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

ITEM 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Corporate Information

Stock Exchange Information

Xerox common stock (XRX) is listed on the New York Stock Exchange and the Chicago Stock Exchange.

Xerox Common Stock Prices and Dividends

New York Stock Exchange composite prices *	First Quarter[1]	Second Quarter	Third Quarter	Fourth Quarter
2017				
High	$ 30.16	$ 29.29	$ 33.95	$ 33.46
Low	27.56	27.52	28.35	28.08
Dividends declared per share	0.25	0.25	0.25	0.25
2016[1]				
High	$ 44.64	$ 45.00	$ 41.20	$ 40.48
Low	34.76	35.84	36.96	34.88
Dividends declared per share	0.31	0.31	0.31	0.31

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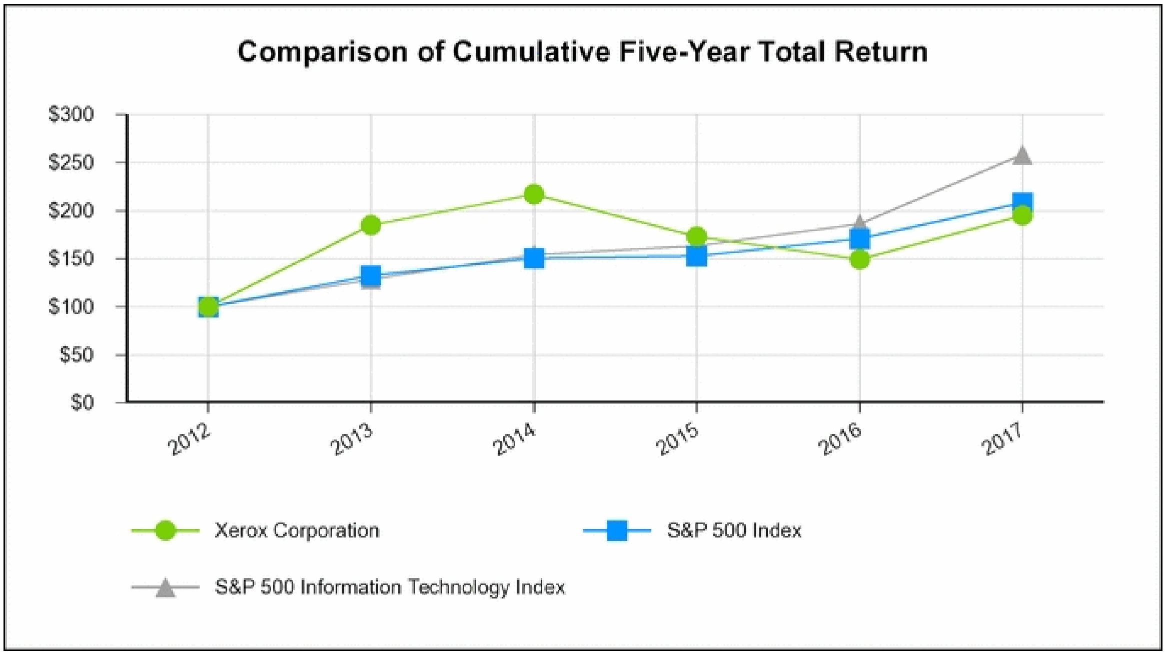
** Price as of close of business.*

(1) *Reflects our one-for-four reverse stock split that became effective on June 14, 2017. Stock prices for 2016 and prior are on a pre-separation basis. Refer to Note 1 - Basis of Presentation and Summary of Significant Accounting Policies in the Notes to the Consolidated Financial Statements for further information.*

Common Shareholders of Record

See Item 6 - Selected Financial Data, Five Years in Review, Common Shareholders of Record at Year-End, for additional information.

Performance Graph



Total Return To Shareholders

(Includes reinvestment of dividends)	2012	2013	2014	2015	2016	2017
	Year Ended December 31,					
Xerox Corporation	$ 100.00	$ 184.83	$ 216.99	$ 173.02	$ 149.04	$ 195.21
S&P 500 Index	100.00	132.39	150.51	152.59	170.84	208.14
S&P 500 Information Technology Index	100.00	128.43	154.26	163.40	186.03	258.28

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Source: Standard & Poor's Investment Services

Notes: Graph assumes $100 invested on December 31, 2012 in Xerox, the S&P 500 Index and the S&P 500 Information Technology Index, respectively, and assumes dividends are reinvested.

Sales Of Unregistered Securities During The Quarter Ended December 31, 2017

During the quarter ended December 31, 2017, Registrant issued the following securities in transactions that were not registered under the Securities Act of 1933, as amended (the “Act”).

Dividend Equivalent

(a) Securities issued on October 31, 2017: Registrant issued 2,457 deferred stock units (DSUs), representing the right to receive shares of Common stock, par value $1 per share, at a future date.

(b) No underwriters participated. The shares were issued to each of the non-employee Directors of Registrant: Gregory Q. Brown, Jonathan Christodoro, Joseph J. Echevarria, Richard J. Harrington, William Curt Hunter, Robert J. Keegan, Cheryl Gordon Krongard, Charles Prince, Ann N. Reese, Stephen H. Rusckowski and Sara Martinez Tucker.

(c) The DSUs were issued at a deemed purchase price of $33.555 per DSU (aggregate price $82,445), based upon the market value on the date of record, in payment of the dividend equivalents due to DSU holders pursuant to Registrant’s 2004 Equity Compensation Plan for Non-Employee Directors.

(d) Exemption from registration under the Act was claimed based upon Section 4(2) as a sale by an issuer not involving a public offering.

Issuer Purchases of Equity Securities During the Quarter Ended December 31, 2017

Board Authorized Share Repurchase Program

Repurchases of Xerox Common Stock, par value $1 per share include the following:

	Total Number of Shares Purchased	Average Price Paid per Share[1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[2]	Maximum Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs[2]
October 1 through 31	—	$ —	—	$ 244,710,381
November 1 through 30	—	—	—	244,710,381
December 1 through 31	—	—	—	244,710,381
Total	—		—	

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(1) *Exclusive of fees and costs.*

(2) *Of the cumulative $8.0 billion of share repurchase authority granted by our Board of Directors, exclusive of fees and expenses, approximately $7.8 billion has been used through December 31, 2017. Repurchases may be made on the open market, or through derivative or negotiated transactions. Open-market repurchases will be made in compliance with the Securities and Exchange Commission’s Rule 10b-18, and are subject to market conditions, as well as applicable legal and other considerations.*

Repurchases Related to Stock Compensation Programs[1]:

	Total Number of Shares Purchased	Average Price Paid per Share[2]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum That May Be Purchased under the Plans or Programs
October 1 through 31	2,686	$ 33.29	n/a	n/a
November 1 through 30	—	—	n/a	n/a
December 1 through 31	—	—	n/a	n/a
Total	2,686			

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(1) These repurchases are made under a provision in our restricted stock compensation programs for the indirect repurchase of shares through a net-settlement feature upon the vesting of shares in order to satisfy minimum statutory tax-withholding requirements.

(2) Exclusive of fees and costs.

Item 6. Selected Financial Data
Five Years in Review

(in millions, except per-share data)		2017		2016[1]		2015[1]		2014[1]		2013[1]
Per-Share Data										
Income from continuing operations										
Basic	$	0.70	$	2.36	$	3.00	$	3.42	$	2.99
Diluted		0.70		2.33		2.97		3.37		2.94
Net Income (Loss) Attributable to Xerox										
Basic		0.71		(1.95)		1.59		3.37		3.63
Diluted		0.71		(1.93)		1.58		3.32		3.57
Common stock dividends declared		1.00		1.24		1.12		1.00		0.92
Operations										
Revenues	$	10,265	$	10,771	$	11,465	$	12,679	$	13,194
Sales		4,073		4,319		4,674		5,214		5,496
Services, maintenance and rentals		5,898		6,127		6,445		7,078		7,215
Financing		294		325		346		387		483
Income from continuing operations		204		633		840		1,034		959
Income from continuing operations - Xerox		192		622		822		1,011		939
Net income (loss)		207		(460)		466		1,018		1,155
Net income (loss) - Xerox		195		(471)		448		995		1,135
Financial Position[2]										
Working capital	$	2,489	$	2,338	$	1,431	$	2,798	$	2,825
Total Assets		15,946		18,051		25,442		27,576		28,966
Consolidated Capitalization[2]										
Short-term debt and current portion of long-term debt	$	282	$	1,011	$	985	$	1,427	$	1,117
Long-term debt		5,235		5,305		6,382		6,314		6,904
Total Debt[3]		5,517		6,316		7,367		7,741		8,021
Convertible preferred stock		214		214		349		349		349
Xerox shareholders' equity		5,256		4,709		8,975		10,596		12,230
Noncontrolling interests		37		38		43		75		119
Total Consolidated Capitalization	$	11,024	$	11,277	$	16,734	$	18,761	$	20,719
Selected Data and Ratios										
Common shareholders of record at year-end		28,752		31,803		33,843		35,307		37,552
Book value per common share[4]	$	20.64	$	18.57	$	35.45	$	37.95	$	41.17
Year-end common stock market price[4]	$	29.15	$	34.92	$	42.52	$	55.44	$	48.68

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(1) *Reflects the revisions related to the Fuji Xerox misstatement disclosed in Note 2 - Correction of Fuji Xerox Misstatement in Prior Period Financial Statements in our Consolidated Financial Statements.*

(2) *Balance sheet amounts at December 31, 2016 exclude Conduent Incorporated (Conduent) balances as a result of the Separation and Distribution while balance sheet amounts prior to December 31, 2016 include amounts for Conduent. Refer to Note 5 - Divestitures in our Consolidated Financial Statements for additional information.*

(3) *Includes capital lease obligations.*

(4) *Per-share computations reflect the impact of our one-for-four reverse stock split effective June 14, 2017. Stock prices for 2016 and prior are on a pre-separation basis. Refer to Note 1 - Basis of Presentation and Summary of Significant Accounting Policies in the Notes to the Consolidated Financial Statements for further information.*

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis (MD&A) is intended to help the reader understand the results of operations and financial condition of Xerox Corporation. MD&A is provided as a supplement to, and should be read in conjunction with, our Consolidated Financial Statements and the accompanying notes. Throughout the MD&A, we refer to various notes to our Consolidated Financial Statements which appear in Item 8 of this 2017 Form 10-K, and the information contained in such notes is incorporated by reference into the MD&A in the places where such references are made.

Throughout this document, references to "we," "our," the "Company," and "Xerox" refer to Xerox Corporation and its subsidiaries. References to "Xerox Corporation" refer to the stand-alone parent company and do not include its subsidiaries.

Executive Overview

With annual revenues of $10.3 billion we are a leading global provider of digital print technology and related solutions; we operate in a market estimated at approximately $85 billion. Our primary offerings span three main areas: Managed Document Services, Workplace Solutions and Graphic Communications. Our Managed Document Services offerings help customers, ranging from small businesses to global enterprises, optimize their printing and related document workflow and business processes. Our Workplace Solutions and Graphic Communications products and solutions support the work processes of our customers by providing them with an efficient, cost effective printing and communications infrastructure.

Headquartered in Norwalk, Connecticut, with 35,300 employees, Xerox serves customers in approximately 160 countries providing advanced document technology, services, software and genuine Xerox supplies for a range of customers including small and mid-size businesses ("SMB"), large enterprises, governments and graphic communications providers, and for our partners who serve them. In 2017, approximately 40% of our revenue was generated outside the United States.

Market and Business Strategy

Our strategy is to apply innovation in digital print technology and services in order to increase our participation in the growth areas of our market while maintaining leadership in the more mature areas. To accomplish this, we focus on the following areas:

- Maintain Market Leadership and Focus on Strategic Growth Areas - i) Expand leadership in Managed Document Services; ii) Increase SMB coverage through resellers and partners; iii) Gain share in the entry A4 product segment of the market; and iv) Extend leadership in digital color production.
- Innovate to Differentiate Our Offerings - Make investments in areas such as workflow automation and color printing, as well as improving the quality and reducing the environmental impact of digital printing.
- Accelerate Productivity and Cost Initiatives through Strategic Transformation - As markets shift, we need to undertake restructuring to optimize our workforce and facilities to best align our resources with the growth areas of our business and to maximize profitability and cash flow in businesses that are declining.

Post-sale Based Business Model

In 2017, 78% of our total revenue was post-sale based, which includes document services, equipment maintenance services, consumable supplies and financing, among other elements. These revenue streams generally follow equipment placements and provide some stability to our revenue. Some of the key indicators of future post sale revenue include:

- Installations of printers and multifunction devices as well as the number of machines in the field (MIF) and the page volume and mix of pages printed on color devices, where available.
- Managed Document Services - i) signings, which reflects the estimated future revenues from contracts, mostly from Enterprise deals, signed during the period, i.e., Total Contract Value (TCV) and; ii) renewal rate, which is defined as the annual recurring revenue (ARR) on contracts that are renewed during the period, calculated as a percentage of ARR on all contracts where a renewal decision was made during the period.

Transaction to Combine Xerox and Fuji Xerox

On January 31, 2018, Xerox entered into a Redemption Agreement with FUJIFILM Holdings Corporation, a Japanese company ("Fujifilm"), and Fuji Xerox Co., Ltd, a Japanese company in which Xerox indirectly holds a 25 percent equity interest and Fujifilm holds the remaining 75 percent equity interest ("Fuji Xerox") (the "Redemption Agreement"), pursuant to which, among other things, (i) Fuji Xerox shall redeem for cash most or all of Fujifilm's 75 percent equity interest in Fuji Xerox and (ii) Fuji Xerox shall become an indirect majority or wholly owned subsidiary of Xerox (the "Redemption"). The combined company resulting from the Fujifilm Transactions (as defined below) shall hereinafter be referred to as "New Fuji Xerox".

Concurrently with the execution and delivery of the Redemption Agreement, Xerox entered into a Share Subscription Agreement with Fujifilm (the "Subscription Agreement" and together with the Redemption Agreement, the "Fujifilm Transaction Agreements"), pursuant to which, among other things, (i) Fujifilm shall subscribe for and purchase from Xerox, and Xerox shall issue to Fujifilm, a number of shares of common capital stock of Xerox (and after Closing, of New Fuji Xerox, "Common Stock") representing 50.1 percent of (i) the aggregate number of issued and outstanding shares of Common Stock (excluding any performance shares issued under the Company's existing employee incentive plans) plus (ii) such additional shares of Common Stock that would be issued and outstanding assuming the exercise of in-the-money options as of 5:00 p.m. New York time two business days prior to closing of the Fujifilm Transactions (as defined below) (the "Closing") plus (iii) any shares of Common Stock reserved for issue relating to restricted stock units outstanding as of the Closing that are fully vested as of 5:00 p.m. New York time two business days prior to the Closing (collectively, the "Fully Diluted Capital Stock") of Xerox in exchange for (A) cash and (B) all of the issued and outstanding equity interests of Fuji Xerox not held by Xerox or its wholly owned subsidiaries and (ii) Xerox shall become a direct, majority owned subsidiary of Fujifilm (the "Issuance" and together with the Redemption, the "Fujifilm Transactions"). In addition, pursuant to the terms of the Subscription Agreement, at Closing, an aggregate number of shares equal to the "True-Up Shares" (as defined in the Subscription Agreement) shall be held in escrow and released to Fujifilm as and if necessary for Fujifilm to maintain its ownership percentage.

In connection with the Fujifilm Transactions, Xerox expects to pay a special pro rata cash dividend to its shareholders in an amount equal to $2.5 billion in the aggregate (the "Special Dividend"), which is expected to be financed through the issuance of debt that will be incurred by New Fuji Xerox. Fujifilm will not be a shareholder of Xerox as of the record date for the Special Dividend and therefore will not receive any payment in respect thereof.

As noted above, immediately following the Closing, Fujifilm is expected to own approximately 50.1 percent of the Fully Diluted Capital Stock of New Fuji Xerox and Xerox shareholders are expected to own approximately 49.9 percent. Further, pursuant to that certain Shareholders Agreement, to be entered into by Xerox and Fujifilm at Closing (the "Shareholders Agreement"), the Board of Directors ofNew Fuji Xerox will have twelve directors, which will initially be composed of seven individuals designated by Fujifilm and five individuals from among the members of the Board of Directors of the Company immediately prior to Closing designated by Xerox in consultation with and subject to reasonable approved by Fujifilm. Accordingly, the Fujifilm Transactions are expected to be accounted for as a reverse acquisition.

Xerox must pay to Fujifilm a $183 million termination fee (the "Termination Fee") in the event that the Subscription Agreement is terminated (i) by either party because the applicable shareholder approvals are not obtained if an alternative acquisition proposal is publicly announced prior to the Xerox shareholder meeting duly called for the purpose of obtaining the applicable shareholder approvals and Xerox enters into a definitive agreement with respect to, or otherwise consummates, an alternative acquisition proposal within 12 months after the termination of the Subscription Agreement; (ii) by Fujifilm (A) in connection with a material and intentional breach by Xerox of its non-solicitation obligations resulting in a third party making an alternate acquisition proposal that is reasonably likely to materially interfere with the Fujifilm Transactions or (B) following a change in the recommendation by the Board of Directors of Xerox; or (iii) by Xerox in order to enter into a definitive agreement with a third party with respect to a superior proposal, in each case as set forth in, and subject to the conditions of, the Fujifilm Transaction Agreements.

We expect the Fujifilm Transactions, which require Xerox shareholder approval, to close in the second half of 2018 subject to customary regulatory approvals, filings with the U.S. Securities and Exchange Commission, tax considerations, and securing any necessary financing. Until the combination is complete, each of Xerox, Fuji Xerox and Fujifilm will continue to be separate, independent organizations and will operate as usual.

Strategic Transformation Program

Despite the decline in revenues, we have maintained our margins primarily through ongoing cost and productivity initiatives. In 2016, we initiated a three-year Strategic Transformation program to accelerate cost productivity beyond our historical range of $300 to $350 million of annual savings. The program is expected to deliver gross productivity improvements and cost savings of at least $1.7 billion over the three-year period, which include our historical savings of approximately $900 to $1,050 million. The program targets areas such as delivery, remote connectivity, sales productivity, pricing optimization, design efficiency and supply chain optimization. During the first two years, the program delivered over $1.2 billion of gross productivity improvements and cost savings, and we expect it to provide approximately $475 million of additional improvements and cost savings in 2018.

Tax Cuts and Jobs Act (the "Tax Act")

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was enacted in the U.S. The Tax Act significantly revises the U.S. corporate income tax system by, among other things, lowering the U.S. statutory corporate income tax rate from 35% to 21% and implementing a territorial tax system that includes a transition tax on deemed repatriated earnings of foreign subsidiaries.

During the fourth quarter 2017, we recorded an estimated non-cash provisional charge of $400 million reflecting the impact associated with the provisions of the Tax Act based on currently available information. Refer to **Income Taxes** section of the MD&A and Note 18 - Income and Other Taxes in the Consolidated Financial Statements for additional information.

Correction of Fuji Xerox Misstatement in Prior Period Financial Statements

In April 2017, Fujifilm publicly announced it had formed an independent investigation committee (IIC) to conduct a review of the appropriateness of the accounting practices at Fuji Xerox's New Zealand subsidiary related to the recovery of receivables associated with certain bundled leasing transactions that occurred in, or prior to, Fuji Xerox's fiscal year ending March 31, 2016. The IIC's review, completed during the second quarter 2017, identified total aggregate adjustments to Fuji Xerox's prior period financial statements of approximately JPY 40 billion (approximately $360 million based on the Yen/U.S. Dollar spot exchange rate at March 31, 2017 of 111.89). The adjustments identified by the IIC primarily related to misstatements at Fuji Xerox's New Zealand subsidiary as well as their Australian subsidiary and certain other adjustments. We determined that our cumulative share of the total adjustments identified as part of the IIC's investigation was approximately $90 million and impacted our fiscal years 2009 through 2017.

In the second quarter 2017, we determined that the misstatements to our equity income in prior years and in first quarter 2017 resulting from the IIC's review were immaterial to our previously issued financial statements. However, we concluded that the cumulative correction of these misstatements would have had a material effect on our current year consolidated financial statements. Accordingly, we have revised our previously issued annual and interim consolidated financial statements for 2015 and 2016 and the first quarter of 2017. Certain of the corrections discussed above affected periods prior to fiscal year 2015, and this effect was reflected as a cumulative, net of tax adjustment to reduce retained earnings as of January 1, 2015 by $87 million. Amounts throughout this filing have been adjusted to incorporate the revised amounts, where applicable.

Refer to Note 2 - Correction of Fuji Xerox Misstatement in Prior Period Financial Statements in the Consolidated Financial Statements for additional information regarding this correction.

Reverse Stock Split

On May 23, 2017, the Board of Directors authorized and shareholders approved a reverse stock split of outstanding Xerox common stock at a ratio of one-for-four shares, together with the proportionate reduction in the authorized shares of its common stock from 1,750,000,000 shares to 437,500,000 shares. The reverse stock split became effective on June 14, 2017.

Refer to Note 1 - Basis of Presentation and Summary of Significant Accounting Policies in the Consolidated Financial Statements for additional information regarding the reverse stock split.

Segment Changes

Following the separation of the BPO business, we realigned our operations to better manage the business and serve our customers and the markets in which we operate. In 2017 we transitioned to a geographic focus and are primarily organized from a sales perspective on the basis of "go-to-market" sales channels. These sales channels are structured to serve a range of customers for our products and services. As a result of this transition and change in structure, we concluded that we have one operating and reportable segment - the design, development and sale of document management systems and solutions. Our chief executive officer was identified as the chief operating decision maker ("CODM"). All of the company's activities are interrelated, and each activity is dependent upon and supportive of the other, including product development, supply chain and back-office support services. In addition, all significant operating decisions, by management and the Board, are largely based upon an analysis of Xerox on a total Company basis, including assessments related to the company's incentive compensation plans.

Refer to Note 3 - Segment and Geographic Area Reporting in the Consolidated Financial Statements for additional information.

Separation Update

On December 31, 2016, Xerox Corporation completed the separation of its BPO business from its Document Technology and Document Outsourcing (DT/DO) business (the "Separation"). The Separation was accomplished through the transfer of the BPO business into a new legal entity, Conduent Incorporated ("Conduent"), and then distributing one hundred percent (100%) of the outstanding common stock of Conduent to Xerox Corporation stockholders (the "Distribution"). As a result of the Separation and Distribution, the BPO business is presented as a discontinued operation and, as such, has been excluded from continuing operations for all periods presented.

Refer to Note 5 - Divestitures in the Consolidated Financial Statements for additional information regarding the Separation.

Financial Overview

During 2017 the Company focused on delivering on its commitments established post-separation.

- Revenue - Successful launch of 29 new workplace devices and 65 new dealer partners signed. Improvements in identified strategic growth areas of the business.
- Cost Transformation - Second year Strategic Transformation savings of $680 million exceeded full-year target and enabled investment in the business to offset revenue declines.
- Capital Structure - Reduced debt by $800 million; contributed $836 million to our defined benefit pension plans, significantly reducing our net underfunded obligation; and eliminated our accounts receivable sales programs for cost savings and simplification.

Total revenue of $10.3 billion in 2017 declined 4.7% from the prior year, with no impact from currency. The revenue decline reflects a 6.9% decline in equipment sales, with a 0.3-percentage point positive impact from currency and a 4.0% decline in post sale revenue with a 0.1-percentage point negative impact from currency. While equipment revenues improved in the fourth quarter 2017, the full-year decline was primarily driven by the impact of transitioning to our ConnectKey portfolio and ongoing black-and-white revenue declines that reflected overall market trends and unfavorable mix. The decline in post sale revenue was largely due to lower maintenance service revenues, supply sales and financing revenues, reflecting lower print volumes and lower equipment sales in prior periods.

2017 Net Income from continuing operations attributable to Xerox was $192 million and included after-tax costs of $723 million related to the amortization of intangible assets, restructuring and related costs, non-service retirement-related costs, and other discrete adjustments including the $400 million impact of implementing the Tax Act resulting in adjusted[1] net income from continuing operations of $915 million. Net income from continuing operations attributable to Xerox for 2016 was $622 million and included after-tax costs of $305 million related to the amortization of intangible assets, restructuring and related costs and non-service retirement-related costs, resulting in adjusted[1] net income of $927 million. The decrease in net income from continuing operations attributable to Xerox was primarily due to the $400 million impact from the Tax Act. Both net income amounts in 2017 - reported and adjusted[1] - as compared to 2016 were also impacted by lower revenues, which were offset by cost savings from our Strategic Transformation program and lower interest expense, and a higher tax expense in 2017 before the impacts of the Tax Act.

Operating cash flow from continuing operations was $122 million in 2017 as compared to $1,018 million in 2016. The decrease is primarily due to higher pension contributions of $658 million, which reflect an incremental $500 million contribution to our U.S. defined benefit pension plans that was funded through a $1.0 billion Senior Note offering and an additional contribution of approximately $105 million (GBP 80 million) to our U.K. Pension Plan for salaried employees. The U.K. contribution was funded through the cash received from an investment associated with our 1997 sale of The Resolution Group (TRG), a discontinued insurance business, and reported in investing cash flows. The decrease is also due to the one-time impact of approximately $350 million from the termination of certain accounts receivable sales programs in the fourth quarter of 2017. Cash used in investing activities of continuing operations of $31 million decreased $115 million as compared to 2016 primarily due to the cash receipt of $127 million from the TRG investment previously noted. Cash used in financing activities was $985 million in 2017 as compared to cash provided by financing activities of $584 million in 2016. The increase in the use of cash primarily reflects payments of $1.5 billion on Senior Notes, net payments of $326 million on the tender and exchange of certain Senior Notes and dividend payments of $291 million, partially offset by proceeds from the issuance of $1.0 billion of Senior Notes and $161 million from the final cash adjustment with Conduent.

2018 Outlook

We expect total revenues to decline in 2018 in the 2% to 4% range, excluding the impact of currency. At January 2018 exchange rates, we expect translation currency to have about a 1.4-percentage point positive impact on total revenues in 2018, reflecting the weakening of the U.S. dollar against our major foreign currencies as compared to prior year. Reported earnings should improve in 2018 due to the inclusion of the $400 million charge in 2017 related to the enactment of the Tax Act. In addition, both reported and adjusted[1] earnings are expected to reflect the continued benefits of cost savings and productivity improvements from our Strategic Transformation program, which are expected to offset the projected decline in revenues.

We expect 2018 operating cash flows from continuing operations to be between $900 and $1,100 million and capital expenditures to be approximately $150 million.

Our capital allocation plan for 2018 includes the following:

- Debt – committed to maintaining our investment grade rating and we expect to repay approximately $265 million of maturing debt.
- Dividends - expect dividend payments to be approximately $260 million, which reflects the current annualized dividend of $1.00 per share.
- Acquisitions – we expect to invest about $150 to $200 million, focusing on acquiring companies that will expand our portfolio mix and distribution channels.

The 2018 outlook discussed above does not include any impacts associated with the proposed transaction to combine Xerox and Fuji Xerox.

Currency Impact

To understand the trends in the business, we believe that it is helpful to analyze the impact of changes in the translation of foreign currencies into U.S. Dollars on revenue and expenses. We refer to this analysis as "constant currency", “currency impact” or “the impact from currency.” This impact is calculated by translating current period activity in local currency using the comparable prior year period's currency translation rate. This impact is calculated for all countries where the functional currency is the local country currency. We do not hedge the translation effect of revenues or expenses denominated in currencies where the local currency is the functional currency. Management believes the constant currency measure provides investors an additional perspective on revenue trends. Currency impact can be determined as the difference between actual growth rates and constant currency growth rates.

Approximately 40% of our consolidated revenues are derived from operations outside of the United States where the U.S. Dollar is normally not the functional currency. As a result, the foreign currency translation had no impact on revenue in 2017 and 1.8-percentage point negative impact on revenue in 2016.

Application of Critical Accounting Policies

In preparing our Consolidated Financial Statements and accounting for the underlying transactions and balances, we apply various accounting policies. Senior management has discussed the development and selection of the critical accounting policies, estimates and related disclosures included herein with the Audit Committee of the Board of Directors. We consider the policies discussed below as critical to understanding our Consolidated Financial Statements, as their application places the most significant demands on management's judgment, since financial reporting results rely on estimates of the effects of matters that are inherently uncertain. In instances where different estimates could have reasonably been used, we disclosed the impact of these different estimates on our operations. In certain instances, such as revenue recognition for leases, the accounting rules are prescriptive; therefore, it would not have been possible to reasonably use different estimates. Changes in assumptions and estimates are reflected in the period in which they occur. The impact of such changes could be material to our results of operations and financial condition in any quarterly or annual period.

Specific risks associated with these critical accounting policies are discussed throughout the MD&A, where such policies affect our reported and expected financial results. For a detailed discussion of the application of these and other accounting policies, refer to Note 1 - Basis of Presentation and Summary of Significant Accounting Policies in the Consolidated Financial Statements.

Revenue Recognition

Application of the various accounting principles in GAAP related to the measurement and recognition of revenue requires us to make judgments and estimates. Complex arrangements with nonstandard terms and conditions may require significant contract interpretation to determine the appropriate accounting. Refer to Note 1 - Basis of Presentation and Summary of Significant Accounting Policies - Revenue Recognition, in the Consolidated Financial Statements for additional information regarding our revenue recognition policies. Specifically, the revenue related to the following areas involves significant judgments and estimates:

Bundled Lease Arrangements: We sell our equipment under bundled lease arrangements, which typically include the equipment, service, supplies and a financing component for which the customer pays a single negotiated monthly fixed price for all elements over the contractual lease term. Sales made under bundled lease arrangements comprise approximately 41% of our equipment sales revenue. Recognizing revenues under these arrangements requires us to allocate the total consideration received to the lease and non-lease deliverables included in the bundled arrangement, based upon the estimated fair values of each element.

Sales to Distributors and Resellers: We utilize distributors and resellers to sell many of our technology products, supplies and services to end-user customers. Sales to distributors and resellers are generally recognized as revenue when products are sold to such distributors and resellers. Distributors and resellers participate in various rebate, price-protection, cooperative marketing and other programs, and we record provisions and allowances for these programs as a reduction to revenue when the sales occur. Similarly, we also record estimates for sales returns and other discounts and allowances when the sales occur. We consider various factors, including a review of specific transactions and programs, historical experience and market and economic conditions when calculating these provisions and allowances. Approximately 17% of our total revenues are sales of equipment and supplies to distributors and resellers, and provisions and allowances recorded on these sales are approximately 22% of the associated gross revenues.

Allowance for Doubtful Accounts and Credit Losses

We continuously monitor collections and payments from our customers and maintain a provision for estimated credit losses based upon our historical experience adjusted for current conditions. We recorded bad debt provisions of $33 million, $37 million and $49 million in Selling, Administrative and General Expenses (SAG) expenses in our Consolidated Statements of Income (Loss) for the years ended December 31, 2017, 2016 and 2015, respectively.

Bad debt provisions declined in 2017 primarily as a result of lower revenues as well as continued strong credit policies. Reserves, as a percentage of trade and finance receivables, were 3.2% at December 31, 2017, as compared to 3.6% and 3.7% at December 31, 2016 and 2015, respectively. We continue to assess our receivable portfolio in light of the current economic environment and its impact on our estimation of the adequacy of the allowance for doubtful accounts.

As discussed above, we estimated our provision for doubtful accounts based on historical experience and customer-specific collection issues. This methodology was consistently applied for all periods presented. During the three year period ended December 31, 2017, our reserve for doubtful accounts ranged from 3.2% to 3.7% of gross receivables. Holding all assumptions constant, a 0.5-percentage point increase or decrease in the reserve from the December 31, 2017 rate of 3.2% would change the 2017 provision by approximately $26 million.

Refer to Note 6 - Accounts Receivables, Net and Note 7 - Finance Receivables, Net in the Consolidated Financial Statements for additional information regarding our allowance for doubtful accounts.

Pension Plan Assumptions

We sponsor defined benefit pension plans in various forms in several countries covering employees who meet eligibility requirements. Over the past several years, where legally possible, we have amended our major defined benefit pension plans to freeze current benefits and eliminate benefits accruals for future service, including our primary U.S. defined benefit plan for salaried employees, the Canadian Salary Pension Plan and the U.K. Final Salary Pension Plan. The freeze of current benefits is the primary driver of the reduction in pension service costs since 2012. In certain Non-U.S. plans we are required to continue to consider salary increases and inflation in determining the benefit obligation related to prior service. The Netherlands defined benefit pension plan has also been amended to reflect the Company's ability to reduce the indexation of future pension benefits within the plan in scenarios when the returns on plan assets are insufficient to cover that indexation.

Several statistical and other factors that attempt to anticipate future events are used in calculating the expense, liability and asset values related to our defined benefit pension plans. These factors include assumptions we make about the expected return on plan assets, discount rate, lump-sum settlement rates, the rate of future compensation increases and mortality. Differences between these assumptions and actual experiences are reported as net actuarial gains and losses and are subject to amortization to net periodic benefit cost over future periods.

Cumulative net actuarial losses for our defined benefit pension plans of $2.7 billion as of December 31, 2017 decreased by $95 million from December 31, 2016, primarily due to actual plan asset returns being more than expected returns in 2017, as well as the recognition of actuarial losses through amortization and U.S. settlement losses. These impacts were partially offset by currency and lower discount rates in 2017 as compared to 2016. The total actuarial loss at December 31, 2017 is subject to offsetting gains or losses in the future due to changes in actuarial assumptions and will be recognized in future periods through amortization or settlement losses.

We used a consolidated weighted average expected rate of return on plan assets of 5.0% for 2017, 5.8% for 2016 and 6.0% for 2015, on a worldwide basis. During 2017, the actual return on plan assets was $834 million as compared to an expected return of $448 million, with the difference largely due to positive returns in the equity markets in 2017. When estimating the 2018 expected rate of return, in addition to assessing recent performance, we considered the historical returns earned on plan assets, the rates of return expected in the future, particularly in light of current economic conditions, and our investment strategy and asset mix with respect to the plans' funds. The weighted average expected rate of return on plan assets we will use in 2018 is 4.5%. The decline in the 2018 rate primarily reflects an increased investment allocation to fixed income securities as we reposition our investment portfolios in light of the improved funding status and the freeze of plan benefits for our major qualified plans. As the qualified pension plans reach set funded status milestones, the assets will be continue to be rebalanced to shift more assets from equity to fixed income securities.

Another significant assumption affecting our defined benefit pension obligations and the net periodic benefit cost is the rate that we use to discount our future anticipated benefit obligations. In the U.S. and the U.K., which comprise approximately 75% of our projected benefit obligation, we consider the Moody's Aa Corporate Bond Index and the International Index Company's iBoxx Sterling Corporate AA Cash Bond Index, respectively, in the determination of the appropriate discount rate assumptions. The consolidated weighted average discount rate we used to measure our pension obligations as of December 31, 2017 and to calculate our 2018 expense was 2.8%; the rate used to calculate our obligations as of December 31, 2016 and our 2017 expense was 3.1%. The weighted average discount rate we used to measure our retiree health obligation as of December 31, 2017 and to calculate our 2018 expense was 3.5%; the rate used to calculate our obligation at December 31, 2016 and our 2017 expense was 3.9%.

Holding all other assumptions constant, the following table summarizes the estimated impacts of a 0.25% change in the discount rate and a 0.25% change in the expected return on plan assets:

	Discount Rate		Expected Return	
(in millions)	0.25% Increase	0.25% Decrease	0.25% Increase	0.25% Decrease
Increase/(Decrease)				
2018 Projected net periodic pension cost	$ (30)	$ 35	$ (20)	$ 20
Projected benefit obligation as of December 31, 2017	(440)	490	N/A	N/A

One of the most significant and volatile elements of our net periodic defined benefit pension plan expense is settlement losses. Our primary domestic plans allow participants the option of settling their vested benefits through the receipt of a lump-sum payment. We recognize the losses associated with these settlements immediately upon the settlement of the vested benefits. Settlement accounting requires us to recognize a pro rata portion of the aggregate unamortized net actuarial losses upon settlement. As noted above, cumulative unamortized net actuarial losses were $2.7 billion at December 31, 2017, of which the U.S. primary domestic plans, with a lump-sum feature, represented approximately $1,035 million. The pro rata factor is computed as the percentage reduction in the projected benefit obligation due to the settlement of a participant's vested benefit. Settlement accounting is only applied when the event of settlement occurs - i.e. the lump-sum payment is made. Since settlement is dependent on an employee's decision and election, the level of settlements and the associated losses can fluctuate significantly from period to period. During the three years ended December 31, 2017, U.S. plan settlements were $550 million, $229 million and $340 million, respectively, and the associated settlement losses on those plan settlements were $133 million, $65 million and $88 million, respectively. In 2018, on average, we estimate that approximately $100 million of plan settlements will result in settlement losses of approximately $25 million.

The following is a summary of our benefit plan costs for the three years ended December 31, 2017 as well as estimated amounts for 2018:

	Estimated	Actual		
(in millions)	2018	2017	2016	2015
Defined benefit pension plans[(1)]	$ 13	$ 61	$ 62	$ 53
U.S. settlement losses	127	133	65	88
Defined contribution plans	54	54	61	66
Retiree health benefit plans[(2)]	26	30	35	24
U.S. Retiree health curtailment gain	—	—	—	(22)
Total Benefit Plan Expense	$ 220	$ 278	$ 223	$ 209

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(1) Excludes U.S. settlement losses.
(2) Excludes U.S. retiree health curtailment gain in 2015.

Our estimated 2018 defined benefit pension plan cost is expected to be approximately $55 million lower than 2017, primarily driven by lower projected expense for our U.K. Final Salary Pension Plan, which is largely due to actuarial gains in 2017 as well as an improved funding status.

The following is a summary of our expected benefit plan funding for the three years ended December 31, 2017 as well as estimated amounts for 2018:

	Estimated	Actual		
(in millions)	2018	2017	2016	2015
U.S. Defined benefit pension plans	$ 76	$ 675	$ 24	$ 173
Non-U.S. Defined benefit pension plans	116	161	154	128
Defined contribution plans	54	54	61	66
Retiree health benefit plans	62	64	61	63
Total Benefit Plan Funding	$ 308	$ 954	$ 300	$ 430

The increase in contributions to our U.S. defined benefit plans in 2017 was largely due to $650 million of contributions to our domestic tax-qualified defined benefit plans, comprised of $15 million required to meet minimum funding requirements and $635 million of additional voluntary contributions. The original estimate of 2017 voluntary contributions of $135 million was increased by $500 million as a result of funding provided from a Senior Note offering in 2017.

Refer to Note 17 - Employee Benefit Plans in the Consolidated Financial Statements for additional information regarding defined benefit pension plan assumptions, expense and funding.

Income Taxes

We are subject to income taxes in the U.S. and numerous foreign jurisdictions. Significant judgments are required in determining the consolidated provision for income taxes. Our provision is based on nonrecurring events as well as recurring factors, including the taxation of foreign income. In addition, our provision will change based on discrete or other nonrecurring events such as audit settlements, tax law changes, changes in valuation allowances, etc., that may not be predictable.

We record the estimated future tax effects of temporary differences between the tax bases of assets and liabilities and amounts reported in our Consolidated Balance Sheets, as well as operating loss and tax credit carryforwards. We follow very specific and detailed guidelines in each tax jurisdiction regarding the recoverability of any tax assets recorded in our Consolidated Balance Sheets and provide valuation allowances as required. We regularly review our deferred tax assets for recoverability considering historical profitability, projected future taxable income, the expected timing of the reversals of existing temporary differences and tax planning strategies. Increases (decreases) to our valuation allowance, through income tax expense, were $6 million, $(8) million and $(15) million for the years ended December 31, 2017, 2016 and 2015, respectively. There were other increases (decreases) to our valuation allowance, including the effects of currency, of $13 million, $41 million and $(110) million for the years ended December 31, 2017, 2016 and 2015, respectively. These did not affect income tax expense in total as there was a corresponding adjustment to deferred tax assets or other comprehensive income.

The following is a summary of gross deferred tax assets and the related valuation allowances for the three years ended December 31, 2017:

	Year Ended December 31,		
(in millions)	2017	2016	2015
Gross deferred tax assets	$ 2,051	$ 2,730	$ 2,743
Valuation allowance	(435)	(416)	(383)
Net deferred tax assets	$ 1,616	$ 2,314	$ 2,360

We are subject to ongoing tax examinations and assessments in various jurisdictions. Accordingly, we may incur additional tax expense based upon our assessment of the more-likely-than-not outcomes of such matters. In addition, when applicable, we adjust the previously recorded tax expense to reflect examination results. Our ongoing assessments of the more-likely-than-not outcomes of the examinations and related tax positions require judgment and can materially increase or decrease our effective tax rate, as well as impact our operating results. Unrecognized tax benefits were $125 million, $165 million and $222 million at December 31, 2017, 2016 and 2015, respectively.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was enacted in the U.S. The Tax Act significantly revises the U.S. corporate income tax system by, among other things, lowering the U.S. statutory corporate income tax rate from 35% to 21% and implementing a territorial tax system that includes a transition tax on deemed repatriated earnings of foreign subsidiaries. During the fourth quarter 2017, we recorded an estimated non-cash provisional charge of $400 million reflecting the impact associated with the provisions of the Tax Act based on currently available information.

Refer to Note 18 - Income and Other Taxes in the Consolidated Financial Statements for additional information regarding deferred income taxes, unrecognized tax benefits and the estimated impacts of the Tax Act.

Business Combinations and Goodwill

We allocate the fair value of purchase consideration to tangible assets, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is allocated to goodwill. The allocation of the purchase consideration requires management to make significant estimates and assumptions, especially with respect to intangible assets. These estimates can include, but are not limited to, future expected cash flows of acquired customers, acquired technology, and trade names from a market participant perspective, and estimates of useful lives, and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable and when appropriate, include assistance from independent third-party valuation firms. During the measurement period, which is up to one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings. Refer to Note 4 - Acquisitions in the Consolidated Financial Statements for additional information regarding the allocation of the purchase price consideration for our acquisitions.

Our goodwill balance was $3.9 billion at December 31, 2017. We assess goodwill for impairment at least annually during the fourth quarter and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and company specific economic factors, supply costs, unanticipated competitive activities and acts by governments and courts. Application of the annual goodwill impairment test requires judgment regarding the identification of reporting units. Consistent with the determination that we had one operating segment, we determined that there is one reporting unit and tested goodwill for impairment at the entity level. Consistent with prior years, we elected to utilize a quantitative assessment of the recoverability of our goodwill balance.

In our quantitative test, we estimate the fair value of the entity by weighting the results from the income approach (discounted cash flow methodology) and market approach. These valuation approaches require significant judgment and consider a number of factors that include, but are not limited to, expected future cash flows, growth rates and discount rates, and comparable multiples from publicly traded companies in our industry. In addition, these approaches require us to make certain assumptions and estimates regarding the current economic environment, industry factors and the future profitability of our businesses. When performing our discounted cash flow analysis, we incorporate the use of projected financial information and a discount rate that is developed using market participant-based assumptions. The cash flow projections are based on three-year financial forecasts developed by management that include revenue and expense projections, capital spending trends and investment in working capital to support anticipated revenue growth or other changes in the business and which are consistent with expected guidance for the Company. The selected discount rate considers the risk and nature of the entity's cash flows and an appropriate capital structure and rates of return that market participants would require to invest their capital.

We believe these assumptions are appropriate and reflect our current expectations as well as our forecasted long-term business model, giving appropriate consideration to our historical results as well as the current economic environment and markets that we serve. The discount rate applied to our projected cash flows was approximately 8.0%, which we considered reasonable based on the estimated capital costs of applicable market participants and an appropriate company-specific risk premium. Although our estimate of the fair value of the entity was in excess of our market capitalization, we believe the difference is reasonable when a market-based control premium is taken into consideration. However, even in the case no market-based control premium was considered, no impairment would be indicated.

Our impairment assessment methodology includes the use of outside valuation experts and the inclusion of factors and assumptions related to third-party market participants. When performing our market approach, we rely specifically on the guideline public company method. Our guideline public company method incorporates revenues and earnings multiples from publicly traded companies with operations and other characteristics similar to our entity. The selected multiples consider entity's relative growth, profitability, size and risk relative to the selected publicly traded companies.

After completing our annual impairment review in the fourth quarter of 2017, we concluded that goodwill was not impaired and we had an excess of fair value over carrying value of significantly more than 20%. Subsequent to our fourth quarter impairment test, we did not identify any indicators of potential impairment that required an update to the annual impairment test.

Refer to Note 11 - Goodwill and Intangible Assets, Net in the Consolidated Financial Statements for additional information regarding goodwill.

Revenue Results Summary

Total Revenue

Revenue for the three years ended December 31, 2017 was as follows:

	Revenue			% Change		CC % Change		% of Total Revenue		
(in millions)	2017	2016	2015	2017	2016	2017	2016	2017	2016	2015
Equipment sales	$ 2,251	$ 2,419	$ 2,689	(6.9)%	(10.0)%	(7.2)%	(8.7)%	22%	22%	23%
Post sale revenue	8,014	8,352	8,776	(4.0)%	(4.8)%	(3.9)%	(2.9)%	78%	78%	77%
Total Revenue	$10,265	$ 10,771	$ 11,465	(4.7)%	(6.1)%	(4.7)%	(4.3)%	100%	100%	100%
Reconciliation to Consolidated Statements of Income (Loss):										
Sales	$ 4,073	$ 4,319	$ 4,674	(5.7)%	(7.6)%	(5.7)%	(5.9)%			
Less: Supplies, paper and other sales	(1,822)	(1,900)	(1,985)	(4.1)%	(4.3)%	(3.8)%	(2.1)%			
Equipment sales(1)	$ 2,251	$ 2,419	$ 2,689	(6.9)%	(10.0)%	(7.2)%	(8.7)%			
Services, maintenance and rentals	$ 5,898	$ 6,127	$ 6,445	(3.7)%	(4.9)%	(3.7)%	(3.1)%			
Add: Supplies, paper and other sales	1,822	1,900	1,985	(4.1)%	(4.3)%	(3.8)%	(2.1)%			
Add: Financing	294	325	346	(9.5)%	(6.1)%	(9.5)%	(4.6)%			
Post sale revenue(1)	$ 8,014	$ 8,352	$ 8,776	(4.0)%	(4.8)%	(3.9)%	(2.9)%			
North America	$ 6,122	$ 6,420	$ 6,701	(4.6)%	(4.2)%	(4.9)%	(4.2)%	60%	60%	58%
International	3,601	3,736	3,848	(3.6)%	(2.9)%	(3.1)%	(2.9)%	35%	34%	34%
Other	542	615	916	(11.9)%	(32.9)%	(11.9)%	(33.0)%	5%	6%	8%
Total Revenue(2)	$10,265	$ 10,771	$ 11,465	(4.7)%	(6.1)%	(4.7)%	(6.1)%	100%	100%	100%
Memo:										
Managed Document Services(3)	$ 3,419	$ 3,441	$ 3,429	(0.6)%	0.3 %	(0.4)%	2.6 %	33%	32%	30%

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CC - See "Currency Impact" section for description of Constant Currency.

(1) Equipment sales revenue in 2016 and 2015 has been revised to reclassify certain Global Imaging Systems IT-related equipment sales to other sales, which are included in Post sale revenue.

(2) Refer to the "Geographic Sales Channels and Product and Offerings Definitions" section.

(3) Excluding equipment revenue, Managed Document Services (MDS) was $2,962 million and $2,942 million for the years ended December 31, 2017 and December 31, 2016, respectively. The change represented an increase of 0.7% for the year ended December 31, 2017 including a 0.2-percentage point negative impact from currency.

Revenue

Total revenue decreased 4.7% for the year ended December 31, 2017 compared to the prior year with no impact from currency as adverse translation currency in the first half of the year was offset by a favorable impact in the second half.

Total revenue decreased 6.1% for the year ended December 31, 2016 with a 1.8-percentage point negative impact from currency. On a revenue-weighted basis, our major European currencies and the Canadian Dollar were approximately 3.2% weaker against the U.S. dollar, as compared to prior year. Revenues from these major foreign currencies comprise approximately 30% of our total consolidated revenues and were the primary driver of the currency impact on revenues in 2016. Total revenues included the following:

Post sale revenue 2017

Post sale revenue decreased 4.0% for the year ended December 31, 2017 compared to the prior year with a 0.1-percentage point negative impact from currency. Post sale revenue is comprised of the following:

- **Services, maintenance and rentals revenue** includes rental and maintenance revenue (including bundled supplies) as well as the post sale component of the document services revenue from our Managed Document Services (MDS) offerings, and revenues from our Communication and Marketing Solutions (CMS) offerings that transferred to Xerox from the BPO business upon Separation. These revenues declined 3.7%, with no impact from currency. The decline at constant currency[1] reflected lower signings and install from prior periods and the continuing decline in page volumes. These declines were partially mitigated by $20 million of higher revenues associated with a licensing agreement as well as growth in MDS, developing markets and acquisitions within our Global Imaging business.

- **Supplies, paper and other sales** includes unbundled supplies and other sales. These revenues declined 4.1%, with a 0.3-percentage point negative impact from currency. The decline was driven by lower network integration solutions sales from our Global Imaging business, reduced original equipment manufacturer (OEM) supplies and lower supplies demand (both in U.S. and European channels) consistent with declining equipment sales in prior periods. The decline was partly offset by higher supplies sales from our Global Imaging business and our developing markets.
- **Financing revenue** is generated from financed equipment sale transactions. The 9.5% decline in these revenues reflected a declining finance receivables balance due to lower equipment sales in prior periods, with no impact from currency. Refer to the discussion on *Sales of Finance Receivable* in the *Capital Resources and Liquidity* section as well as Note 7 - Finance Receivables, Net in the Consolidated Financial Statements for additional information.

Post sale revenue 2016

Post sale revenue decreased 4.8% for the year ended December 31, 2016 compared to the prior year with a 1.9-percentage point negative impact from currency. Post sale revenue is comprised of the following:

- **Services, maintenance and rentals revenue** includes rental and maintenance revenue (including bundled supplies) as well as the post sale component of the document services revenue from our Managed Document Services (MDS) offerings, and revenues from our Communication and Marketing Solutions (CMS) offerings that transferred to Xerox from the BPO business upon Separation. These revenues declined 4.9%, including a 1.8-percentage point negative impact from currency. The decline at constant currency[1] reflected lower equipment sales in prior periods resulting in ongoing page declines, partially offset by growth from our partner print services offerings.
- **Supplies, paper and other sales** includes unbundled supplies and other sales. These revenues declined 4.3% with a 2.2-percentage point negative impact from currency. The decline at constant currency[1] was largely driven by lower supplies sales, as we experienced lower demand consistent with lower equipment sales in prior periods, and OEM supplies below prior year levels.
- **Financing revenue** is generated from financed equipment sale transactions. The 6.1% decline in these revenues reflected a declining finance receivables balance due to lower equipment sales in prior periods and included a 1.5-percentage point negative impact from currency. Refer to the discussion on *Sales of Finance Receivable* in the *Capital Resources and Liquidity* section as well as Note 7 - Finance Receivables, Net in the Consolidated Financial Statements for additional information.

Equipment sales revenue

Equipment revenue for the three years ended December 31, 2017 was as follows:

	Revenue			% Change		CC % Change		% of Equipment Revenue		
(in millions)	2017	2016	2015	2017	2016	2017	2016	2017	2016	2015
Entry	$ 366	$ 388	$ 444	(5.7)%	(12.6)%	(5.8)%	(11.0)%	16%	16%	16%
Mid-range	1,403	1,525	1,685	(8.0)%	(9.5)%	(8.1)%	(8.5)%	63%	63%	63%
High-end	457	483	538	(5.4)%	(10.2)%	(5.8)%	(8.2)%	20%	20%	20%
Other	25	23	22	NM	NM	NM	NM	1%	1%	1%
Equipment sales[(1)]	$ 2,251	$ 2,419	$ 2,689	(6.9)%	(10.0)%	(7.2)%	(8.7)%	100%	100%	100%

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CC - See "Currency Impact" section for description of Constant Currency.

(1) Equipment sales revenue in 2016 and 2015 has been revised to reclassify certain Global Imaging Systems IT-related equipment sales to other sales, which are included in Post sale revenue.

Equipment sales revenue 2017

Equipment sales revenue decreased 6.9% for the year ended December 31, 2017 compared to the prior year, including a 0.3-percentage point positive impact from currency. Revenue declined across all product groups and was impacted by price declines of approximately 5% (which were in line with our historic declines). Although equipment sales revenue improved in the fourth quarter, reflecting the higher install activity associated with new products as well as net benefits from the planned expansion of our U.S. channels, equipment sales revenue for the full year was lower. The decrease was primarily driven by declines in mid-range sales reflecting in part, the mid-year transition to our new product portfolio and was further impacted by the longer sales cycles in certain areas of the business, as well as lower revenue from color devices and black-and-white systems reflecting market trends. These declines were offset by higher revenues from our developing markets. The decline in high-end sales primarily reflected lower revenues from our black-and-white systems, consistent with market trends, along with the impact of higher sales of iGen and Color Press in the prior year associated with the drupa trade show; these declines were only partially mitigated by higher sales of our continuous feed inkjet color systems and the recently launched Versant products. High-end color sales also included lower digital front-end (DFE) sales to Fuji Xerox. The decline in entry sales reflected lower OEM activity and an unfavorable mix caused by higher install activity from lower-end and monochrome devices in our developing markets as well as the timing of our new ConnectKey products.

Equipment sales revenue 2016

Equipment sales revenue decreased 10.0% for the year ended December 31, 2016 compared to the prior year, including a 1.3-percentage point negative impact from currency. Revenue decline was impacted by price declines of approximately 5% (which were in line with our historic impact). The decline was driven primarily by lower entry and mid-range sales, which partially reflected timing of product launches. The decline was also due to lower OEM sales, lower sales in the developing markets, lower revenues from our high-end products, reflecting unfavorable mix and lower sales to Fuji Xerox.

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(1) - See "Non-GAAP Financial Measures" for an explanation of this non-GAAP financial measure.

Revenue Metrics

Total Installs

Install activity includes Managed Document Services and Xerox-branded products shipped to Global Imaging Systems. Detail by product group (see *Geographic Sales Channels and Product and Offerings Definitions)* is shown below:

Installs for the year ended December 31, 2017 were:

Entry[(1)]

- 24% increase in color multifunction devices, reflecting demand for recently launched products as well as the migration from printers to multifunction devices, consistent with market trends.
- 18% increase in black-and-white multifunction devices, driven largely by higher activity for low-end printers in developing markets.

Mid-Range[(2)]

- Mid-range color installs were flat, reflecting demand for recently launched products including strong activity in developing markets and U.S. Channels, offset by longer large account sales cycles that were affected by the timing of our product roll out.
- 12% decrease in mid-range black-and-white, reflecting overall market decline as well as the impact of transitioning to the new product portfolio, partly offset by growth in developing markets.

High-End[(2)]

- 8% decrease in high-end color systems, as growth from continuous feed color and the recently launched Versant products was more than offset by higher iGen and Color Press installs in the prior year, following the drupa trade show.
- 25% decrease in high-end black-and-white systems reflects overall market decline and trends.

Installs for the year ended December 31, 2016 were:

Entry[(1)]

- 1% decrease in color multifunction devices due to weakness in Europe that was only partly mitigated by higher installs in other territories.
- 12% decrease in black-and-white multifunction devices reflecting overall market declines as well as a lower level of large deals in the developing markets.

Mid-Range[(2)]

- 3% increase in mid-range color installs, reflecting growth in U.S. and developing markets, partly offset by weakness in Europe.
- 16% decrease in mid-range black-and-white consistent with market declines, reflecting a transition to color devices and fewer large account sales.

High-End[(2)]

- 16% increase in high-end color systems due to favorable impact from the drupa printing trade show and significant growth in Versant 80 and 180 color presses.
- 13% decrease in high-end black-and-white systems, consistent with overall market decline.

Note: Descriptions of “Entry”, “Mid-Range” and “High-End” are defined below in the *Geographic Sales Channels and Product and Offerings Definitions* discussion.

Signings

Signings are defined as estimated future revenues from contracts signed during the period, including renewals of existing contracts. Our reported signings mostly represent those from our Enterprise deals, as we do not currently include signings from our growing partner print services offerings or those from our Global Imaging Systems channel.

Total Contract Value (TCV) is the estimated contractual revenue related to signed contracts; our signings expressed in TCV were as follows:

	Year Ended December 31,			% Change		CC % Change	
(in millions)	2017	2016	2015	2017	2016	2017	2016
Signings	$ 2,714	$ 2,734	$ 3,081	(0.7)%	(11.3)%	1.0%	(4.7)%

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CC - See "Currency Impact" section for description of Constant Currency.

Signings for the year ended December 31, 2017 decreased 0.7% compared to the prior year, with a 1.7-percentage point unfavorable impact from currency primarily reflecting a lower contribution from new business, partially offset by higher contributions from renewals. Signings for the year ended December 31, 2016 decreased 11.3% compared to the prior year, with a 6.6-percentage point unfavorable impact from currency primarily reflecting a lower contribution from new business, partially offset by higher contributions from renewals.

New business signings declined 12.6% for the year ended December 31, 2017, with a 2.0-percentage point unfavorable impact from currency. The full year performance reflects ongoing competitive pressure in the market, as well as the timing of new products amplified by the longer sales cycles in this area of the business.

Renewal Rate

Renewal rate is defined as the annual recurring revenue (ARR) on contracts that are renewed during the period as a percentage of ARR on all contracts for which a renewal decision was made during the period. The contract renewal rate for the year ended December 31, 2017 was 84%, compared to the renewal rate of 82% for the year ended December 31, 2016.

Geographic Sales Channels and Product and Offerings Definitions

Our business is aligned to a geographic focus and is primarily organized on the basis of go-to-market sales channels, which are structured to serve a range of customers for our products and services:

- North America, which includes our sales channels in the U.S. and Canada.
- International, which includes our sales channels in Europe, Eurasia, Latin America, Middle East, Africa and India.
- Other, primarily includes our OEM business, as well as sales to and royalties from Fuji Xerox, and our licensing revenue.

Our products and offerings include:

- "Entry", which includes A4 devices and desktop printers. Prices in this product group can range from approximately $150 to $3,000.
- "Mid-Range", which includes A3 Office and Light Production devices that generally serve workgroup environments in mid to large enterprises. Prices in this product group can range from approximately $2,000 to $75,000+.
- "High-End", which includes production printing and publishing systems that generally serve the graphic communications marketplace and large enterprises. Prices for these systems can range from approximately $30,000 to $1,000,000+.
- Managed Document Services (MDS) revenue, which includes solutions and services that span from managing print to automating processes to managing content. Our primary offerings within MDS are Managed Print Services (including from Global Imaging Systems), as well as workflow automation services, and Centralized Print Services and Solutions (CPS). MDS excludes Communications and Marketing Solutions (CMS).

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(1) *Entry installations exclude OEM sales; including OEM sales, Entry color multifunction devices decreased 2% and increased 34% for the* years ended December 31, 2017 and 2016*, respectively. Entry black-and-white multifunction devices increased 10% and 6% for the* years ended December 31, 2017 and 2016*, respectively.*

(2) *Mid-range and High-end color installations exclude Fuji Xerox digital front-end sales; including Fuji Xerox digital front-end sales, Mid-range color devices were flat for the year ended December 31, 2017 and increased 3% for the year ended December 31, 2016, respectively, while High-end color systems decreased 14% and 4% for the* years ended December 31, 2017 and 2016*, respectively.*

Costs, Expenses and Other Income

Summary of Key Financial Ratios

The following is a summary of our key financial ratios used to assess our performance:

	Year Ended December 31,									
	Reported					Adjusted(1)				
(in millions)	2017	2016	2015	2017 B/(W)	2016 B/(W)	2017	2016	2015	2017 B/(W)	2016 B/(W)
Gross Profit	$ 4,061	$ 4,261	$ 4,582	$ (200)	$ (321)	$ 4,136	$ 4,310	$ 4,625	$ (174)	$ (315)
RD&E	446	476	511	30	35	421	451	492	30	41
SAG	2,631	2,695	2,865	64	170	2,524	2,638	2,811	114	173
Equipment Gross Margin	28.8%	30.9%	28.9%	(2.1) pts.	2.0 pts.	N/A	N/A	N/A	N/A	N/A
Post sale Gross Margin	42.6%	42.1%	43.3%	0.5 pts.	(1.2) pts.	43.5%	42.6%	43.8%	0.9 pts.	(1.2) pts.
Total Gross Margin	39.6%	39.6%	40.0%	—	(0.4) pts.	40.3%	40.0%	40.3%	0.3 pts.	(0.3) pts.
RD&E as a % of Revenue	4.3%	4.4%	4.5%	0.1 pts	0.1 pts	4.1%	4.2%	4.3%	0.1 pts.	0.1 pts.
SAG as a % of Revenue	25.6%	25.0%	25.0%	(0.6) pts.	—	24.6%	24.5%	24.5%	(0.1) pts.	—
Pre-tax Income	$ 570	$ 568	$ 924	$ 2	$ (356)	N/A	N/A	N/A	N/A	N/A
Pre-tax Income Margin	5.6%	5.3%	8.1%	0.3 pts.	(2.8) pts.	N/A	N/A	N/A	N/A	N/A
Adjusted(1) Operating Profit	N/A	N/A	N/A	N/A	N/A	$ 1,316	$ 1,351	$ 1,435	$ (35)	$ (84)
Adjusted(1) Operating Margin	N/A	N/A	N/A	N/A	N/A	12.8%	12.5%	12.5%	0.3 pts.	—
Memo:										
Non-service retirement-related costs	$ 198	$ 131	$ 116	$ (67)	$ (15)	N/A	N/A	N/A	N/A	N/A

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(1) Refer to Key Financial Ratios reconciliation table in the "Non-GAAP Financial Measures" section. In 2016, we began to include Equity in net income of unconsolidated affiliates in the calculation of adjusted operating income and margin. Prior periods have been restated accordingly to conform to current year presentation.

Pre-tax Income Margin

Pre-tax income margin for the year ended December 31, 2017 of 5.6% increased 0.3-percentage points compared to 2016. This increase was primarily driven by cost productivity and savings from strategic transformation, lower restructuring and related costs and lower Other expenses, net, largely reflecting lower interest expense. These improvements more than offset the pace of revenue declines, higher non-service retirement-related costs and adverse transaction currency of 0.7-percentage points.

Pre-tax income margin for the year ended December 31, 2016 of 5.3% decreased 2.8-percentage points compared to 2015. This decrease was primarily driven by higher restructuring and related costs and non-service retirement-related costs due to a $22 million curtailment gain recorded in 2015 as well as overall lower revenue. In addition, the decrease also reflects adverse transaction currency of 0.5-percentage points, as well as higher compensation expense resulting from a favorable prior-year compensation benefit adjustments, which more than offset benefits from the strategic transformation cost saving and productivity initiatives.

Pre-tax income margin includes the Amortization of intangible assets, Restructuring and related costs and Other expenses, net, all of which are separately discussed in subsequent sections. Pre-tax income margin also includes non-service retirement-related costs and other discrete items. Adjusted[1] Operating margin, discussed below, excludes all of these items and includes Equity in net income of unconsolidated affiliates before restructuring.

Adjusted[1] Operating Margin

Adjusted[1] operating margin for the year ended December 31, 2017 of 12.8% increased 0.3-percentage points compared to 2016, reflecting productivity and savings from strategic transformation as well as higher licensing revenue, which more than offset the pace of revenue declines and the impact of revenue generating and SAG investments along with adverse transaction currency of 0.8-percentage points. Adjusted[1] operating margin was also unfavorably impacted by higher compensation and benefit expense as well as lower equity income from our Fuji Xerox joint venture.

Adjusted[1] operating margin for the year ended December 31, 2016 of 12.5% was flat compared to 2015. Benefits from strategic transformation cost saving and productivity initiatives and higher equity income from our Fuji Xerox joint venture were offset by higher compensation expense as a result of a favorable prior-year compensation benefit adjustment, negative transaction currency of 0.6-percentage points and an overall decline in total company revenue.

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(1) Refer to Operating Income/Margin reconciliation table in the "Non-GAAP Financial Measures" section.

Gross Margin

Total gross margin for the year ended December 31, 2017 of 39.6% was flat compared to 2016. On an adjusted[1] basis, gross margin of 40.3% increased by 0.3-percentage points compared to 2016. The increase reflects cost productivity and savings from strategic transformation, as well as improvement in the rate of revenue decline that more than offset adverse transaction currency of 0.7-percentage points. The 0.3-percentage point decrease from adjusted[1] to reported gross margin is due to higher non-service retirement-related costs in 2017 as compared to 2016.

Total gross margin for year ended December 31, 2016 of 39.6% decreased 0.4-percentage points compared to 2015. On an adjusted[1] basis, gross margin of 40.0% decreased by 0.3-percentage points compared to 2015 as price declines and unfavorable currency were only partially offset by the benefits from cost savings and productivity improvements from strategic transformation that increased during the second half of the year. The 0.1-percentage point differential in the decrease from adjusted[1] to reported gross margin is due to higher non-service retirement-related costs primarily due to a $22 million curtailment gain recorded in 2015.

Equipment gross margin for the year ended December 31, 2017 of 28.8% decreased 2.1-percentage points compared to 2016, as product cost productivity was more than offset by adverse transaction currency and price declines.

Equipment gross margin for the year ended December 31, 2016 of 30.9% increased 2.0-percentage points compared to 2015, as product cost productivity improvements and positive mix more than offset price declines and adverse transaction currency.

Post sale gross margin for the year ended December 31, 2017 of 42.6% increased 0.5-percentage points compared to 2016. On an adjusted[1] basis, post sale gross margin of 43.5% increased 0.9-percentage points compared to 2016. The improvement in both measures reflect cost savings and productivity improvements from strategic transformation and higher licensing revenue, which more than offset the pace of revenue declines. The 0.4-percentage point decrease from adjusted[1] to reported post sale gross margin is due to higher non-service retirement-related costs in 2017 as compared to 2016.

Post sale gross margin for the year ended December 31, 2016 of 42.1% decreased 1.2-percentage points compared to 2015. On an adjusted[1] basis, post sales gross margin of 42.6% decreased 1.2-percentage points compared to 2015, reflecting restructuring savings, that were more than offset by adverse transaction currency and revenue declines.

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(1) Refer to the Key Financial Ratios reconciliation table in the "Non-GAAP Financial Measures" section.

Research, Development and Engineering Expenses (RD&E)

	Year Ended December 31,			Change	
(in millions)	2017	2016	2015	2017	2016
R&D	$ 356	$ 381	$ 385	$ (25)	$ (4)
Sustaining engineering	90	95	126	(5)	(31)
Total RD&E Expenses	$ 446	$ 476	$ 511	$ (30)	$ (35)
R&D Investment by Fuji Xerox[(1)]	$ 536	$ 628	$ 569	$ (92)	$ 59

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(1) Fluctuation in Fuji Xerox R&D was primarily due to changes in foreign exchange rates.

RD&E as a percent of revenue for the year ended December 31, 2017 of 4.3% improved 0.1-percentage points compared to 2016. On an adjusted[1] basis, RD&E was 4.1% of revenue and improved 0.1-percentage points compared to 2016, as the decrease in RD&E expense outpaced the rate of revenue decline.

RD&E of $446 million for the year ended December 31, 2017, decreased $30 million from 2016. On an adjusted[1] basis, RD&E of $421 million decreased by $30 million due to savings from strategic transformation including restructuring savings and lower expenses as a result of the transfer of resources to Electronics for Imaging (EFI), a third party high-end print server supplier, and the sale of our Xerox Research Centre Europe in Grenoble, France, which was mainly dedicated to supporting the discontinued BPO business. We coordinate our R&D investments with Fuji Xerox.

RD&E as a percent of revenue for the year ended December 31, 2016 of 4.4% improved 0.1-percentage points. On an adjusted[1] basis, RD&E was 4.2% of revenue and improved 0.1-percentage points. RD&E of $476 million for the year ended December 31, 2016 was $35 million lower than 2015. Both improvements were driven by cost productivity and restructuring savings.

Selling, Administrative and General Expenses (SAG)

SAG as a percent of revenue of 25.6% increased 0.6-percentage points for the year ended December 31, 2017 as compared to the prior year ended December 31, 2016 primarily as a result of higher non-service retirement-related benefit costs. On an adjusted[1] basis, SAG as a percentage of revenue of 24.6% increased 0.1-percentage points, reflecting the impact of lower revenues that were partly mitigated by productivity and cost savings from strategic transformation, including restructuring savings.

SAG expenses of $2,631 million for the year ended December 31, 2017 were $64 million lower than the prior year period. On an adjusted[1] basis, SAG of $2,524 million decreased $114 million, including an approximate $9 million favorable impact from currency. The reduction in both measures primarily reflected costs savings, including savings from restructuring, as well as a decrease in selling expenses related to lower incentives and marketing expenses consistent with lower revenues. These savings were partly offset by higher compensation and benefit expenses, as well as expenses from our Global Imaging acquisitions. Bad debt expense for the year ended December 31, 2017 was $33 million and was $4 million lower than the year ended December 31, 2016 and remained at less than one percent of receivables.

SAG as a percent of revenue of 25.0% for the year ended December 31, 2016 was flat as compared to the prior year ended December 31, 2015. On an adjusted[1] basis, SAG as a percentage of revenue was 24.5% and was also flat as compared to 2015. Higher compensation expense as well as the decline in total company revenue were offset by benefits from strategic transformation cost saving and productivity initiatives, which include restructuring savings.

SAG expenses of $2,695 million for the year ended December 31, 2016 were $170 million lower than the prior year period. On an adjusted[1] basis, SAG of $2,638 million decreased $173 million, including an approximate $58 million favorable impact from currency; the reduction primarily reflected a decrease in selling expenses driven by productivity savings, as well as a decrease in general and administrative expenses driven by productivity savings, that offset higher compensation expense. Bad debt expense for the year ended December 31, 2016 was $37 million and was $12 million lower than the year ended December 31, 2015 and remained at less than one percent of receivables.

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(1) - See "Non-GAAP Financial Measures" for an explanation of the non-GAAP financial measure.

Non-Service Retirement-Related Costs

Non-service retirement-related costs of $198 million in 2017 increased $67 million as compared to the prior year, primarily due to losses from U.S. pension settlements of $133 million, a $68 million increase compared to the prior year. The higher level of settlements was primarily due to an expected increase in interest rates. Non-service retirement-related costs of $131 million in 2016 increased $15 million compared to the prior year primarily due to a one-time curtailment gain of $22 million in 2015.

Restructuring and Related Costs

Restructuring and related costs of $220 million include restructuring and asset impairment charges of $201 million and $19 million of additional costs, primarily related to professional support services associated with the implementation of the Strategic Transformation program.

During the year ended December 31, 2017, we recorded net restructuring and asset impairment charges of $201 million. These charges included the following:

- $225 million of severance costs related to headcount reductions of approximately 2,600 employees globally. The actions impacted multiple functional areas, with approximately 30% of the costs focused on gross margin improvements and 70% on SAG improvements.
- $4 million for lease termination costs primarily reflecting continued optimization of our worldwide operating locations.
- $7 million of asset impairment losses related to the closure of a manufacturing site in Latin America.

The above charges were partially offset by $35 million of net reversals for changes in estimated reserves from prior period initiatives, primarily reflecting unanticipated attrition and other job changes prior to completion of the restructuring initiatives, as well as a $5 million favorable adjustment on the early termination of the lease for our corporate airplane.

We expect 2018 pre-tax savings of approximately $110 million from our 2017 restructuring actions, with the amount partially mitigated by timing our 2017 actions in the earlier part of the year, which enabled us to realize a portion of the savings in 2017.

During the year ended December 31, 2016, we recorded restructuring and related costs of $264 million, which included restructuring and asset impairment charges of $230 million and $34 million of additional costs primarily related to professional support services associated with the implementation of the Strategic Transformation program.

The net restructuring and asset impairment charges of $230 million included the following:

- $224 million of severance costs related to headcount reductions of approximately 3,250 employees globally. The actions impacted multiple functional areas, with approximately 30% of the costs focused on gross margin improvements, 60% on SAG and 10% on the optimization of RD&E investments.
- $28 million for lease termination costs primarily related to the early termination of the lease for our corporate airplane in connection with the elimination of our corporate aviation department.

The above charges were partially offset by $22 million of net reversals for changes in estimated reserves from prior period initiatives, as well as a gain of $5 million from the sale of real estate impaired in prior periods.

Restructuring Summary

The restructuring reserve balance as of December 31, 2017 for all programs was $109 million, of which approximately $106 million is expected to be spent over the next twelve months. During 2018, we expect to incur additional restructuring charges of approximately $200 million for actions and initiatives that have not yet been finalized. Approximately $40 million of the full year charges are expected to be recognized in the first quarter of the year.

Refer to Note 12 - Restructuring and Asset Impairment Charges in the Consolidated Financial Statements for additional information regarding our restructuring programs.

Amortization of Intangible Assets

Amortization of intangible assets for the year ended December 31, 2017 of $53 million was $5 million lower than 2016. Amortization of intangible assets for the year ended December 31, 2016 of $58 million was $2 million lower than 2015. The decrease in both 2017 and 2016 amortization expense reflected a lower level of acquisitions in prior years.

Refer to Note 11 - Goodwill and Intangible Assets, Net in the Consolidated Financial Statements for additional information regarding our intangible assets.

Worldwide Employment

Worldwide employment was approximately 35,300 as of December 31, 2017 and decreased by approximately 2,300 from December 31, 2016. The reduction was primarily due to the impact of restructuring and productivity-related reductions, partially offset by an increase of approximately 370 from acquisitions.

Other Expenses, Net

(in millions)	Year Ended December 31, 2017	2016	2015
Non-financing interest expense	$ 119	$ 181	$ 216
Interest income	(8)	(5)	(6)
Net Gain on sales of businesses and assets	(15)	(22)	(44)
Currency losses, net	4	13	2
Loss on sales of accounts receivables	10	16	13
Loss on early extinguishment of debt	20	—	—
All other expenses, net	11	17	14
Other Expenses, Net	$ 141	$ 200	$ 195

Non-financing interest expense

Non-financing interest expense for the year ended December 31, 2017 of $119 million was $62 million lower than 2016. When non-financing interest expense is combined with financing interest expense (Cost of financing), total interest expense declined by $57 million from the prior year. The decrease is primarily due to a lower debt balance reflecting the repayment of approximately $1.8 billion of debt in 2017 and $1.0 billion in 2016. These decreases were partially offset by the issuance of approximately $1.0 billion of new debt in 2017, of which $500 million of the proceeds were used for a voluntary contribution to our U.S. defined benefit pension plans.

Non-financing interest expense for the year ended December 31, 2016 of $181 million was $35 million lower than 2015. When non-financing interest expense is combined with financing interest expense (Cost of financing), total interest expense declined by $37 million from the prior year. The decline is primarily due to a lower average cost of debt as well as the reclassification of $18 million of interest expense to discontinued operations associated with the $1.0 billion Term Loan Facility that was required to be repaid upon completion of the Separation. Proceeds from the Term Loan Facility had been used to pay off maturing debt in 2016 of approximately $1.0 billion.

Refer to Note 5 - Divestitures in the Consolidated Financial Statements for additional information on separation-related debt. Refer to Note 14 - Debt in the Consolidated Financial Statements for additional information regarding our debt activity as well as information regarding the allocation of interest expense.

Net gain on sales of businesses and assets

The 2017 net gain on sales of businesses and assets of $15 million declined $7 million from 2016 and include a gain of $13 million from the sale of a research facility in Grenoble, France.

The 2016 net gain on sales of businesses and assets of $22 million declined $22 million from 2015 and included gains on the sale of surplus technology assets of $17 million.

The 2015 net gain on sales of businesses and assets of $44 million reflected a gain of approximately $25 million on the sale of surplus real estate in Latin America and gains of approximately $20 million for surplus technology assets.

Currency losses, net

Currency losses and gains primarily result from the re-measurement of foreign currency-denominated assets and liabilities, the cost of hedging foreign currency-denominated assets and liabilities and the mark-to-market of foreign exchange contracts utilized to hedge those foreign currency-denominated assets and liabilities. The increase in 2016 currency losses, net, was largely due to the significant movement in exchange rates during 2016.

Loss on sales of accounts receivable

Represents the loss incurred on our sales of accounts receivable. Refer to *Sales of Accounts Receivables* section below and Note 6 - Accounts Receivables, Net in the Consolidated Financial Statements for additional information regarding our sales of receivables.

Loss on early extinguishment of debt

During 2017, we recorded a $7 million net loss associated with the repayment of $475 million in Senior Notes in fourth quarter 2017, as well as a $13 million loss associated with the tender and exchange of certain Senior Notes in first quarter 2017. Refer to Note 14 - Debt in the Consolidated Financial Statements for additional information.

Income Taxes

The 2017 effective tax rate was 84.4% and includes our current estimated impact of $400 million related to the 2017 Tax Act which is discussed below. On an adjusted[1] basis, the 2017 effective tax rate was 25.0%. This rate was lower than the U.S. statutory tax rate primarily due to foreign tax credits, the redetermination of certain unrecognized tax positions upon conclusion of several audits and the geographical mix of profits. The adjusted[1] effective tax rate excludes the tax impacts associated with the following charges: restructuring and related costs, amortization of intangible assets, non-service retirement related costs and other discrete items including the impact of the Tax Act.

The 2016 effective tax rate was 10.9% and on an adjusted[1] basis, the 2016 effective tax rate was 20.9%. Both rates were lower than the U.S. statutory tax rate primarily due to foreign tax credits resulting from anticipated dividends from our foreign subsidiaries, the redetermination of certain unrecognized tax positions upon conclusion of several audits and the geographical mix of profits. The adjusted[1] effective tax rate excludes the tax impacts associated with the following charges: restructuring and related costs, amortization of intangible assets and non-service retirement related costs. The increase from reported to adjusted was much higher in 2016 as compared to 2015 due to a higher level of these charges.

The 2015 effective tax rate was 20.9% and on an adjusted[1] basis, the 2015 effective tax rate was 24.0%. Both rates were lower than the U.S. statutory tax rate primarily due to foreign tax credits resulting from anticipated dividends from our foreign subsidiaries, the retroactive impact of the Protecting Americans from Tax Hikes Act as well as the geographical mix of profits. The adjusted[1] effective tax rate excludes the tax impacts associated with the following charges: restructuring and related costs, amortization of intangible assets and non-service retirement related costs.

Xerox operations are widely dispersed. The statutory tax rate in most non-U.S. jurisdictions is lower than the combined U.S. and state tax rate. The amount of income subject to these lower foreign rates relative to the amount of U.S. income will impact our effective tax rate. However, no one country outside of the U.S. is a significant factor in determining our overall effective tax rate. Certain foreign income is subject to U.S. tax net of any available foreign tax credits. Our full year effective tax rate for 2017 includes a benefit of 15.2-percentage points from these non-U.S. operations. The decrease in the percentage point benefit, as compared to the prior period benefit of approximately 22.6%, is primarily due to the decrease in foreign tax credit benefits. Refer to Note 18 - Income and Other Taxes, in the Consolidated Financial Statements for additional information regarding the geographic mix of income before taxes and the related impacts on our effective tax rate.

Our effective tax rate is based on nonrecurring events as well as recurring factors, including the taxation of foreign income. In addition, our effective tax rate will change based on discrete or other nonrecurring events that may not be predictable. Excluding the effects of intangibles amortization, restructuring and related costs, non-service retirement-related costs and other discrete items, we anticipate that our adjusted[1] effective tax rate will be approximately 24% to 27% for full year 2018.

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(1) See the "Non-GAAP Financial Measures" section for an explanation of the adjusted effective tax rate non-GAAP financial measure.

Tax Cuts and Jobs Act (the “Tax Act”)

On December 22, 2017, the Tax Cuts and Jobs Act (the “Tax Act”) was enacted in the U.S. The Tax Act significantly revises the U.S. corporate income tax system by, among other things, lowering the U.S. statutory corporate income tax rate from 35% to 21% and implementing a territorial tax system that includes a transition tax on deemed repatriated earnings of foreign subsidiaries.

During the fourth quarter 2017, we recorded an estimated non-cash provisional charge of $400 million reflecting the impact associated with the provisions of the Tax Act based on currently available information. Approximately $165 million of the charge is related to the deemed repatriation tax, $135 million from the re-measurement of U.S. deferred tax assets and liabilities to the lower enacted statutory tax rate and the remainder associated with other tax liabilities resulting from anticipated distributions of our net accumulated foreign earnings and profits. As a consequence of the Tax Act, we now anticipate the distribution of these foreign earnings and no longer consider them indefinitely reinvested. Additionally, we expect to utilize our existing foreign tax credit carryforward to settle the estimated deemed repatriation tax.

Our estimated charge incorporates assumptions made based on our current interpretation of the Tax Act as well as currently available information and may change, possibly materially, as we complete our analysis and receive additional clarification and implementation guidance. Changes in interpretations and assumptions as well as actions we may take as a result of the Tax Act may also impact this estimated charge.

Refer to Note 18 - Income and Other Taxes in the Consolidated Financial Statements for additional information regarding the estimated impacts of Tax Act.

Equity in Net Income of Unconsolidated Affiliates

(in millions)	Year Ended December 31, 2017	2016	2015
Total equity in net income of unconsolidated affiliates	$ 115	$ 127	$ 109
Fuji Xerox after-tax restructuring and other costs included in equity income	10	3	4

Equity in net income of unconsolidated affiliates primarily reflects our 25% share of Fuji Xerox net income. The decrease in equity income of $12 million in 2017 primarily reflects lower Fuji Xerox net income including approximately $6 million of costs related to audit and other fees associated with the independent investigation of Fuji Xerox's accounting practices. The increase in equity income of $18 million in 2016 primarily reflects higher Fuji Xerox net income in 2016.

Fuji Xerox is undertaking a restructuring initiative that is targeted to generate approximately $450 million of cost savings on an annualized basis. The details and timing of this initiative as well as the related costs are expected to be further developed during 2018.

We have revised Equity in net income of unconsolidated affiliates for all applicable prior periods presented throughout this document. Refer to Note 2 - Correction of Fuji Xerox Misstatement in Prior Period Financial Statements in the Consolidated Financial Statements, for additional information on this revision. Refer to Note 10 - Investment in Affiliates, at Equity, in the Consolidated Financial Statements for additional information regarding our investment in Fuji Xerox.

Net Income from Continuing Operations

Net income from continuing operations attributable to Xerox for the year ended December 31, 2017 was $192 million, or $0.70 per diluted share and includes an estimated non-cash charge of $400 million or $1.55 per diluted share impact for the provisions associated with the Tax Act. Refer to the *Tax Cuts and Jobs Act (the "Tax Act")* section above, as well as Note 18 - Income and Other Taxes in the Consolidated Financial Statements for additional information.

On an adjusted[1] basis, net income from continuing operations attributable to Xerox was $915 million, or $3.48 per diluted share, and reflects adjustments for the amortization of intangible assets, restructuring and related costs, and non-service retirement-related costs as well as other discrete, unusual or infrequent items, including the impact from the Tax Act.

Net income from continuing operations attributable to Xerox for the year ended December 31, 2016 was $622 million, or $2.33 per diluted share. On an adjusted[1] basis, net income from continuing operations attributable to Xerox was $927 million, or $3.53 per diluted share, and reflects adjustments for the amortization of intangible assets, restructuring and related costs, and non-service retirement-related costs.

Net income from continuing operations attributable to Xerox for the year ended December 31, 2015 was $822 million, or $2.97 per diluted share. On an adjusted[1] basis, net income from continuing operations attributable to Xerox was $952 million, or $3.45 per diluted share, and reflects adjustments for the amortization of intangible assets, restructuring and related costs, and non-service retirement-related costs.

Refer to our *Non-GAAP Financial Measures* section for additional information on adjustments to net income and the calculation of adjusted EPS.

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(1) See the "Non-GAAP Financial Measures" section for a reconciliation of reported net income from continuing operations to adjusted net income.

Discontinued Operations

Discontinued operations primarily relate to our Business Process Outsourcing (BPO) business, which was separated effective December 31, 2016, and the Information Technology Outsourcing (ITO) business, which was sold on June 30, 2015.

Refer to Note 5 - Divestitures in the Consolidated Financial Statements for additional information regarding discontinued operations.

Other Comprehensive Income (Loss)

The historical Consolidated Statements of Comprehensive Income (Loss) for 2016 and 2015 have not been revised to reflect the Separation. Accordingly, all reported amounts reflect movements in Accumulated Other Comprehensive Loss for both Continuing Operations and Discontinued Operations. Refer to Note 5 - Divestitures for additional information regarding the Separation.

Other comprehensive income attributable to Xerox was $589 million in 2017 as compared to a loss of $233 million in 2016. The increase of $822 million was primarily due to the $830 million increase in gains from the translation of our foreign currency denominated net assets. Translation gains in 2017 reflect the strengthening of the Euro, Pound Sterling and Canadian Dollar as compared to the U.S. Dollar, partially offset by the weakening of the Brazilian Real.

Other comprehensive loss attributable to Xerox was $233 million in 2016 as compared to a loss of $474 million in 2015. The reduction of $241 million was primarily due to the $304 million reduction in losses from the translation of our foreign currency denominated net assets. Both 2016 and 2015 translation losses reflect the weakening of the Euro and Pound Sterling as compared to the U.S. Dollar, however the losses in 2016 were partially offset by the strengthening of the Canadian Dollar, Japanese Yen and Brazilian Real. Partially offsetting the reduction in translation losses were unrealized losses of $15 million in 2016 compared to gains of $23 million in 2015 reflecting activity associated with our foreign currency derivatives and a reduction in defined benefit plan gains of $27 million in 2016 as compared to 2015.

Refer to Note 15 - Financial Instruments for additional information regarding our foreign currency derivatives and associated unrealized gains and losses as well as our discussion of Pension Plan Assumptions in the *Application of Critical Accounting Policies* section of the MD&A as well as Note 17 - Employee Benefit Plans in the Consolidated Financial Statements for additional information regarding changes in our defined benefit plans.

Recent Accounting Pronouncements

Refer to Note 1 - Basis of Presentation and Summary of Significant Accounting Policies in the Consolidated Financial Statements for a description of recent accounting pronouncements including the respective dates of adoption and the effects on results of operations and financial conditions.

Capital Resources and Liquidity

Our liquidity is primarily dependent on our ability to continue to generate positive cash flows from operations. Additional liquidity is also provided through access to the financial capital markets and a committed global credit facility. The following is a summary of our liquidity position:

- As of December 31, 2017 and 2016, total cash and cash equivalents were $1,293 million and $2,223 million, respectively. At December 31, 2017 and 2016 there were no borrowings or letters of credit under our $1.8 billion Credit Facility or under our Commercial Paper Program. The company did not borrow under its Credit Facility or utilize its Commercial Paper program during 2017. The total cash and cash equivalent balance at December 31, 2016 included $1.0 billion of cash that was used for the repayment of maturing Senior Notes in the first quarter 2017.
- We have consistently delivered positive cash flows from operations driven by our post-sale based revenue model and cost productivity initiatives. Operating cash flows from continuing operations were $122 million, $1,018 million and $1,078 million for the three years ended December 31, 2017, respectively. Operating cash flows from continuing operations in 2017 reflect the impact of certain one-time actions to improve our capital structure and simplify certain processes including $500 million of additional voluntary contributions to our U.S. tax-qualified defined benefit plans as well as the impact of approximately $350 million from the termination of certain accounts receivable sales programs. The $500 million pension contribution was funded by proceeds from the issuance of $1.0 billion of Senior Notes in the third quarter 2017.
- The additional pension contributions in 2017 were the primary driver of the reduction in our net unfunded pension obligation from $2.2 billion at December 31, 2016 to $1.4 billion at December 31, 2017. We expect to manage the funding of our remaining net unfunded pension obligation of $1.4 billion over a five to seven year timeframe with expected contributions of approximately $200 million per year.
- We expect operating cash flows from continuing operations to be between $900 and $1,100 million in 2018, reflecting pension contributions in line with historical levels and continued improvements in working capital.

Cash Flow Analysis

The following summarizes our cash flows for the three years ended December 31, 2017, as reported in our Consolidated Statements of Cash Flows in the accompanying Consolidated Financial Statements:

	Year Ended December 31,			Change	
(in millions)	2017	2016	2015	2017	2016
Net cash provided by operating activities of continuing operations	$ 122	$ 1,018	$ 1,078	$ (896)	$ (60)
Net cash (used in) provided by operating activities of discontinued operations	(88)	77	533	(165)	(456)
Net cash provided by operating activities	34	1,095	1,611	(1,061)	(516)
Net cash used in investing activities of continuing operations	(31)	(146)	(43)	115	(103)
Net cash (used in) provided by investing activities of discontinued operations	—	(251)	551	251	(802)
Net cash (used in) provided by investing activities	(31)	(397)	508	366	(905)
Net cash (used in) provided by financing activities	(985)	584	(2,074)	(1,569)	2,658
Effect of exchange rate changes on cash and cash equivalents	52	(30)	(77)	82	47
(Increase) decrease in cash of discontinued operations	—	(257)	8	257	(265)
(Decrease) increase in cash and cash equivalents	(930)	995	(24)	(1,925)	1,019
Cash and cash equivalents at beginning of year	2,223	1,228	1,252	995	(24)
Cash and Cash Equivalents at End of Year	$ 1,293	$ 2,223	$ 1,228	$ (930)	$ 995

Cash Flows from Operating Activities

Net cash provided by operating activities of continuing operations was $122 million for the year ended December 31, 2017. The $896 million decrease in operating cash from 2016 was primarily due to the following:

- $658 million decrease primarily from voluntary contributions of $635 million to domestic tax-qualified defined benefit plans in 2017.
- $411 million decrease from accounts receivable primarily as a result of the termination of all accounts receivable sales arrangements in North America and all but one arrangement in Europe.
- $181 million decrease primarily related to the prior year settlements of foreign currency derivative contracts.
- $106 million decrease from higher restructuring payments.
- $76 million decrease from higher inventory levels primarily due to a lower volume of equipment and supplies sales and the impact of new product launches.
- $202 million increase from the change in accounts payable and accrued compensation primarily related to the year-over-year timing of supplier and vendor payments.
- $182 million increase due to higher net tax payments in prior year partially attributable to our tax sharing arrangement with Conduent.
- $51 million increase due to lower placements of equipment on operating leases reflecting decreased installs.
- $43 million increase in dividends received from equity investments other than Fuji Xerox representing the accumulation of earnings over multiple years.
- $33 million increase from finance receivables primarily related to a higher level of run-off due to lower originations.

The $635 million of voluntary contributions to our domestic tax-qualified defined benefit plans included an incremental $500 million that was funded through a Senior Note offering in third quarter 2017. See Cash Flows from Financing Activities below as well as Note 14 - Debt in the Consolidated Financial Statements for additional information regarding the issuance of the Senior Notes. The additional pension funding will significantly reduce mandatory cash contributions to U.S. plans in future years beginning 2018 and was incremental to the $350 million of global pension contributions originally planned in 2017.

Net cash provided by operating activities of continuing operations was $1,018 million for the year ended December 31, 2016. The $60 million decrease in operating cash from 2015 was primarily due to the following:

- $115 million decrease in pre-tax income before depreciation and amortization, gain on sales of businesses and assets, stock-based compensation, restructuring and related costs and defined benefit pension cost.
- $331 million decrease from higher net tax payments partially attributable to our tax sharing arrangement with Conduent.

- $119 million decrease in accounts payable and accrued compensation primarily related to the timing of payments partially offset by higher compensation accruals.
- $66 million decrease from higher restructuring and related payments.
- $36 million decrease from accounts receivable primarily due to the timing of collections and a lower impact from the sales of receivables.
- $225 million increase from the settlements of foreign currency derivative contracts. This increase primarily offsets the negative currency impacts on our Yen-denominated inventory purchases as well as other foreign currency denominated payments recorded in inventory and accounts payable.
- $123 million increase from lower pension contributions.
- $112 million increase from finance receivables primarily related to a higher level of run-off due to lower originations and to a reduced impact from 2012 and 2013 finance receivables sales.
- $108 million increase from inventory primarily due to lower volume of equipment and supplies sales.

Cash Flows from Investing Activities

Net cash used in investing activities of continuing operations was $31 million for the year ended December 31, 2017 as compared to a $146 million use of cash in the prior year. The change was primarily due to the following:

- $127 million increase due to the receipt of the final payment on the performance-based instrument associated with our 1997 sale of The Resolution Group (TRG), included in Other investing, net.
- $33 million due to lower capital expenditures (including internal use software).
- $20 million increase due to proceeds from the sale of the Xerox Research Centre in Grenoble, France in 2017.
- $57 million decrease due to a higher level of acquisitions.
- $22 million decrease from lower proceeds from the sale of assets. Prior year included proceeds from the sale of surplus technology assets.

Net cash used in investing activities of continuing operations was $146 million for the year ended December 31, 2016 as compared to a $43 million use of cash in the prior year. The change was primarily due to the following:

- $67 million decrease primarily due to lower proceeds from the sale of surplus assets.
- $17 million change from acquisitions.
- $10 million due to lower capital expenditures (including internal use software).

Cash Flows from Financing Activities

Net cash used in financing activities was $985 million for the year ended December 31, 2017. The $1,569 million decrease in cash from 2016 was primarily due to the following:

- $1,747 million decrease from net debt activity. 2017 reflects proceeds of $1.0 billion on new Senior Notes offset by payments of $1,475 million on Senior Notes, net payments of $326 million on the tender and exchange of certain Senior Notes, and other payments and transaction costs of $24 million. 2016 reflects net proceeds of $1.9 billion from debt incurred by Conduent in connection with the Separation partially offset by payments of $700 million on Senior Notes and $250 million on Notes.
- $14 million decrease due to the absence of a stock-based award vesting in 2016 and the related tax impact.
- $161 million increase reflecting the final cash adjustment with Conduent, included in Other financing, net.
- $40 million increase due to lower common stock dividends of $33 million and preferred stock dividends of $7 million.

Net cash provided by financing activities was $584 million for the year ended December 31, 2016. The $2,658 million increase in cash from 2015 was primarily due to the following:

- $1,302 million increase due to the absence of share repurchases in 2016.
- $1,295 million increase from net debt activity. 2016 reflects net proceeds of $1.9 billion from debt incurred by Conduent in connection with the Separation partially offset by payments of $700 million on Senior Notes and $250 million on Notes. 2015 reflects payment of $1,250 million on Senior Notes and a decrease of $150 million in Commercial Paper offset by net proceeds of $1,045 million from the issuance of Senior Notes.
- $45 million increase due to lower distributions to noncontrolling interests.
- $31 million increase due the absence of a stock-based award vesting in 2016 and the related tax impact.
- $10 million decrease due to lower proceeds from the issuance of common stock under our incentive stock plans.

Debt and Customer Financing Activities

We provide lease equipment financing to our customers. Our lease contracts permit customers to pay for equipment over time rather than at the date of installation. Our investment in these contracts is reflected in total finance assets, net. We primarily fund our customer financing activity through cash generated from operations, cash on hand, commercial paper borrowings, sales and securitizations of finance receivables and proceeds from capital markets offerings.

We have arrangements in certain international countries and domestically with our small and mid-sized customers, where third-party financial institutions independently provide lease financing directly to our customers, on a non-recourse basis to Xerox. In these arrangements, we sell and transfer title of the equipment to these financial institutions. Generally, we have no continuing ownership rights in the equipment subsequent to its sale; therefore, the unrelated third-party finance receivable and debt are not included in our Consolidated Financial Statements.

The following represents our total finance assets, net associated with our lease and finance operations:

	December 31,	
(in millions)	2017	2016
Total Finance receivables, net[(1)]	$ 3,752	$ 3,744
Equipment on operating leases, net	454	475
Total Finance Assets, Net [(2)]	$ 4,206	$ 4,219

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(1) Includes (i) Billed portion of finance receivables, net, (ii) Finance receivables, net and (iii) Finance receivables due after one year, net as included in our Consolidated Balance Sheets.

(2) The change from December 31, 2016 includes an increase of $198 million due to currency.

We maintain a certain level of debt, referred to as financing debt, to support our investment in these lease contracts or total finance assets, net. We maintain this financing debt at an assumed 7:1 leverage ratio of debt to equity as compared to our total finance assets, net for this financing aspect of our business. Based on this leverage, the following represents the allocation of our total debt at December 31, 2017 and 2016 between financing debt and core debt:

	December 31,	
(in millions)	2017	2016
Finance receivables debt[(1)]	$ 3,283	$ 3,276
Equipment on operating leases debt	397	416
Financing debt	3,680	3,692
Core debt	1,837	2,624
Total Debt	$ 5,517	$ 6,316

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(1) Finance receivables debt is the basis for our calculation of "Cost of financing" expense in the Consolidated Statements of Income (Loss).

In 2018, we expect to continue leveraging our finance assets at an assumed 7:1 ratio of debt to equity. The following summarizes our total debt at December 31, 2017 and 2016:

	December 31,	
(in millions)	2017	2016
Principal debt balance[(1)]	$ 5,579	$ 6,349
Net unamortized discount	(35)	(43)
Debt issuance costs	(32)	(21)
Fair value adjustments[(2)]		
- terminated swaps	4	27
- current swaps	1	4
Total Debt	$ 5,517	$ 6,316

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(1) Includes Notes Payable of $6 million and $4 million as of December 31, 2017 and December 31, 2016, respectively.

(2) Fair value adjustments include the following: (i) fair value adjustments to debt associated with terminated interest rate swaps, which are being amortized to interest expense over the remaining term of the related notes; and (ii) changes in fair value of hedged debt obligations attributable to movements in benchmark interest rates. Hedge accounting requires hedged debt instruments to be reported inclusive of any fair value adjustment.

Capital Market Activity

Refer to Note 14 - Debt in the Consolidated Financial Statements for additional information.

Refer to Note 5 - Divestitures in the Consolidated Financial Statements for additional information regarding capital activity associated with the Separation and Distribution of Conduent.

Financial Instruments

Refer to Note 15 - Financial Instruments in the Consolidated Financial Statements for additional information.

Sales of Accounts Receivable

Accounts receivable sales arrangements are utilized in the normal course of business as part of our cash and liquidity management. Prior to fourth quarter 2017, we had facilities in the U.S., Canada and several countries in Europe that enabled us to sell certain accounts receivable, without recourse, to third-parties. The accounts receivable sold were generally short-term trade receivables with payment due dates of less than 60 days. In connection with the efforts of our Strategic Transformation program to reduce costs and simplify our business processes, during the fourth quarter 2017, we terminated all accounts receivable sales arrangements in North America and all but one arrangement in Europe, which resulted in a one-time reduction of our operating cash flows. The remaining accounts receivable sales facility in Europe enables us to sell receivables associated with our distributor network on an ongoing basis without recourse. Under this arrangement, we sell our entire interest in the related accounts receivable for cash and no portion of the payment is held back or deferred by the purchaser.

The net impact from the sales of accounts receivable on operating cash flows is summarized below:

	Year Ended December 31,		
(in millions)	2017	2016	2015
Estimated (decrease) increase to operating cash flows[(1)(2)]	$ (341)	$ 30	$ 62

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(1) Represents the difference between current and prior year fourth quarter accounts receivable sales adjusted for the effects of: (i) the deferred proceeds, (ii) collections prior to the end of the year and (iii) currency.

(2) Reflects an estimated decrease of approximately $350 million associated with the termination of certain accounts receivable sale programs and the lack of new sales of receivables in the fourth quarter 2017.

Refer to Note 6 - Accounts Receivable, Net in the Consolidated Financial Statements for additional information regarding our accounts receivable sales arrangements.

Sales of Finance Receivables

In 2013 and 2012, we transferred our entire interest in certain groups of lease finance receivables to third-party entities for cash proceeds and beneficial interests. The transfers were accounted for as sales with derecognition of the associated lease receivables. There have been no transfers or sales of finance receivables since 2013. We continued to service the sold receivables and record servicing fee income over the expected life of the associated receivables. During 2017, we exercised the various clean-up calls we, as the servicer, held on the sold receivables and accordingly repurchased the remaining balances of the previously derecognized receivables and terminated the programs. The amounts repurchased were not material.

The net impact from the sales of finance receivables on operating cash flows is summarized below:

	Year Ended December 31,		
(in millions)	2017	2016	2015
Impact from prior sales of finance receivables[(1)]	$ (81)	$ (186)	$ (342)
Collections on beneficial interests	26	30	56
Estimated Decrease to Operating Cash Flows	$ (55)	$ (156)	$ (286)

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(1) Represents cash that would have been collected if we had not sold finance receivables.

Refer to Note 7 - Finance Receivables, Net in the Consolidated Financial Statements for additional information regarding our finance receivables sale arrangements.

Share Repurchase Programs - Treasury Stock

No shares were repurchased during 2017 or 2016, nor were any shares repurchased through January 31, 2018. During 2015, we repurchased 28.8 million shares of our common stock for an aggregate cost of $1.3 billion, including fees.

Refer to Note 21 - Shareholders' Equity – Treasury Stock in the Consolidated Financial Statements for additional information regarding our share repurchase programs.

Dividends

The Board of Directors declared aggregate dividends of $259 million, $317 million and $299 million on common stock in 2017, 2016 and 2015, respectively. The decrease in 2017 as compared to prior years is primarily due to the decrease in 2017 of the quarterly dividend to 25 cents per share from 31 cents per share in conjunction with the separation.

The Board of Directors declared aggregate dividends of $14 million for the year ended December 31, 2017 on the Series B Convertible Preferred Stock and $24 million for the years ended December 31, 2016 and 2015 on the Series A Convertible Preferred Stock.

Liquidity and Financial Flexibility

We manage our worldwide liquidity using internal cash management practices, which are subject to (1) the statutes, regulations and practices of each of the local jurisdictions in which we operate, (2) the legal requirements of the agreements to which we are a party and (3) the policies and cooperation of the financial institutions we utilize to maintain and provide cash management services.

Our principal debt maturities are in line with historical and projected cash flows and are spread over the next five years as follows (in millions):

Year	Amount[(2)]
2018 - Q1[(1)]	$ 8
2018 - Q2	268
2018 - Q3	2
2018 - Q4	2
2019	968
2020	1,059
2021	1,069
2022	301
2023 and thereafter	1,902
Total	$ 5,579

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(1) Includes $6 million of Notes Payable.

(2) Includes fair value adjustments.

Foreign Cash

At December 31, 2017, we had $1.3 billion of cash and cash equivalents on a consolidated basis of which approximately $440 million was held outside of the U.S. by our foreign subsidiaries. As a result of the Tax Act enacted in December 2017, the estimated tax impacts associated with future repatriation of our foreign cash have been reflected in our financial statements as of December 31, 2017.

Refer to Note 18 - Income and Other Taxes in our Consolidated Financial Statements for additional information regarding the impacts from the enactment of the Tax Act in December 2017.

Loan Covenants and Compliance

At December 31, 2017, we were in full compliance with the covenants and other provisions of our Credit Facility and Senior Notes. We have the right to terminate the Credit Facility without penalty. Failure to comply with material provisions or covenants of the Credit Facility and Senior Notes could have a material adverse effect on our liquidity and operations and our ability to continue to fund our customers' purchases of Xerox equipment.

Refer to Note 14 - Debt in the Consolidated Financial Statements for additional information regarding debt arrangements.

Contractual Cash Obligations and Other Commercial Commitments and Contingencies

At December 31, 2017, we had the following contractual cash obligations and other commercial commitments and contingencies:

(in millions)	2018	2019	2020	2021	2022	Thereafter
Total debt, including capital lease obligations(1)	$ 280	$ 968	$ 1,059	$ 1,069	$ 301	$ 1,902
Interest on debt(1)	224	207	162	113	86	570
Minimum operating lease commitments(2)	127	100	77	55	42	48
Defined benefit pension plans	192	—	—	—	—	—
Retiree health payments	62	60	58	57	55	239
Estimated Purchase Commitments:						
Fuji Xerox(3)	1,585	—	—	—	—	—
Flex(4)	414	—	—	—	—	—
Other(5)	247	169	150	41	209	8
Total(6)	$ 3,131	$ 1,504	$ 1,506	$ 1,335	$ 693	$ 2,767

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(1) *Total debt for 2018 includes $6 million of Notes Payable. Refer to Note 14 - Debt in the Consolidated Financial Statements for additional information regarding debt and interest on debt.*

(2) *Refer to Note 9 - Land, Buildings, Equipment and Software, Net in the Consolidated Financial Statements for additional information related to minimum operating lease commitments.*

(3) *Fuji Xerox: The amount included in the table reflects our estimate of purchases over the next year and is not a contractual commitment. Refer to Note 10 - Investments in Affiliates, at Equity in the Consolidated Financial Statements for additional information related to transactions with Fuji Xerox.*

(4) *Flex: We outsource certain manufacturing activities to Flex (formerly "Flextronics"). The amount included in the table reflects our estimate of purchases over the next year and is not a contractual commitment. In the past two years, actual purchases from Flex averaged approximately $394 million per year.*

(5) *Other purchase commitments: We enter into other purchase commitments with vendors in the ordinary course of business. Our policy with respect to all purchase commitments is to record losses, if any, when they are probable and reasonably estimable. We currently do not have, nor do we anticipate, material loss contracts.*

(6) *Total obligations do not include payments for the deemed repatriation tax recorded as part of the estimated charge for the Tax Act as we expect to utilize our existing foreign tax credit carryforwards to settle this obligation. Refer to Note 18 - Income and Other Taxes in the Consolidated Financial Statements for additional information regarding the estimated charge associated with the Tax Act.*

Pension and Other Post-retirement Benefit Plans

We sponsor defined benefit pension plans and retiree health plans that require periodic cash contributions. Our 2017 cash contributions for these plans were $836 million for our defined benefit pension plans and $64 million for our retiree health plans. Contributions to our U.S. tax-qualified defined benefit plans in 2017 included $500 million of additional voluntary contributions that were funded from a Senior Note offering in 2017. Refer to Note 14 - Debt in the Consolidated Financial Statements for additional information regarding the issuance of the Senior Notes.

In 2018, based on current actuarial calculations, we expect to make contributions of approximately $192 million to our worldwide defined benefit pension plans and $62 million to our retiree health benefit plans. There are no contributions required in 2018 for our U.S. tax-qualified defined benefit plans to meet the minimum funding requirements. However, our estimated 2018 contributions include $50 of voluntary contributions to these plans.

Contributions to our defined benefit pension plans in subsequent years will depend on a number of factors, including the investment performance of plan assets and discount rates as well as potential legislative and plan changes. At December 31, 2017, the net underfunded balances of our U.S. and Non-U.S. defined benefit pension plans were $956 million and $395 million, respectively, or $1,351 million in the aggregate, which is an $812 million decrease from the balance at December 31, 2016. The decrease is primarily due to the increased level of contributions during 2017.

Our retiree health benefit plans are non-funded and are almost entirely related to domestic operations. The unfunded balance of our retiree health plans is $723 million at December 31, 2017. Cash contributions are made each year to cover medical claims costs incurred during the year. The amounts reported in the above table as retiree health payments represent our estimate of future benefit payments.

Refer to Note 17 - Employee Benefit Plans in the Consolidated Financial Statements for additional information regarding contributions to our defined benefit pension and post-retirement plans.

Fuji Xerox

We purchased products, including parts and supplies, from Fuji Xerox totaling $1.6 billion, $1.6 billion and $1.7 billion in 2017, 2016 and 2015, respectively. Our purchase commitments with Fuji Xerox are entered into in the normal course of business and typically have a lead time of three months. Related party transactions with Fuji Xerox are discussed in Note 10 - Investments in Affiliates, at Equity in the Consolidated Financial Statements.

Brazil Tax and Labor Contingencies

Our Brazilian operations are involved in various litigation matters and have received or been the subject of numerous governmental assessments related to indirect and other taxes, as well as disputes associated with former employees and contract labor. The tax matters, which comprise a significant portion of the total contingencies, principally relate to claims for taxes on the internal transfer of inventory, municipal service taxes on rentals and gross revenue taxes. We are disputing these tax matters and intend to vigorously defend our positions. Based on the opinion of legal counsel and current reserves for those matters deemed probable of loss, we do not believe that the ultimate resolution of these matters will materially impact our results of operations, financial position or cash flows.

The labor matters principally relate to claims made by former employees and contract labor for the equivalent payment of all social security and other related labor benefits, as well as consequential tax claims, as if they were regular employees. As of December 31, 2017, the total amounts related to the unreserved portion of the tax and labor contingencies, inclusive of related interest, amounted to approximately $600 million with the decrease from the December 31, 2016 balance of $750 million, primarily related to closed cases partially offset by interest. With respect to the unreserved balance of $600 million, the majority has been assessed by management as being remote as to the likelihood of ultimately resulting in a loss to the Company. In connection with the above proceedings, customary local regulations may require us to make escrow cash deposits or post other security of up to half of the total amount in dispute. As of December 31, 2017 we had $72 million of escrow cash deposits for matters we are disputing and additional letters of credit and surety bonds of $147 million and $98 million, respectively, which include associated indexation. There were no liens on Brazilian assets as of December 31, 2017. Generally, any escrowed amounts would be refundable and any liens would be removed to the extent the matters are resolved in our favor. We routinely assess all these matters as to probability of ultimately incurring a liability against our Brazilian operations and record our best estimate of the ultimate loss in situations where we assess the likelihood of an ultimate loss as probable.

Other Contingencies and Commitments

As more fully discussed in Note 19 - Contingencies and Litigation in the Consolidated Financial Statements, we are involved in a variety of claims, lawsuits, investigations and proceedings concerning: securities law; governmental entity contracting, servicing and procurement law; intellectual property law; environmental law; employment law; the Employee Retirement Income Security Act (ERISA); and other laws and regulations. In addition, guarantees, indemnifications and claims may arise during the ordinary course of business from relationships with suppliers, customers and non-consolidated affiliates. Nonperformance under a contract including a guarantee, indemnification or claim could trigger an obligation of the Company.

We determine whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. Should developments in any of these areas cause a change in our determination as to an unfavorable outcome and result in the need to recognize a material accrual, or should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on our results of operations, financial position and cash flows in the period or periods in which such change in determination, judgment or settlement occurs.

Unrecognized Tax Benefits

As of December 31, 2017, we had $125 million of unrecognized tax benefits. This represents the tax benefits associated with various tax positions taken, or expected to be taken, on domestic and foreign tax returns that have not been recognized in our financial statements due to uncertainty regarding their resolution. The resolution or settlement of these tax positions with the taxing authorities is at various stages and, therefore, we are unable to make a reliable estimate of the eventual cash flows by period that may be required to settle these matters. In addition, certain of these matters may not require cash settlement due to the existence of credit and net operating loss carryforwards, as well as other offsets, including the indirect benefit from other taxing jurisdictions that may be available.

Refer to Note 18 - Income and Other Taxes in the Consolidated Financial Statements for additional information regarding unrecognized tax benefits.

Off-Balance Sheet Arrangements

We may occasionally utilize off-balance sheet arrangements in our operations (as defined by the SEC Financial Reporting Release 67 (FRR-67), "Disclosure in Management's Discussion and Analysis about Off-Balance Sheet Arrangements and Aggregate Contractual Obligations"). We enter or have entered into the following arrangements that have off-balance sheet elements:

- Operating leases in the normal course of business. The nature of these lease arrangements is discussed in Note 9 - Land, Buildings, Equipment and Software, Net in the Consolidated Financial Statements.
- Accounts receivable sales facilities. During the fourth quarter 2017 we terminated all accounts receivable sales arrangements in North America and all but one arrangement in Europe. Refer to Note 6 - Accounts Receivable, Net in the Consolidated Financial Statements for further information regarding these facilities.
- Sales of finance receivables. During 2013 and 2012, we entered into arrangements to transfer and sell finance receivables. During 2017, we exercised the various clean-up calls we, as the servicer, held on the sold receivables and accordingly repurchased the remaining balances of the previously derecognized receivables and terminated the programs. Refer to Note 7 - Finance Receivables, Net in the Consolidated Financial Statements for further information regarding these sales. There were no sales of finance receivables since 2013.

As of December 31, 2017, we do not believe we have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

In addition, see the preceding table for the Company's contractual cash obligations and other commercial commitments and Note 19 - Contingencies and Litigation in the Consolidated Financial Statements for additional information regarding contingencies, guarantees, indemnifications and warranty liabilities.

Non-GAAP Financial Measures

We have reported our financial results in accordance with generally accepted accounting principles (GAAP). In addition, we have discussed our results using non-GAAP measures.

We believe these non-GAAP measures allow investors to better understand the trends in our business and to better understand and compare our results. Accordingly, we believe it necessary to adjust several reported amounts, determined in accordance with GAAP, to exclude the effects of certain items as well as their related income tax effects.

Management believes that all of these non-GAAP financial measures provide an additional means of analyzing the current period's results against the corresponding period's results. However, these non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the company's reported results prepared in accordance with GAAP. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Compensation of our executives is based in part on the performance of our business based on these non-GAAP measures.

A reconciliation of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are set forth on the following tables as well as the fourth quarter 2017 presentation slides available at www.xerox.com/investor.

Adjusted Earnings Measures

- Net income and Earnings per share (EPS)
- Effective tax rate
- Gross margin, RD&E and SAG (only adjusted for non-service retirement-related costs and transaction/proxy related costs)

The above measures were adjusted for the following items:

Amortization of intangible assets: The amortization of intangible assets is driven by our acquisition activity which can vary in size, nature and timing as compared to other companies within our industry and from period to period. The use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well. Amortization of intangible assets will recur in future periods.

Restructuring and related costs: Restructuring and related costs include restructuring and asset impairment charges as well as costs associated with our Strategic Transformation program beyond those normally included in restructuring and asset impairment charges. Restructuring consists of costs primarily related to severance and benefits paid to employees pursuant to formal restructuring and workforce reduction plans. Asset impairment includes costs incurred for those assets sold, abandoned or made obsolete as a result of our restructuring actions, exiting from a business or other strategic business changes. Additional costs for our Strategic Transformation program are primarily related to the implementation of strategic actions and initiatives and include third-party professional service costs as well as one-time incremental costs. All of these costs can vary significantly in terms of amount and frequency based on the nature of the actions as well as the changing needs of the business. Accordingly, due to that significant variability, we will exclude these charges since we do not believe they provide meaningful insight into our current or past operating performance nor do we believe they are reflective of our expected future operating expenses as such charges are expected to yield future benefits and savings with respect to our operational performance.

Non-service retirement-related costs: Our defined benefit pension and retiree health costs include several elements impacted by changes in plan assets and obligations that are primarily driven by changes in the debt and equity markets as well as those that are predominantly legacy in nature and related to employees who are no longer providing current service to the Company (e.g. retirees and ex-employees). These elements include (i) interest cost, (ii) expected return on plan assets, (iii) amortized actuarial gains/losses and (iv) the impacts of any plan settlements/curtailments. Accordingly, we consider these elements of our periodic retirement plan costs to be outside the operational performance of the business or legacy costs and not necessarily indicative of current or future cash flow requirements. Adjusted earnings will continue to include the elements of our retirement costs related to current employee service (service cost and amortization of prior service cost) as well as the cost of our defined contribution plans.

Other discrete, unusual or infrequent items: In addition, we have also excluded the following additional items given their discrete, unusual or infrequent nature and their impact on our results for the period:

- Losses on early extinguishment of debt in the first and fourth quarter of 2017.
- A benefit from the remeasurement of a tax matter in the first quarter of 2017 that related to a previously adjusted item.
- Costs incurred in the fourth quarter of 2017 related to the recently announced transaction with Fujifilm as well as to our expected proxy contest. These costs are primarily for third-party investment banking, legal, accounting, consulting and other similar services.
- The estimated non-cash charge in the fourth quarter 2017 reflecting the impact associated with the enactment of the Tax Cuts and Jobs Act (the "Tax Act") in December 2017. See the “Income Taxes” section in the MD&A for further explanation.

We believe the exclusion of these items allows investors to better understand and analyze the results for the period as compared to prior periods and expected future trends in our business.

Adjusted Operating Income and Margin

We also calculate and utilize adjusted operating income and margin earnings measures by adjusting our pre-tax income and margin amounts. In addition to the costs and expenses noted as adjustments for our Adjusted Earnings measures, adjusted operating income and margin also exclude Other expenses, net. Other expenses, net is primarily comprised of non-financing interest expense and also includes certain other non-operating costs and expenses. We exclude these amounts in order to evaluate our current and past operating performance and to better understand the expected future trends in our business. Adjusted operating income and margin also includes Equity in net income of unconsolidated affiliates. Equity in net income of unconsolidated affiliates primarily reflects our 25% share of Fuji Xerox net income. We include this amount in our measure of adjusted operating income and margin as Fuji Xerox is our primary product supplier and intermediary to the Asia/Pacific market for the distribution of Xerox branded products and services.

Constant Currency (CC)

Refer to the "Currency Impact" in the MD&A for discussion of this measure and its use in our analysis of revenue growth.

Net Income and EPS reconciliation:

(in millions, except per share amounts)	2017 Net Income	2017 EPS	2016 Net Income	2016 EPS	2015 Net Income	2015 EPS
	Year Ended December 31,					
Reported[1]	$ 192	$ 0.70	$ 622	$ 2.33	$ 822	$ 2.97
Adjustments:						
Restructuring and related costs - Xerox	220		264		27	
Amortization of intangible assets	53		58		60	
Non-service retirement-related costs	198		131		116	
Loss on extinguishment of debt	20		—		—	
Transaction and proxy related fees	9		—		—	
Income tax on adjustments[2]	(171)		(151)		(77)	
US Tax Act	400		—		—	
Remeasurement of unrecognized tax positions	(16)		—		—	
Restructuring and other charges - Fuji Xerox[3]	10		3		4	
Adjusted	$ 915	$ 3.48	$ 927	$ 3.53	$ 952	$ 3.45
Dividends on preferred stock used in adjusted EPS calculation[4]		$ —		$ 24		$ 24
Weighted average shares for adjusted EPS[4]		263		256		269
Fully diluted shares at December 31, 2017[5]		264				

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(1) Net income and EPS from continuing operations attributable to Xerox.
(2) Refer to Effective Tax Rate reconciliation.
(3) Other charges in 2017 represent audit and other fees associated with the independent investigation of Fuji Xerox's accounting practices.
(4) For those periods that exclude the preferred stock dividend, the average shares for the calculations of diluted EPS include 7 million shares associated with our Series A or Series B convertible preferred stock, as applicable.
(5) Represents common shares outstanding at December 31, 2017 as well as shares associated with our Series B convertible preferred stock plus potential dilutive common shares used for the calculation of diluted earnings per share for the year ended December 31, 2017.

Effective Tax Rate reconciliation:

(in millions)	Year Ended December 31, 2017 Pre-Tax Income	Income Tax Expense	Effective Tax Rate	Year Ended December 31, 2016 Pre-Tax Income	Income Tax Expense	Effective Tax Rate	Year Ended December 31, 2015 Pre-Tax Income	Income Tax Expense	Effective Tax Rate
Reported[1]	$ 570	$ 481	84.4%	$ 568	$ 62	10.9%	$ 924	$ 193	20.9%
Non-GAAP Adjustments[2]	500	171		453	151		203	77	
US Tax Act	—	(400)		—	—		—	—	
Remeasurement of unrecognized tax positions	—	16		—	—		—	—	
Adjusted[3]	$ 1,070	$ 268	25.0%	$ 1,021	$ 213	20.9%	$ 1,127	$ 270	24.0%

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(1) Pre-tax Income and Income tax expense from continuing operations.
(2) Refer to Net Income and EPS reconciliation for details of pre-tax adjustments.
(3) The tax impact on Adjusted Pre-Tax Income from continuing operations is calculated under the same accounting principles applied to the As Reported Pre-Tax Income under ASC 740, which employs an annual effective tax rate method to the results.

Operating Income / Margin reconciliation:

(in millions)	Year Ended December 31, 2017 Profit	Revenue	Margin	Year Ended December 31, 2016 Profit	Revenue	Margin	Year Ended December 31, 2015 Profit	Revenue	Margin
Reported[1]	$ 570	$ 10,265	5.6%	$ 568	$ 10,771	5.3%	$ 924	$ 11,465	8.1%
Adjustments:									
Restructuring and related costs - Xerox	220			264			27		
Amortization of intangible assets	53			58			60		
Non-service retirement-related costs	198			131			116		
Transaction and proxy related fees	9			—			—		
Equity in net income of unconsolidated affiliates	115			127			109		
Restructuring and other costs - Fuji Xerox[2]	10			3			4		
Other expenses, net	141			200			195		
Adjusted	$ 1,316	$ 10,265	12.8%	$ 1,351	$ 10,771	12.5%	$ 1,435	$ 11,465	12.5%

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(1) Pre-tax Income and revenue from continuing operations.
(2) Other charges in 2017 represent audit and other fees associated with the independent investigation of Fuji Xerox's accounting practices.

Key Financial Ratios reconciliation:

(in millions)	Year Ended December 31, 2017			Year Ended December 31, 2016			Year Ended December 31, 2015		
	As Reported[(1)]	Adjustment[(2)]	Adjusted	As Reported[(1)]	Adjustment[(2)]	Adjusted	As Reported[(1)]	Adjustment[(2)]	Adjusted
Total Revenue	$ 10,265	$ —	$ 10,265	$ 10,771	$ —	$ 10,771	$ 11,465	$ —	$ 11,465
Total Gross Profit	4,061	75	4,136	4,261	49	4,310	4,582	43	4,625
Post sale revenue	8,014	—	8,014	8,352	—	8,352	8,776	—	8,776
Post sale gross profit	3,414	75	3,489	3,513	49	3,562	3,804	43	3,847
RD&E	446	(25)	421	476	(25)	451	511	(19)	492
SAG	2,631	(107)	2,524	2,695	(57)	2,638	2,865	(54)	2,811
Total Gross Margin	39.6%		40.3%	39.6%		40.0%	40.0%		40.3%
Post sale Gross Margin	42.6%		43.5%	42.1%		42.6%	43.3%		43.8%
RD&E as a % of Revenue	4.3%		4.1%	4.4%		4.2%	4.5%		4.3%
SAG as a % of Revenue	25.6%		24.6%	25.0%		24.5%	25.0%		24.5%

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(1) *Revenue and costs from continuing operations.*
(2) *2017 includes adjustments for non-service retirement-related costs and transaction and proxy related costs. 2016 and 2015 includes adjustments for non-service retirement-related costs only.*

Fuji Xerox Revision reconciliation:

(in millions)	Year Ended December 31, 2016			Year Ended December 31, 2015		
	As Reported[(1)]	Adjustment	As Revised	As Reported[(1)]	Adjustment	As Revised
Adjusted Net income	$ 921	$ 6	$ 927	$ 978	$ (26)	$ 952
Adjusted Diluted earnings per share	3.50	0.03	3.53	3.55	(0.10)	3.45
Adjusted Operating profit [(2)]	$ 1,345	$ 6	$ 1,351	$ 1,461	$ (26)	$ 1,435
Adjusted Operating margin	12.5%		12.5%	12.7%		12.5%

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(1) *Income and Diluted EPS from continuing operations attributable to Xerox.*
(2) *As Reported Adjusted Operating profit excludes Fuji Xerox restructuring charges.*

2018 Reporting Changes

In the first quarter 2018, we adopted the following Accounting Standard Updates, which are expected to affect our 2018 reporting and, in certain cases, previously reported amounts for 2017:

- ASU 2014-09 - Revenue from Contracts with Customers (Topic 606).
- ASU 2016-15 - Statement of Cash Flows - Classification of Certain Cash Receipts and Cash Payments.
- ASU 2016-18 - Statement of Cash Flows - Restricted Cash.
- ASU 2017-07 - Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.

The following is summary discussion of the expected impacts from the adoption of these updates. Refer to Note 1 – Basis of Presentation and Summary of Significant Accounting Policies for additional information regarding the adoption of these standards.

ASU 2014-09 - Revenue: We adopted this standard using the modified retrospective method of adoption, which does not require restatement of previously reported amounts. However, the adoption of this standard is not expected to have a material impact for most of our revenues. Accordingly, the impact on comparability is likewise not expected to be material with the exception of certain revenues currently reported in Services revenues that will be reported in Equipment sale revenue in 2018. These revenues, which are approximately $50 million annually, relate to certain analyst services performed in connection with the installation of equipment that are expected to be considered part of the equipment sale performance obligation in 2018. No other material impacts are expected in 2018.

Another change we will have upon adoption of this update is with respect to deferred contract costs. The new standard requires the incremental costs to obtain a contract, which for us is primarily sales commissions paid to sales people and agents, to be deferred and amortized over the term of the related contract. We do not expect the post-adoption policy of deferral and amortization of these costs to have a material impact on our future Consolidated Statements of Income.

ASU 2016-15 and ASU 2016-18 - Cash Flow Reporting: The following is a summary of the primary impacts to our Statement of Cash Flows expected upon the adoption of these updates. The adoption of these updates require the restatement of previously reported amounts.

- Cash collected on beneficial interests received in a sale of receivables must now be classified as investing cash flows. Currently, these collections are reported in operating cash flows. We reported $234 million and $270 million of collections on beneficial interests as operating cash inflows for the years ended December 31, 2017 and 2016, respectively. Accordingly, 2017 and 2016 operating and investing cash flows will be revised by those amounts when reported in 2018. There is no expected impact to our 2018 cash flows from this change due to the termination of all accounts receivable sales arrangements in North America and most arrangements in Europe and the final repurchase of previously sold finance receivables during the fourth quarter of 2017.
- Restricted cash balances must now be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Previously these amounts were excluded from cash and cash equivalents presented in the cash flow statement. We held $75 million and $179 million of restricted cash at December 31, 2017 and December 31, 2016, respectively. The changes in our restricted cash balances were primarily related to our accounts receivable sales programs, which were terminated during the fourth quarter of 2017. Accordingly, the impact of this change on our reported cash flows is not expected to be material in 2018.

The following table reflects the adjustments of selected lines from our 2017 Consolidated Statements of Cash Flows to the revised amounts as a result of the adoption of these updates:

	Year Ended December 31, 2017			Year Ended December 31, 2016		
(in millions)	As Reported	Adjustment	As Recasted	As Reported	Adjustment	As Recasted
Cash Flows from Operating Activities:						
Collections of deferred proceeds from sales of receivables	$ 213	$ (213)	$ —	$ 246	$ (246)	$ —
Collections on beneficial interest from sales of finance receivables	21	(21)	—	24	(24)	—
(Increase) decrease in other current and long-term assets	(17)	(2)	(19)	82	(6)	76
Decrease in other current and long-term liabilities	(15)	(65)	(80)	(51)	(26)	(77)
Net cash provided by (used in) operating activities of continuing operations	122	(301)	(179)	1,018	(302)	716
Net cash (used in) provided by operating activities of discontinued operations	(88)	—	(88)	77	5	82
Net cash provided by (used in) operating activities	34	(301)	(267)	1,095	(297)	798
Cash Flows from Investing Activities:						
Collections of deferred proceeds from sales of receivables	—	213	213	—	246	246
Collections on beneficial interest from sales of finance receivables	—	21	21	—	24	24
Other investing, net	138	(38)	100	(3)	42	39
Net cash (used in) provided by investing activities of continuing operations	(31)	196	165	(146)	312	166
Net cash used in investing activities of discontinued operations	—	—	—	(251)	—	(251)
Net cash (used in) provided by investing activities	(31)	196	165	(397)	312	(85)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	52	1	53	(30)	13	(17)
Increase in cash, cash equivalents and restricted cash of discontinued operations	—	—	—	(257)	(5)	(262)
(Decrease) increase in cash, cash equivalents and restricted cash	(930)	(104)	(1,034)	995	23	1,018
Cash, cash equivalents and restricted cash at beginning of year	2,223	179	2,402	1,228	156	1,384
Cash, Cash Equivalents and Restricted Cash at End of Year	$ 1,293	$ 75	$ 1,368	$ 2,223	$ 179	$ 2,402

ASU 2017-07 - Reporting of Retirement Related Benefit Costs: This update primarily changes how we present our retirement related benefit costs in the income statement. In 2018, upon adoption of the update, we will only report the service cost component of these costs in Cost of sales, services, RD&E, SAG and restructuring. The other components of our retirement related benefit costs such as interest, return on assets, amortization of prior service costs/credits and actuarial gains/losses as well as the impacts of any plan settlements/curtailments will be reported in Other expenses, net. This update only affects the presentation of retirement related benefit costs in the income statement and does not change the measurement of retirement related benefit costs or reported net income or earnings per share (EPS) amounts. Similar to the cash flow update, the adoption of this update requires the restatement of previously reported amounts.

The adoption of this update is expected to impact our non-GAAP financial measures. Currently our non-GAAP adjusted[1] earnings measures and adjusted[1] operating margin include the service cost and the amortization of prior service cost components of our retirement related benefit costs; the other components of our retirement related benefit costs are excluded. Since the update considers the amortization of prior service cost separately from the service cost component and as part of the costs being reported in Other expenses, net, we will revise the definitions of our non-GAAP adjusted earnings measures accordingly to conform to this presentation and exclude that component. Consistent with the adoption methodology for reported results, in 2018 we will revise our prior year non-GAAP adjusted earnings measures to conform to this new presentation.

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(1) See "Non-GAAP Financial Measures" for an explanation of the non-GAAP financial measure.

The following table reflects the adjustment of selected lines from our Consolidated Statements of Income (Loss) to the revised amounts as a result of the adoption of this update:

	Year Ended December 31, 2017			Year Ended December 31, 2016		
(in millions)	As Reported	Adjustment	As Recasted	As Reported	Adjustment	As Recasted
Cost of sales	$ 2,491	$ (4)	$ 2,487	$ 2,657	$ (1)	$ 2,656
Costs of services, maintenance and rentals	3,580	(62)	3,518	3,725	(43)	3,682
Research, development and engineering expenses	446	(22)	424	476	(13)	463
Selling, administrative and general expenses	2,631	(96)	2,535	2,695	(59)	2,636
Restructuring and related costs	220	(4)	216	264	(5)	259
Other expenses, net	141	188	329	200	121	321

The following table reflects the adjustment of our non-GAAP adjusted earnings measures to the revised amounts as a result of the adoption of this update:

	Year Ended December 31, 2017			Year Ended December 31, 2016		
(in millions, except per share data)	As Reported(1)	Adjustment	As Recasted	As Reported(1)	Adjustment	As Recasted
Adjusted Net Income	$ 915	$ (9)	$ 906	$ 927	$ (9)	$ 918
Adjusted Earnings per share	$ 3.48		$ 3.45	$ 3.53		$ 3.49
Adjusted Operating Income	$ 1,316	$ (14)	$ 1,302	$ 1,351	$ (15)	$ 1,336
Adjusted Operating Margin	12.8%		12.7%	12.5%		12.4%
Adjusted Effective tax rate	25.0%		24.9%	20.9%		20.6%

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(1) Net income and EPS from continuing operations attributable to Xerox.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Financial Risk Management

We are exposed to market risk from foreign currency exchange rates and interest rates, which could affect operating results, financial position and cash flows. We manage our exposure to these market risks through our regular operating and financing activities and, when appropriate, through the use of derivative financial instruments. We utilized derivative financial instruments to hedge economic exposures, as well as reduce earnings and cash flow volatility resulting from shifts in market rates.

Recent market events have not caused us to materially modify or change our financial risk management strategies with respect to our exposures to interest rate and foreign currency risk. Refer to Note 15 - Financial Instruments in the Consolidated Financial Statements for additional discussion on our financial risk management.

Foreign Exchange Risk Management

Assuming a 10% appreciation or depreciation in foreign currency exchange rates from the quoted foreign currency exchange rates at December 31, 2017, it would not significantly change the fair value of foreign currency-denominated assets and liabilities as all material currency asset and liability exposures were economically hedged as of December 31, 2017. A 10% appreciation or depreciation of the U.S. Dollar against all currencies from the quoted foreign currency exchange rates at December 31, 2017 would have an impact on our cumulative translation adjustment portion of equity of approximately $411 million. The net amount invested in foreign subsidiaries and affiliates, primarily Xerox Limited, Fuji Xerox and Xerox Canada Inc. and translated into U.S. Dollars using the year-end exchange rates, was approximately $4.1 billion at December 31, 2017.

Interest Rate Risk Management

The consolidated average interest rate associated with our total debt for 2017, 2016 and 2015 approximated 4.6%, 4.7%, and 4.8%, respectively. Interest expense includes the impact of our interest rate derivatives. The average interest rate for 2016 excludes interest associated with the $1.0 billion Term Loan Facility that was required to be repaid upon completion of the Separation and therefore was reported in discontinued operations in 2016.

Virtually all customer-financing assets earn fixed rates of interest. The interest rates on a significant portion of the Company's term debt are fixed.

As of December 31, 2017, $325 million of our total debt of $5.5 billion carried variable interest rates, including the effect of pay variable interest rate swaps, if any, we may use to reduce the effective interest rate on our fixed coupon debt.

The fair market values of our fixed-rate financial instruments are sensitive to changes in interest rates. At December 31, 2017, a 10% change in market interest rates would change the fair values of such financial instruments by approximately $93 million.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Xerox Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Xerox Corporation and its subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of income (loss), comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended December 31, 2017, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PRICEWATERHOUSECOOPERS LLP

PricewaterhouseCoopers LLP
Stamford, Connecticut
February 23, 2018

We have served as the Company's auditor since 2001.

Reports of Management

Management's Responsibility for Financial Statements

Our management is responsible for the integrity and objectivity of all information presented in this annual report. The consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States of America and include amounts based on management's best estimates and judgments. Management believes the consolidated financial statements fairly reflect the form and substance of transactions and that the financial statements fairly represent the Company's financial position and results of operations.

The Audit Committee of the Board of Directors, which is composed solely of independent directors, meets regularly with the independent auditors, PricewaterhouseCoopers LLP, the internal auditors and representatives of management to review accounting, financial reporting, internal control and audit matters, as well as the nature and extent of the audit effort. The Audit Committee is responsible for the engagement of the independent auditors. The independent auditors and internal auditors have free access to the Audit Committee.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the rules promulgated under the Securities Exchange Act of 1934. Under the supervision and with the participation of our management, including our principal executive, financial and accounting officers, we have conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *"Internal Control - Integrated Framework* (2013)*"* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on the above evaluation, management has concluded that our internal control over financial reporting was effective as of December 31, 2017. The effectiveness of our internal control over financial reporting as of December 31, 2017 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

/s/ JEFFREY JACOBSON	/s/ WILLIAM F. OSBOURN JR.	/s/ JOSEPH H. MANCINI, JR.
Chief Executive Officer	**Chief Financial Officer**	**Chief Accounting Officer**

Xerox Corporation
Consolidated Statements of Income (Loss)

(in millions, except per-share data)		Year Ended December 31,	
	2017	2016	2015
Revenues			
Sales	$ 4,073	$ 4,319	$ 4,674
Services, maintenance and rentals	5,898	6,127	6,445
Financing	294	325	346
Total Revenues	10,265	10,771	11,465
Costs and Expenses			
Cost of sales	2,491	2,657	2,922
Cost of services, maintenance and rentals	3,580	3,725	3,831
Cost of financing	133	128	130
Research, development and engineering expenses	446	476	511
Selling, administrative and general expenses	2,631	2,695	2,865
Restructuring and related costs	220	264	27
Amortization of intangible assets	53	58	60
Other expenses, net	141	200	195
Total Costs and Expenses	9,695	10,203	10,541
Income Before Income Taxes and Equity Income	570	568	924
Income tax expense	481	62	193
Equity in net income of unconsolidated affiliates(1)	115	127	109
Income from Continuing Operations	204	633	840
Income (loss) from discontinued operations, net of tax	3	(1,093)	(374)
Net Income (Loss)	207	(460)	466
Less: Net income attributable to noncontrolling interests	12	11	18
Net Income (Loss) Attributable to Xerox	$ 195	$ (471)	$ 448
Amounts attributable to Xerox:			
Net income from continuing operations	$ 192	$ 622	$ 822
Net income (loss) from discontinued operations	3	(1,093)	(374)
Net Income (Loss) Attributable to Xerox	$ 195	$ (471)	$ 448
Basic Earnings (Loss) per Share(2):			
Continuing operations	$ 0.70	$ 2.36	$ 3.00
Discontinued operations	0.01	(4.31)	(1.41)
Total Basic Earnings (Loss) per Share	$ 0.71	$ (1.95)	$ 1.59
Diluted Earnings (Loss) per Share(2):			
Continuing operations	$ 0.70	$ 2.33	$ 2.97
Discontinued operations	0.01	(4.26)	(1.39)
Total Diluted Earnings (Loss) per Share	$ 0.71	$ (1.93)	$ 1.58

(1) *Equity in net income of unconsolidated affiliates has been revised for all applicable prior periods presented throughout this document. Refer to Note 2 - Correction of Fuji Xerox Misstatement in Prior Period Financial Statements for additional information on this revision.*

(2) *Reflects our one-for-four reverse stock split that became effective on June 14, 2017. Refer to Note 1 - Basis of Presentation and Summary of Significant Accounting Policies for further information.*

The accompanying notes are an integral part of these Consolidated Financial Statements.

Xerox Corporation
Consolidated Statements of Comprehensive Income (Loss)

(in millions)	Year Ended December 31, 2017	2016	2015
Net Income (Loss)	$ 207	$ (460)	$ 466
Less: Net income attributable to noncontrolling interests	12	11	18
Net Income (Loss) Attributable to Xerox	$ 195	$ (471)	$ 448
Other Comprehensive Income (Loss), Net[1]:			
Translation adjustments, net	$ 483	$ (347)	$ (651)
Unrealized gains (losses), net	1	(15)	23
Changes in defined benefit plans, net	106	126	153
Other Comprehensive Income (Loss), Net	590	(236)	(475)
Less: Other comprehensive income (loss), net attributable to noncontrolling interests	1	(3)	(1)
Other Comprehensive Income (Loss), Net Attributable to Xerox	$ 589	$ (233)	$ (474)
Comprehensive Income (Loss), Net	$ 797	$ (696)	$ (9)
Less: Comprehensive income, net attributable to noncontrolling interests	13	8	17
Comprehensive Income (Loss), Net Attributable to Xerox	$ 784	$ (704)	$ (26)

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(1) Refer to Note 22 - Other Comprehensive Income (Loss) for gross components of Other Comprehensive Income (Loss), reclassification adjustments out of Accumulated Other Comprehensive Loss and related tax effects.

The accompanying notes are an integral part of these Consolidated Financial Statements.

Xerox Corporation
Consolidated Balance Sheets

(in millions, except share data in thousands)	December 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	$ 1,293	$ 2,223
Accounts receivable, net	1,357	961
Billed portion of finance receivables, net	112	90
Finance receivables, net	1,317	1,256
Inventories	915	841
Assets of discontinued operations	—	1,002
Other current assets	236	619
Total current assets	5,230	6,992
Finance receivables due after one year, net	2,323	2,398
Equipment on operating leases, net	454	475
Land, buildings and equipment, net	629	660
Investments in affiliates, at equity	1,404	1,294
Intangible assets, net	268	290
Goodwill	3,930	3,787
Deferred tax assets, long-term	1,026	1,472
Other long-term assets	682	683
Total Assets	$ 15,946	$ 18,051
Liabilities and Equity		
Short-term debt and current portion of long-term debt	$ 282	$ 1,011
Accounts payable	1,108	1,126
Accrued compensation and benefits costs	444	420
Liabilities of discontinued operations	—	1,002
Other current liabilities	907	1,095
Total current liabilities	2,741	4,654
Long-term debt	5,235	5,305
Pension and other benefit liabilities	1,595	2,240
Post-retirement medical benefits	662	698
Other long-term liabilities	206	193
Total Liabilities	10,439	13,090
Commitments and Contingencies (See Note 19)		
Convertible Preferred Stock	214	214
Common stock	255	254
Additional paid-in capital	3,893	3,858
Retained earnings	4,856	4,934
Accumulated other comprehensive loss	(3,748)	(4,337)
Xerox shareholders' equity	5,256	4,709
Noncontrolling interests	37	38
Total Equity	5,293	4,747
Total Liabilities and Equity	$ 15,946	$ 18,051
Shares of common stock issued and outstanding	254,613	253,594

The accompanying notes are an integral part of these Consolidated Financial Statements.

Xerox Corporation
Consolidated Statements of Cash Flows

(in millions)	Year Ended December 31, 2017	2016	2015
Cash Flows from Operating Activities:			
Net income (loss)	$ 207	$ (460)	$ 466
(Income) loss from discontinued operations, net of tax	(3)	1,093	374
Income from continuing operations	204	633	840
Adjustments required to reconcile net income (loss) to cash flows from operating activities:			
Depreciation and amortization	527	563	590
Provision for receivables	46	43	54
Provision for inventory	27	28	30
Deferred tax expense (benefit)	399	(9)	383
Net gain on sales of businesses and assets	(15)	(22)	(44)
Undistributed equity in net income of unconsolidated affiliates	(18)	(75)	(53)
Stock-based compensation	52	50	27
Restructuring and asset impairment charges	201	230	27
Payments for restructurings	(224)	(118)	(79)
Defined benefit pension cost	194	127	141
Contributions to defined benefit pension plans	(836)	(178)	(301)
Increase in accounts receivable and billed portion of finance receivables	(529)	(151)	(128)
Collections of deferred proceeds from sales of receivables	213	246	259
(Increase) decrease in inventories	(69)	7	(101)
Increase in equipment on operating leases	(217)	(268)	(291)
Decrease (increase) in finance receivables	162	126	(8)
Collections on beneficial interest from sales of finance receivables	21	24	46
(Increase) decrease in other current and long-term assets	(17)	82	15
Decrease in accounts payable and accrued compensation	(42)	(244)	(125)
Decrease in other current and long-term liabilities	(15)	(51)	(45)
Net change in income tax assets and liabilities	11	(182)	(112)
Net change in derivative assets and liabilities	75	(30)	(37)
Other operating, net	(28)	187	(10)
Net cash provided by operating activities of continuing operations	122	1,018	1,078
Net cash (used in) provided by operating activities of discontinued operations	(88)	77	533
Net cash provided by operating activities	34	1,095	1,611
Cash Flows from Investing Activities:			
Cost of additions to land, buildings and equipment	(69)	(93)	(84)
Proceeds from sales of land, buildings and equipment	3	25	92
Cost of additions to internal use software	(36)	(45)	(64)
Proceeds from sale of businesses, net	20	—	—
Acquisitions, net of cash acquired	(87)	(30)	(13)
Other investing, net	138	(3)	26
Net cash used in investing activities of continuing operations	(31)	(146)	(43)
Net cash (used in) provided by investing activities of discontinued operations	—	(251)	551
Net cash (used in) provided by investing activities	(31)	(397)	508
Cash Flows from Financing Activities:			
Net proceeds (payments) on short-term debt	2	1,888	(147)
Proceeds from issuance of long-term debt	1,008	25	1,079
Payments on long-term debt	(1,832)	(988)	(1,302)
Common stock dividends	(274)	(307)	(302)
Preferred stock dividends	(17)	(24)	(24)
Proceeds from issuances of common stock	—	9	19
Excess tax benefits from stock-based compensation	—	—	19
Payments to acquire treasury stock, including fees	—	—	(1,302)
Repurchases related to stock-based compensation	(15)	(1)	(51)
Payments to noncontrolling interests	(18)	(17)	(62)

Other financing, net	161	(1)	(1)
Net cash (used in) provided by financing activities	(985)	584	(2,074)
Effect of exchange rate changes on cash and cash equivalents	52	(30)	(77)
(Increase) decrease in cash of discontinued operations	—	(257)	8
(Decrease) increase in cash and cash equivalents	(930)	995	(24)
Cash and cash equivalents at beginning of year	2,223	1,228	1,252
Cash and Cash Equivalents at End of Year	$ 1,293	$ 2,223	$ 1,228

The accompanying notes are an integral part of these Consolidated Financial Statements.

Xerox Corporation
Consolidated Statements of Shareholders' Equity

(in millions)	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	AOCL[4]	Xerox Shareholders' Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2014	$ 281	$ 5,126	$ (105)	$ 9,450	$ (4,156)	$ 10,596	$ 75	$ 10,671
Comprehensive income (loss), net	—	—	—	448	(474)	(26)	17	(9)
Cash dividends declared-common[1][3]	—	—	—	(299)	—	(299)	—	(299)
Cash dividends declared-preferred[2][3]	—	—	—	(24)	—	(24)	—	(24)
Stock option and incentive plans, net	3	27	—	—	—	30	—	30
Payments to acquire treasury stock, including fees	—	—	(1,302)	—	—	(1,302)	—	(1,302)
Cancellation of treasury stock	(31)	(1,376)	1,407	—	—	—	—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	(49)	(49)
Balance at December 31, 2015	$ 253	$ 3,777	$ —	$ 9,575	$ (4,630)	$ 8,975	$ 43	$ 9,018
Comprehensive (loss) income, net	—	—	—	(471)	(233)	(704)	8	(696)
Cash dividends declared-common[1][3]	—	—	—	(317)	—	(317)	—	(317)
Cash dividends declared-preferred[2][3]	—	—	—	(24)	—	(24)	—	(24)
Stock option and incentive plans, net	1	81	—	—	—	82	—	82
Distributions to noncontrolling interests	—	—	—	—	—	—	(13)	(13)
Separation of Conduent	—	—	—	(3,829)	526	(3,303)	—	(3,303)
Balance at December 31, 2016	$ 254	$ 3,858	$ —	$ 4,934	$ (4,337)	$ 4,709	$ 38	$ 4,747
Comprehensive income, net	—	—	—	195	589	784	13	797
Cash dividends declared-common[1][3]	—	—	—	(259)	—	(259)	—	(259)
Cash dividends declared-preferred[2][3]	—	—	—	(14)	—	(14)	—	(14)
Stock option and incentive plans, net	1	36	—	—	—	37	—	37
Distributions and purchase - noncontrolling interests	—	(1)	—	—	—	(1)	(14)	(15)
Balance at December 31, 2017	$ 255	$ 3,893	$ —	$ 4,856	$ (3,748)	$ 5,256	$ 37	$ 5,293

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(1) Cash dividends declared on common stock of $0.25 per share in each quarter of 2017, $0.31 per share in each quarter of 2016 and $0.28 per share in each quarter of 2015.
(2) Cash dividends declared on preferred stock of $20 per share in each quarter of 2017, 2016 and 2015.
(3) Reflects our one-for-four reverse stock split that became effective on June 14, 2017. Refer to Note 1 - Basis of Presentation and Summary of Significant Accounting Policies for further information.
(4) AOCL - Accumulated other comprehensive loss.

The accompanying notes are an integral part of these Consolidated Financial Statements.

Note 1 – Basis of Presentation and Summary of Significant Accounting Policies

References herein to “we,” “us,” “our,” the “Company” and “Xerox” refer to Xerox Corporation and its consolidated subsidiaries unless the context suggests otherwise.

Description of Business

Xerox is a $10.3 billion global enterprise for document management solutions. We provide advanced document technology, services, software and genuine Xerox supplies for a range of customers including small and mid-size businesses, large enterprises, governments and graphic communications providers, and for our partners who serve them. We operate in approximately 160 countries worldwide.

Basis of Consolidation

The Consolidated Financial Statements include the accounts of Xerox Corporation and all of our controlled subsidiary companies. All significant intercompany accounts and transactions have been eliminated. Investments in business entities in which we do not have control, but we have the ability to exercise significant influence over operating and financial policies (generally 20% to 50% ownership) are accounted for using the equity method of accounting. Operating results of acquired businesses are included in the Consolidated Statements of Income (Loss) from the date of acquisition.

We consolidate variable interest entities if we are deemed to be the primary beneficiary of the entity. Operating results for variable interest entities in which we are determined to be the primary beneficiary are included in the Consolidated Statements of Income (Loss) from the date such determination is made.

For convenience and ease of reference, we refer to the financial statement caption “Income before Income Taxes and Equity Income” as “pre-tax income” throughout the Notes to the Consolidated Financial Statements.

Discontinued Operations

On December 31, 2016 we completed the separation of our Business Process Outsourcing (BPO) business through the distribution of all of the issued and outstanding stock of Conduent to Xerox Corporation stockholders. As a result of the separation and distribution, the financial position and results of operations of the BPO Business are presented as discontinued operations and, as such, have been excluded from continuing operations for all periods presented.

In 2014, we announced an agreement to sell the Information Technology Outsourcing (ITO) business to Atos SE (Atos). As a result of this agreement, we reported the ITO business as held for sale and a discontinued operation up through its date of sale, which was completed on June 30, 2015.

Refer to Note 5 - Divestitures for additional information regarding discontinued operations and other divestitures.

Reverse Stock Split

On May 23, 2017, the Board of Directors authorized a reverse stock split of the issued and outstanding Xerox common stock at a ratio of one-for-four shares, together with the proportionate reduction in the authorized shares of its common stock from 1,750,000,000 shares to 437,500,000 shares. Shareholder approval for the reverse stock split was obtained at the company's Annual Shareholder Meeting on May 23, 2017 and the reverse stock split became effective on June 14, 2017. At the effective date, every four shares of the company’s common stock that were issued and outstanding were automatically combined into one issued and outstanding share, without any change in par value of such shares. Accordingly, we reclassified $760 from Common stock to Additional paid-in capital. The reverse stock split also correspondingly affected all outstanding Xerox equity awards and outstanding convertible securities.

All authorized, issued and outstanding stock and per share amounts contained in the accompanying Consolidated Financial Statements have been adjusted to reflect this reverse stock split for all prior periods presented.

Prior Period Adjustments

Refer to Note 2 - Correction of Fuji Xerox Misstatement in Prior Period Financial Statements for additional information regarding the 2017 correction of an error related to the amounts recorded as equity income for our Fuji Xerox joint venture.

In 2015, we recorded a $16 out-of-period adjustment associated with an over-accrual of an employee benefit liability account. The impact of this adjustment was not material to any individual prior quarter or year and was not material to our 2015 results.

Use of Estimates

The preparation of our Consolidated Financial Statements requires that we make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Future events and their effects cannot be predicted with certainty; accordingly, our accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of our Consolidated Financial Statements will change as new events occur, as more experience is acquired, as additional information is obtained and as our operating environment changes. Our estimates are based on management's best available information including current events, historical experience, actions that the company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. As a result, actual results may be different from these estimates.

The following table summarizes certain recurring-type costs and expenses that require management estimates for the three years ended December 31, 2017:

	Year Ended December 31,		
Expense/(Income)	2017	2016	2015
Provisions for restructuring and related costs	$ 220	$ 264	$ 27
Provision for receivables	46	43	54
Provisions for obsolete and excess inventory	27	28	30
Provision for product warranty liability	15	15	22
Depreciation and obsolescence of equipment on operating leases	265	276	286
Depreciation of buildings and equipment	136	148	151
Amortization of internal use software	65	73	83
Amortization of product software	4	4	4
Amortization of acquired intangible assets	53	58	60
Amortization of customer contract costs	4	4	6
Defined pension benefits - net periodic benefit cost	194	127	141
Retiree health benefits - net periodic benefit cost	30	35	2
Income tax expense	481	62	193

Changes in Estimates

In the ordinary course of accounting for the items discussed above, we make changes in estimates as appropriate and as we become aware of new or revised circumstances surrounding those estimates. Such changes and refinements in estimation methodologies are reflected in reported results of operations in the period in which the changes are made and, if material, their effects are disclosed in the Notes to the Consolidated Financial Statements and in Management's Discussion and Analysis of Financial Condition and Results of Operations.

New Accounting Standards and Accounting Changes

Except for the Accounting Standard Updates (ASU's) discussed below, the new ASU's issued by the FASB during the last two years did not have any significant impact on the Company.

Revenue Recognition

In May 2014, the FASB issued **ASU 2014-09,** *Revenue from Contracts with Customers (Topic 606)*, to supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under existing U.S. GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. ASU 2014-09 is effective for our fiscal year beginning January 1, 2018. Subsequent to the issuance of ASU 2014-09, the FASB issued the following ASU's which amend or provide additional guidance on topics addressed in ASU 2014-09. In March 2016, the FASB issued ASU 2016-08, Revenue Recognition - Principal versus Agent (reporting revenue gross versus net). In April 2016, the FASB issued

ASU 2016-10, Revenue Recognition - Identifying Performance Obligations and Licenses. In May 2016, the FASB issued ASU 2016-12, Revenue Recognition - Narrow Scope Improvements and Practical Expedients.

We will adopt this standard beginning January 1, 2018 using the modified retrospective method of adoption. Under current revenue recognition guidance, a significant majority of our revenue is recorded when we invoice customers, as that is normally the point at which all the revenue recognition criteria are met. Under ASU 2014-09, based on the nature of our contracts, we expect to continue to recognize revenue upon invoicing the customer for the large majority of our revenue. Additionally, we expect the unit of accounting, that is, the identification of performance obligations, will be consistent with current revenue guidance. Accordingly, the adoption of this standard is not expected to have a material impact for the large majority of our revenues. Lastly, a significant portion of our equipment sales are either recorded as sales-type leases or through direct sales to distributors and resellers and these revenue streams are not expected to be impacted by the adoption of ASU 2014-09. As part of our adoption, we reviewed certain contracts that were either more complex or where the revenue recognition criteria was not directly aligned with invoicing to the customer, to determine the treatment under ASU 2014-09. Based on this review we determined that there would not be a material change in our pattern of revenue recognition for these arrangements. The only change of significance identified in our adoption process involves a change in our classification of certain revenues currently reported in Services revenues. These revenues, which are approximately $50 annually, relate to certain analyst services performed in connection with the installation of equipment that are expected to be considered part of the equipment sale performance obligation in 2018. Accordingly, in 2018 these revenues will be reported as part of Sales.

Another change we will have upon adoption is with respect to deferred contract costs, which include incremental costs of obtaining a contract and costs to fulfill a contract. Deferred contract costs have been minimal under our current practices as most costs to obtain a contract and fulfill a contract were expensed as incurred. However, as a result of the contract cost guidance included in the new standard, we expect to record a transition asset upon adoption of approximately $175 primarily related to the incremental cost to obtain contracts. Substantially all of this adjustment is related to the deferral of sales commissions paid to sales people and agents in connection with the placement of equipment with post sale service arrangements. This amount is expected to be amortized over its estimated period of benefit, which we currently estimate to be approximately four years. We do not expect the post-adoption policy of deferral and amortization of these costs to have a material impact on our future Consolidated Statements of Income. We expect to continue to assess the impacts of the additional disclosures the new standard requires as part of our reporting process for the first quarter 2018.

Leases

In February 2016, the FASB issued **ASU 2016-02**, *Leases*. This update requires the recognition of leased assets and lease obligations by lessees for those leases currently classified as operating leases under existing lease guidance. Short term leases with a term of 12 months or less are not required to be recognized. The update also requires disclosure of key information about leasing arrangements to increase transparency and comparability among organizations. The accounting for lessors does not fundamentally change except for changes to conform and align guidance to the lessee guidance as well as to the new revenue recognition guidance in ASU 2014-09. This update is effective for our fiscal year beginning January 1, 2019. We are currently evaluating the impact of the adoption of ASU 2016-02 on our consolidated financial statements. The aggregate undiscounted value of our operating lease commitments at December 31, 2017 was approximately $450 primarily related to leases of facilities.

Cash Flows

In August 2016, the FASB issued **ASU 2016-15**, *Statement of Cash Flows - Classification of Certain Cash Receipts and Cash Payments.* This update provides specific guidance on eight cash flow classification issues where current guidance is either unclear or does not include specific requirements. This update is effective for our fiscal year beginning January 1, 2018. This update includes specific guidance which requires cash collected on beneficial interests received in a sale of receivables be classified as inflows from investing activities. Currently, those collections are reported in operating cash flows. We reported $234 and $270 of collections on beneficial interests as operating cash inflows on the Statement of Cash Flows for the years ended December 31, 2017 and 2016, respectively. Accordingly, since the update must be applied retrospectively, our reported 2017 and 2016 operating and investing cash flows will be revised by those amounts when reported in 2018. There is no expected impact to our 2018 cash flows from this reporting change due to the termination of all accounts receivable sales arrangements in North America and most arrangements in Europe and the final repurchase of previously sold finance receivables during the fourth quarter of 2017. Refer to Note 6 - Accounts Receivable, Net and Note 7 Finance Receivables, Net for additional information regarding our receivable sale programs. The other seven issues noted in this update are not expected to have a material impact on our financial condition, results of operations or cash flows.

Additionally, in November 2016 the FASB issued **ASU 2016-18**, *Statement of Cash Flows - Restricted Cash*. The update requires that amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This update is effective for our fiscal year beginning January 1, 2018 and must be applied retrospectively through a revision of previously reported amounts. We held $75 and $179 of restricted cash, currently reported in other current or long-term assets at December 31, 2017 and December 31, 2016, respectively. The changes in our restricted cash balances were primarily related to our accounts receivable sales programs, which were terminated during the fourth quarter of 2017. Accordingly, this update is not expected to have a material impact on our financial condition, results of operations or cash flows. Refer to Note 13 - Supplemental Financial Information for additional information regarding our restricted cash balances.

Derivatives

In August 2017, the FASB issued **ASU 2017-12**, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities.* The amendments in this update expand and refine hedge accounting for both financial and non-financial risk components, aligns the recognition and presentation of the effects of hedging instruments with the same income statement line item that the hedged item is reported and includes certain targeted improvements to ease the application of current guidance related to the assessment of hedge effectiveness. This update is effective for our fiscal year beginning January 1, 2019, with early adoption permitted at any interim period. We are currently evaluating the impact of the adoption of ASU 2017-12 on our consolidated financial statements.

Retirement Benefits

In March 2017, the FASB issued **ASU 2017-07**, *Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. This update changes how employers that sponsor defined benefit pension plans and other postretirement plans present net periodic benefit costs in the income statement. An employer is required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the affected employees during the period. Other components of net retirement benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. The update also allows only the service cost component to be eligible for capitalization, when applicable. This update is effective for us beginning January 1, 2018. The update must be applied retrospectively for the presentation requirements and prospectively for the capitalization of the service cost component requirements. The adoption of this update is not expected to have a material impact on our financial condition, results of operations or cash flows. Refer to Note 17 - Employee Benefit Plans for the service cost component and other components of net retirement benefit cost.

Intangibles - Goodwill and Other

In January 2017 the FASB issued **ASU 2017-04**, *Intangibles - Goodwill and Other - Simplifying the Goodwill Impairment Test*, which eliminates Step 2 from the goodwill impairment test. Instead, an entity should perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to the reporting unit. This update is effective for our fiscal year beginning January 1, 2020, however we early adopted this update in the fourth quarter of 2017. The adoption of this update did not have any effect on our financial condition, results of operations or cash flows.

Business Combinations

In January 2017, the FASB issued **ASU 2017-01**, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, which clarifies the definition of a business to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This update is effective for our fiscal year beginning January 1, 2018 and is not expected to have a material impact on our financial condition, results of operations or cash flows.

Income Taxes

In October 2016, the FASB issued **ASU 2016-16**, *Income Taxes - Intra-Entity Transfers of Assets Other than Inventory*. This update requires recognition of the income-tax consequences of an intra-entity transfer of assets other than inventory when the transfer occurs. Under current GAAP, recognition of the income tax consequences for asset transfers other than inventory could not be recognized until the asset was sold to a third party. This update is effective for our fiscal year beginning January 1, 2018 and is not expected to have a material impact on our financial condition, results of operations or cash flows.

Stock Compensation

In March 2016, the FASB issued **ASU 2016-09**, *Compensation - Stock Compensation, Improvements to Employee Share-Based Payment Accounting (Topic 718).* This update includes provisions to simplify certain aspects related to the accounting for share-based awards and the related financial statement presentation. The update also requires that excess tax benefits and deficiencies be recorded in the income statement when the awards vest or are settled as compared to equity as allowed under certain conditions by current US GAAP. This change is required to be adopted prospectively in the period of adoption. In addition, the ASU modifies the classification of certain share-based payment activities within the statements of cash flows and these changes are required to be applied retrospectively to all periods presented. We adopted ASU 2016-09 effective for our fiscal year beginning January 1, 2017. The adoption of ASU No. 2016-09 did not have a material impact on our financial condition, results of operations or cash flows. However, the impacts may vary and may add volatility to our income tax expense in future periods depending upon, among other things, the level of tax expense and the price of the company's common stock at the date of vesting for share-based awards. For the year ended December 31, 2017, we recognized $3 of additional tax expense related to the application of this update.

Financial Instruments - Credit Losses

In June 2016, the FASB issued **ASU 2016-13**, *Financial Instruments Credit Losses - Measurement of Credit Losses on Financial Instruments,* which requires measurement and recognition of expected credit losses for financial assets. The update impacts financial assets and net investment in leases that are not accounted for at fair value through net income. This update is effective for our fiscal year beginning January 1, 2020, with early adoption permitted as of January 1, 2019. We are currently evaluating the impact of the adoption of ASU 2016-13 on our consolidated financial statements.

Other Updates

In 2017 and 2016, the FASB also issued the following Accounting Standards Updates which have not had, and are not expected to have, a material impact on our financial condition, results of operations or cash flows upon adoption. Those updates are as follows:

- ***Service Concession Arrangements:*** **ASU 2017-10**, *(Topic 853) Determining the Customer of the Operation Services (a consensus of the FASB Emerging Issues Task Force).* This update is effective for our fiscal year beginning January 1, 2018.
- ***Compensation - Stock Compensation:*** **ASU 2017-09**, *(Topic 718) Scope of Modification Accounting.* This update is effective for our fiscal year beginning January 1, 2018.
- ***Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets:*** **ASU 2017-05**, *(Subtopic 610-20) Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets.* This update is effective for our fiscal year beginning January 1, 2018.
- ***Financial Instruments - Classification and Measurement:*** **ASU 2016-01**, *Financial Instruments - Recognition and Measurement of Financial Instruments and Financial Liabilities.* This update is effective for our fiscal year beginning January 1, 2018.
- ***Inventory:*** **ASU 2015-11**, *Simplifying the Subsequent Measurement of Inventory,* which was effective for our fiscal year beginning January 1, 2017.

Summary of Accounting Policies

Revenue Recognition

We generate revenue through services, the sale and rental of equipment, supplies and income associated with the financing of our equipment sales. Revenue is recognized when it is realized or realizable and earned. We consider revenue realized or realizable and earned when we have persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collectibility is reasonably assured. Delivery does not occur until equipment has been shipped or services have been provided to the customer, risk of loss has transferred to the customer, and either customer acceptance has been obtained, customer acceptance provisions have lapsed, or the company has objective evidence that the criteria specified in the customer acceptance provisions have been satisfied. The sales price is not considered to be fixed or determinable until all contingencies related to the sale have been resolved. More specifically, revenue related to services and sales of our products is recognized as follows:

Equipment: Revenues from the sale of equipment, including those from sales-type leases, are recognized at the time of sale or at the inception of the lease, as appropriate. For equipment sales that require us to install the product at the customer location, revenue is recognized when the equipment has been delivered and installed at the customer location. Sales of customer installable products are recognized upon shipment or receipt by the customer according to the customer's shipping terms. Revenues from equipment under other leases and similar arrangements are accounted for by the operating lease method and are recognized as earned over the lease term, which is generally on a straight-line basis.

Maintenance Services: Maintenance service revenues are derived primarily from maintenance contracts on the equipment sold to our customers and are recognized over the term of the contracts. A substantial portion of our products are sold with full service maintenance agreements for which the customer typically pays a base service fee plus a variable amount based on usage. As a consequence, other than the product warranty obligations associated with certain of our low end products, we do not have any significant product warranty obligations, including any obligations under customer satisfaction programs.

Bundled Lease Arrangements: We sell our products and services under bundled lease arrangements, which typically include equipment, service, supplies and financing components for which the customer pays a single negotiated fixed minimum monthly payment for all elements over the contractual lease term. These arrangements also typically include an incremental, variable component for page volumes in excess of contractual page volume minimums, which are often expressed in terms of price-per-page. The fixed minimum monthly payments are multiplied by the number of months in the contract term to arrive at the total fixed minimum payments that the customer is obligated to make (fixed payments) over the lease term. The payments associated with page volumes in excess of the minimums are contingent on whether or not such minimums are exceeded (contingent payments). In applying our lease accounting methodology, we only consider the fixed payments for purposes of allocating to the relative fair value elements of the contract. Contingent payments, if any, are recognized as revenue in the period when the customer exceeds the minimum copy volumes specified in the contract.

Revenues under bundled arrangements are allocated considering the relative selling prices of the lease and non-lease deliverables included in the bundled arrangement. Lease deliverables include the equipment, financing, maintenance and other executory costs, while non-lease deliverables generally consist of the supplies and non-maintenance services. The allocation for the lease deliverables begins by allocating revenues to the maintenance and other executory costs plus a profit thereon. These elements are generally recognized over the term of the lease as service revenue. The remaining amounts are allocated to the equipment and financing elements which are subjected to the accounting estimates noted below under “Leases.”

Our pricing interest rates, which are used in determining customer payments in a bundled lease arrangement, are developed based upon a variety of factors including local prevailing rates in the marketplace and the customer’s credit history, industry and credit class. We reassess our pricing interest rates quarterly based on changes in the local prevailing rates in the marketplace. These interest rates have generally been adjusted if the rates vary by 25 basis points or more, cumulatively, from the rate last in effect. The pricing interest rates generally equal the implicit rates within the leases, as corroborated by our comparisons of cash to lease selling prices.

Sales to distributors and resellers: We utilize distributors and resellers to sell many of our technology products, supplies and services to end-user customers. We refer to our distributor and reseller network as our two-tier distribution model. Sales to distributors and resellers are generally recognized as revenue when products are sold to such distributors and resellers. However, revenue is only recognized when the distributor or reseller has economic substance apart from the company, the sales price is not contingent upon resale or payment by the end user customer and we have no further obligations related to bringing about the resale, delivery or installation of the product.

Distributors and resellers participate in various rebate, price-protection, cooperative marketing and other programs, and we record provisions for these programs as a reduction to revenue when the sales occur. Similarly, we account for our estimates of sales returns and other allowances when the sales occur based on our historical experience.

In certain instances, we may provide lease financing to end-user customers who purchased equipment we sold to distributors or resellers. We compete with other third-party leasing companies with respect to the lease financing provided to these end-user customers.

Supplies: Supplies revenue generally is recognized upon shipment or utilization by customers in accordance with the sales contract terms.

Software: Most of our equipment has both software and non-software components that function together to deliver the equipment's essential functionality and therefore they are accounted for together as part of equipment sales revenues. Software accessories sold in connection with our equipment sales, as well as free-standing software sales are accounted for as separate deliverables or elements. In most cases, these software products are sold as part of multiple element arrangements and include software maintenance agreements for the delivery of technical service, as well as unspecified upgrades or enhancements on a when-and-if-available basis. In those software accessory and free-standing software arrangements that include more than one element, we allocate the revenue among the elements based on vendor-specific objective evidence (VSOE) of fair value. Revenue allocated to software is normally recognized upon delivery while revenue allocated to the software maintenance element is recognized ratably over the term of the arrangement.

Leases: As noted above, equipment may be placed with customers under bundled lease arrangements. The two primary accounting provisions which we use to classify transactions as sales-type or operating leases are: (1) a review of the lease term to determine if it is equal to or greater than 75% of the economic life of the equipment and (2) a review of the present value of the minimum lease payments to determine if they are equal to or greater than 90% of the fair market value of the equipment at the inception of the lease.

We consider the economic life of most of our products to be five years, since this represents the most frequent contractual lease term for our principal products and only a small percentage of our leases are for original terms longer than five years. There is no significant after-market for our used equipment. We believe five years is representative of the period during which the equipment is expected to be economically usable, with normal service, for the purpose for which it is intended. Residual values are not significant.

With respect to fair value, we perform an analysis of equipment fair value based on cash selling prices during the applicable period. The cash selling prices are compared to the range of values determined for our leases. The range of cash selling prices must be reasonably consistent with the lease selling prices in order for us to determine that such lease prices are indicative of fair value.

Financing: Finance income attributable to sales-type leases, direct financing leases and installment loans is recognized on the accrual basis using the effective interest method.

Services: Revenues associated with our document management services are generally recognized as services are rendered, which is generally on the basis of the number of transactions processed. In service arrangements where final acceptance of a printing solution by the customer is required, revenue is deferred until all acceptance criteria have been met. Revenues on unit-price contracts are recognized at the contractual selling prices as work is completed and accepted by the customer.

In connection with our services arrangements, we may incur and capitalize costs to originate these long-term contracts and to perform the migration, transition and setup activities necessary to enable us to perform under the terms of the arrangement. These capitalized costs are amortized over the contractual service period of the arrangement to cost of services. From time to time, we also provide inducements to customers in various forms, including contractual credits, which are capitalized and amortized as a reduction of revenue over the term of the contract.

Long-lived assets used in the fulfillment of service arrangements are capitalized and depreciated over the shorter of their useful life or the term of the contract if an asset is contract specific.

Our services contracts may also include the sale of equipment and software. In these instances we follow the policies noted above under Equipment-Related Revenues.

Other Revenue Recognition Policies

Multiple Element Arrangements: As described above, we enter into the following revenue arrangements that may consist of multiple deliverables:

- Bundled lease arrangements, which typically include both lease deliverables and non-lease deliverables as described above.
- Contracts for multiple types of document related services including professional and value-added services. For instance, we may contract for an implementation of a printing solution and also provide services to operate the solution over a period of time; or we may contract to scan, manage and store customer documents.

In substantially all of our multiple element arrangements, we are able to separate the deliverables since we normally will meet both of the following criteria:

- The delivered item(s) has value to the customer on a stand-alone basis; and
- If the arrangement includes a general right of return relative to the delivered item(s), delivery or performance of the undelivered item(s) is considered probable and substantially in our control.

Consideration in a multiple-element arrangement is allocated at the inception of the arrangement to all deliverables on the basis of the relative selling price. When applying the relative selling price method, the selling price for each deliverable is primarily determined based on VSOE or third-party evidence (TPE) of the selling price. The above noted revenue policies are then applied to each separated deliverable, as applicable.

Revenue-based Taxes: We report revenue net of any revenue-based taxes assessed by governmental authorities that are imposed on and concurrent with specific revenue-producing transactions. The primary revenue-based taxes are sales tax and value-added tax (VAT).

Shipping and Handling

Costs related to shipping and handling are recognized as incurred and included in Cost of sales in the Consolidated Statements of Income (Loss).

Other Significant Accounting Policies

Research, Development and Engineering (RD&E)

Research, development and engineering costs are expensed as incurred. Sustaining engineering costs are incurred with respect to on-going product improvements or environmental compliance after initial product launch. Sustaining engineering costs were $90, $95 and $126 in 2017, 2016 and 2015, respectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, including money market funds, and investments with original maturities of three months or less.

Receivable Sales

We transfer certain portions of our receivable portfolios and normally account for those transfers as sales based on meeting the criteria for derecognition in accordance with ASC Topic 860 "Transfer and Servicing" of Financial Assets. Gains or losses on the sale of receivables depend, in part, on both (a) the cash proceeds and (b) the net non-cash proceeds received or paid. When we sell receivables, we normally receive beneficial interests in the transferred receivables from the purchasers as part of the proceeds. We may refer to these beneficial interests as a deferred purchase price. The beneficial interests obtained are initially measured at their fair value. We generally estimate fair value based on the present value of expected future cash flows, which are calculated using management's best estimates of the key assumptions including credit losses, prepayment rate and discount rates commensurate with the risks involved. Refer to Note 6 - Accounts Receivable, Net and Note 7 - Finance Receivables, Net for more details on our receivable sales.

Inventories

Inventories are carried at the lower of average cost or net realizable value. Inventories also include equipment that is returned at the end of the lease term. Returned equipment is recorded at the lower of remaining net book value or salvage value, which is normally not significant. We regularly review inventory quantities and record a provision for excess and/or obsolete inventory based primarily on our estimated forecast of product demand, production requirements and servicing commitments. Several factors may influence the realizability of our inventories, including our decision to exit a product line, technological changes and new product development. The provision for excess and/or obsolete raw materials and equipment inventories is based primarily on near term forecasts of product demand and include consideration of new product introductions, as well as changes in remanufacturing strategies. The provision for excess and/or obsolete service parts inventory is based primarily on projected servicing requirements over the life of the related equipment populations.

Land, Buildings and Equipment on Operating Leases

Land, buildings and equipment are recorded at cost. Buildings and equipment are depreciated over their estimated useful lives. Leasehold improvements are depreciated over the shorter of the lease term or the estimated useful life. Equipment on operating leases is depreciated to estimated salvage value over the lease term. Depreciation is computed using the straight-line method. Significant improvements are capitalized and maintenance and repairs are expensed. Refer to Note 8 - Inventories and Equipment on Operating Leases, Net and Note 9 - Land, Buildings, Equipment and Software, Net for further discussion.

Software - Internal Use and Product

We capitalize direct costs associated with developing, purchasing or otherwise acquiring software for internal use and amortize these costs on a straight-line basis over the expected useful life of the software, beginning when the software is implemented (Internal Use Software). Costs incurred for upgrades and enhancements that will not result in additional functionality are expensed as incurred. Amounts expended for Internal Use Software are included in Cash Flows from Investing.

We also capitalize certain costs related to the development of software solutions to be sold to our customers upon reaching technological feasibility (Product Software). These costs are amortized on a straight-line basis over the estimated economic life of the software. Amounts expended for Product Software are included in Cash Flows from Operations. We perform periodic reviews to ensure that unamortized Product Software costs remain recoverable from estimated future operating profits (net realizable value or NRV). Costs to support or service licensed software are charged to Costs of services as incurred.

Refer to Note 9 - Land, Buildings, Equipment and Software, Net for further information.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of acquired net assets in a business combination, including the amount assigned to identifiable intangible assets. The primary drivers that generate goodwill are the value of synergies between the acquired entities and the company and the acquired assembled workforce, neither of which qualifies as an identifiable intangible asset. Goodwill is not amortized but rather is tested for impairment annually or more frequently whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable an impairment loss may have been incurred.

We normally assess goodwill for impairment at least annually during the fourth quarter. Impairment testing for goodwill is done at the reporting unit level. A reporting unit is an operating segment or one level below an operating segment (a "component") if the component constitutes a business for which discrete financial information is available, and segment management regularly reviews the operating results of that component. Consistent with the determination that we had one operating segment, we determined that there is one reporting unit and tested goodwill for impairment at the entity level. We test goodwill by comparing the carrying amount of the entity to its fair value based on a quantitative analysis. If the fair value exceeds the carrying value, goodwill is not considered impaired. If the carrying value exceeds the fair value, goodwill is considered impaired and we would recognize an impairment loss for the excess.

Other intangible assets primarily consist of assets obtained in connection with business acquisitions, including installed customer base and distribution network relationships, existing technology, trademarks and non-compete agreements. We apply an impairment evaluation whenever events or changes in business circumstances indicate that the carrying value of our intangible assets may not be recoverable. Other intangible assets are amortized on a straight-line basis over their estimated economic lives. We believe that the straight-line method of amortization reflects an appropriate allocation of the cost of the intangible assets to earnings in proportion to the amount of economic benefits obtained annually by the Company.

Refer to Note 11 - Goodwill and Intangible Assets, Net for further information.

Impairment of Long-Lived Assets

We review the recoverability of our long-lived assets, including buildings, equipment, internal use software and other intangible assets, when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on our ability to recover the carrying value of the asset from the expected future pre-tax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. Our primary measure of fair value is based on discounted cash flows.

Pension and Post-Retirement Benefit Obligations

We sponsor various forms of defined benefit pension plans in several countries covering employees who meet eligibility requirements. Retiree health benefit plans cover U.S. and Canadian employees for retiree medical costs. We employ a delayed recognition feature in measuring the costs of pension and post-retirement benefit plans. This requires changes in the benefit obligations and changes in the value of assets set aside to meet those obligations to be recognized not as they occur, but systematically and gradually over subsequent periods. All changes are ultimately recognized as components of net periodic benefit cost, except to the extent they may be offset by subsequent changes. At any point, changes that have been identified and quantified but not recognized as components of net periodic benefit cost, are recognized in Accumulated Other Comprehensive Loss, net of tax.

Several statistical and other factors that attempt to anticipate future events are used in calculating the expense, liability and asset values related to our pension and retiree health benefit plans. These factors include assumptions we make about the discount rate, expected return on plan assets, rate of increase in healthcare costs, the rate of future compensation increases and mortality. Actual returns on plan assets are not immediately recognized in our income statement due to the delayed recognition requirement. In calculating the expected return on the plan asset component of our net periodic pension cost, we apply our estimate of the long-term rate of return on the plan assets that support our pension obligations, after deducting assets that are specifically allocated to Transitional Retirement Accounts (which are accounted for based on specific plan terms).

For purposes of determining the expected return on plan assets, we utilize a market-related value approach in determining the value of the pension plan assets, rather than a fair market value approach. The primary difference between the two methods relates to systematic recognition of changes in fair value over time (generally two years) versus immediate recognition of changes in fair value. Our expected rate of return on plan assets is applied to the market-related asset value to determine the amount of the expected return on plan assets to be used in the determination of the net periodic pension cost. The market-related value approach reduces the volatility in net periodic pension cost that would result from using the fair market value approach.

The discount rate is used to present value our future anticipated benefit obligations. The discount rate reflects the current rate at which benefit liabilities could be effectively settled considering the timing of expected payments for plan participants. In estimating our discount rate, we consider rates of return on high-quality fixed-income investments adjusted to eliminate the effects of call provisions, as well as the expected timing of pension and other benefit payments.

Each year, the difference between the actual return on plan assets and the expected return on plan assets, as well as increases or decreases in the benefit obligation as a result of changes in the discount rate and other actuarial assumptions, are added to or subtracted from any cumulative actuarial gain or loss from prior years. This amount is the net actuarial gain or loss recognized in Accumulated other comprehensive loss. We amortize net actuarial gains and losses as a component of net pension cost for a year if, as of the beginning of the year, that net gain or loss (excluding asset gains or losses that have not been recognized in market-related value) exceeds 10% of the greater of the projected benefit obligation or the market-related value of plan assets (the "corridor" method). This determination is made on a plan-by-plan basis. If amortization is required for a particular plan, we amortize the applicable net gain or loss in excess of the 10% threshold on a straight-line basis in net periodic pension cost over the remaining service period of the employees participating in that pension plan. In plans where substantially all participants are inactive, the amortization period for the excess is the average remaining life expectancy of the plan participants.

Our primary domestic plans allow participants the option of settling their vested benefits through the receipt of a lump-sum payment. The participant's vested benefit is considered fully settled upon payment of the lump sum. We have elected to apply settlement accounting and therefore we recognize the losses associated with settlements in this plan immediately upon the settlement of the vested benefits. Settlement accounting requires us to recognize a pro rata portion of the aggregate unamortized net actuarial losses upon settlement. The pro rata factor is computed as the percentage reduction in the projected benefit obligation due to the settlement of the participant's vested benefit.

Refer to Note 17 - Employee Benefit Plans for further information regarding our Pension and Post-Retirement Benefit Obligations.

Foreign Currency Translation and Re-measurement

The functional currency for most foreign operations is the local currency. Net assets are translated at current rates of exchange and income, expense and cash flow items are translated at average exchange rates for the applicable period. The translation adjustments are recorded in Accumulated other comprehensive loss.

The U.S. Dollar is used as the functional currency for certain foreign subsidiaries that conduct their business in U.S. Dollars. A combination of current and historical exchange rates is used in re-measuring the local currency transactions of these subsidiaries and the resulting exchange adjustments are recorded in Currency (gains) and losses within Other expenses, net together with other foreign currency remeasurments.

Note 2 – Correction of Fuji Xerox Misstatement in Prior Period Financial Statements

Fuji Xerox is a joint venture between Xerox Corporation and Fujifilm Holdings Corporation ("Fujifilm") in which Xerox holds a noncontrolling 25% equity interest and Fujifilm holds the remaining equity interest. In April 2017, Fujifilm publicly announced it had formed an independent investigation committee (IIC) to conduct a review of the appropriateness of the accounting practices at Fuji Xerox's New Zealand subsidiary related to the recovery of receivables associated with certain bundled leasing transactions that occurred in, or prior to, Fuji Xerox's fiscal year ending March 31, 2016.

The IIC's review, completed during the second quarter 2017, identified total aggregate adjustments to Fuji Xerox's financial statements of approximately JPY 40 billion (approximately $360 based on the Yen/U.S. Dollar spot exchange rate at March 31, 2017 of 111.89). The adjustments identified by the IIC primarily related to misstatements at Fuji Xerox's New Zealand subsidiary as well as their Australian subsidiary and certain other adjustments. We determined that our cumulative share of the total aggregate adjustments identified as part of the investigation was approximately $90 and impacted our fiscal years 2009 through 2017.

In the second quarter 2017, we determined that the misstatements to our Equity in net income of unconsolidated affiliates in prior years and the first quarter of 2017 identified through the IIC's review were immaterial to our previously issued financial statements. However, we concluded that the cumulative correction of these misstatements would have had a material effect on our current year consolidated financial statements. Accordingly, we revised our previously issued annual consolidated financial statements for 2015 and 2016. Certain of the corrections discussed above affected periods prior to fiscal year 2015, and this effect was reflected as a cumulative, net of tax adjustment to reduce retained earnings as of January 1, 2015 by $87. The effect of the revision on our previously issued financial statements is provided in the tables below. Amounts throughout the consolidated financial statements and notes thereto have been adjusted to incorporate the revised amounts, where applicable.

Revised Annual Consolidated Statements of Income

The following tables reconcile selected lines from the company's fiscal years of 2016 and 2015 Consolidated Statements of (Loss) Income from the previously reported amounts to the revised amounts:

	Year Ended December 31, 2016			Year Ended December 31, 2015		
	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Equity in net income of unconsolidated affiliates	$ 121	$ 6	$ 127	$ 135	$ (26)	$ 109
Income from Continuing Operations	627	6	633	866	(26)	840
Net (Loss) Income	(466)	6	(460)	492	(26)	466
Net (Loss) Income Attributable to Xerox	(477)	6	(471)	474	(26)	448
Net income from continuing operations attributable to Xerox	$ 616	$ 6	$ 622	$ 848	$ (26)	$ 822
Basic Earnings (Loss) per Share:						
Continuing operations	$ 2.33	$ 0.03	$ 2.36	$ 3.10	$ (0.10)	$ 3.00
Total	$ (1.98)	$ 0.03	$ (1.95)	$ 1.69	$ (0.10)	$ 1.59
Diluted Earnings (Loss) per Share:						
Continuing operations	$ 2.31	$ 0.02	$ 2.33	$ 3.06	$ (0.09)	$ 2.97
Total	$ (1.96)	$ 0.03	$ (1.93)	$ 1.67	$ (0.09)	$ 1.58

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Note: The sum of quarterly earnings per share may differ from the full-year amounts due to rounding, or in the case of diluted earnings per share, because securities that are anti-dilutive in certain quarters may not be anti-dilutive on a full-year basis.

Revised Consolidated Statements of Comprehensive (Loss) Income

The following tables reconcile selected lines from the company's fiscal years of 2016 and 2015 Consolidated Statements of Comprehensive (Loss) Income from the previously reported amounts to the revised amounts:

	Year Ended December 31, 2016			Year Ended December 31, 2015		
	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Net (Loss) Income	$ (466)	$ 6	$ (460)	$ 492	$ (26)	$ 466
Net (Loss) Income Attributable to Xerox	(477)	6	(471)	474	(26)	448
Translation adjustments, net	$ (346)	$ (1)	$ (347)	$ (660)	$ 9	$ (651)
Other Comprehensive Loss, Net	(235)	(1)	(236)	(484)	9	(475)
Other Comprehensive Loss, Net Attributable to Xerox	(232)	(1)	(233)	(483)	9	(474)
Comprehensive (Loss) Income, Net	$ (701)	$ 5	$ (696)	$ 8	$ (17)	$ (9)
Comprehensive Loss, Net Attributable to Xerox	(709)	5	(704)	(9)	(17)	(26)

Revised Consolidated Balance Sheets

The following table reconciles selected lines from the company's Consolidated Balance Sheets at December 31, 2016 and 2015 from the previously reported amounts to the revised amounts:

	As of December 31, 2016			As of December 31, 2015		
	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Investments in affiliates, at equity	$ 1,388	$ (94)	$ 1,294	$ 1,382	$ (99)	$ 1,283
Total Assets	18,145	(94)	18,051	25,541	(99)	25,442
Retained earnings	$ 5,039	$ (105)	$ 4,934	$ 9,686	$ (111)	$ 9,575
Accumulated other comprehensive loss	(4,348)	11	(4,337)	(4,642)	12	(4,630)
Xerox shareholders' equity	4,803	(94)	4,709	9,074	(99)	8,975
Total Equity	4,841	(94)	4,747	9,117	(99)	9,018
Total Liabilities and Equity	18,145	(94)	18,051	25,541	(99)	25,442

Revised Consolidated Statements of Cash Flows from Operations

The revision did not have an impact on the company's operating cash flows. The following table reconciles selected lines from the company's fiscal years of 2016 and 2015 Consolidated Statements of Cash Flows from the previously reported amounts to the revised amounts:

	Year Ended December 31, 2016			Year Ended December 31, 2015		
	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Cash Flows from Operating Activities:						
Net (Loss) Income	$ (466)	$ 6	$ (460)	$ 492	$ (26)	$ 466
Income from Continuing Operations	627	6	633	866	(26)	840
Undistributed equity in net income of unconsolidated affiliates	$ (69)	$ (6)	$ (75)	$ (79)	$ 26	$ (53)

Note 3 – Segment and Geographic Area Reporting

Segment Discussion

Following the separation of the BPO business, we realigned our operations to better manage the business and serve our customers and the markets in which we operate. In 2017 we transitioned to a geographic focus and are primarily organized from a sales perspective on the basis of "go-to-market" sales channels. These sales channels are structured to serve a range of customers for our products and services. As a result of this transition and change in structure, we concluded that we have one operating and reportable segment - the design, development and sale of document management systems and solutions. Our chief executive officer was identified as the chief operating decision maker ("CODM"). All of the company's activities are interrelated, and each activity is dependent upon and supportive of the other, including product development, supply chain and back-office support services. In addition, all significant operating decisions, by management and the Board, are largely based upon an analysis of Xerox on a total company basis, including assessments related to the Company's incentive compensation plans.

Geographic Area Data

Geographic area data is based upon the location of the subsidiary reporting the revenue or long-lived assets and is as follows for the three years ended December 31:

	Revenues			Long-Lived Assets (1)	
	2017	2016	2015	2017	2016
United States	$ 6,064	$ 6,403	$ 6,734	$ 770	$ 824
Europe	2,697	2,861	3,155	355	359
Other areas	1,504	1,507	1,576	167	178
Total Revenues and Long-Lived Assets	$ 10,265	$ 10,771	$ 11,465	$ 1,292	$ 1,361

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(1) *Long-lived assets are comprised of (i) Land, buildings and equipment, net, (ii) Equipment on operating leases, net, (iii) Internal use software, net and (iv) Product software, net.*

Note 4 – Acquisitions

2017 Acquisitions

During 2017, Xerox focused on increasing its Small and Mid-sized (SMB) coverage through resellers and partners (including multi-brand dealers) and continued distribution acquisitions. During 2017, distribution acquisitions totaled $87 and included the acquisition of **MT Business Technologies, Inc. (MT Business)**, an Ohio-based multi-brand dealer, and two smaller multi-brand dealers in Iowa and North and South Carolina. MT Business provides office equipment, productivity solutions and managed print services to organizations throughout Ohio and southeastern Michigan. The acquisition of MT Business opens new market opportunities in Ohio, including large metropolitan areas such as Cleveland and Columbus.

2017 Summary

Our 2017 acquisitions resulted in 100% ownership of the acquired companies. The operating results of the acquisitions described above are not material to our financial statements and are included within our results from the respective acquisition dates. Our 2017 acquisitions contributed aggregate revenues of approximately $54 to our 2017 total revenues from their respective acquisition dates. The purchase prices for these acquisitions were all cash and were primarily allocated to intangible assets and goodwill based on management's estimates which included, in certain situations, third-party valuations. The primary elements that generated the goodwill are the value of synergies and the acquired assembled workforce. Of the goodwill recorded in 2017, 100% is expected to be deductible for tax purposes. Refer to Note 11 - Goodwill and Intangible Assets, Net for additional information.

The following table summarizes the purchase price allocations for our 2017 acquisitions as of the acquisition dates:

	Weighted-Average Life (Years)	Total 2017 Acquisitions
Accounts/finance receivables		$ 8
Intangible assets:		
Customer relationships	10	17
Trademarks	20	10
Non-compete agreements	3	1
Goodwill		44
Other assets		18
Total Assets Acquired		98
Liabilities assumed		(11)
Total Purchase Price		$ 87

2016 and 2015 Acquisitions

Acquisitions in 2016 and 2015 were $30 and $13, in cash, respectively, and related to the acquisition of two equipment dealers in 2016 and two in 2015 as part of the continued strategy to expand distribution in under-represented markets as part of our Global Imaging Systems network.

2016 and 2015 Summary

All of our 2016 and 2015 acquisitions resulted in 100% ownership of the acquired companies. The operating results of the 2016 and 2015 acquisitions described above are not material to our financial statements and were included within our results from the respective acquisition dates. The purchase prices for these acquisitions were primarily allocated to intangible assets and goodwill based on third-party valuations and management's estimates. The primary elements that generated the goodwill are the value of synergies and the acquired assembled workforce. Refer to Note 11 - Goodwill and Intangible Assets, Net for additional information. Our 2016 acquisitions contributed aggregate revenues from their respective acquisition dates of approximately $26 and $14 to our 2017 and 2016 total revenues, respectively. Our 2015 acquisitions contributed aggregate revenues from their respective acquisition dates of approximately $10, $10 and $3 to our 2017, 2016 and 2015 total revenues, respectively.

Note 5 – Divestitures

Discontinued Operations

Business Process Outsourcing (BPO)

On December 31, 2016, Xerox completed the Separation of its BPO business through the Distribution of all of the issued and outstanding stock of Conduent to Xerox Corporation stockholders. As a result of the Separation and Distribution, the financial position and results of operations of the BPO Business are presented as discontinued operations and, as such, have been excluded from continuing operations results for all periods presented. Prior to the Separation and Distribution of Conduent, in connection with the annual goodwill impairment test, a pre-tax goodwill impairment charge of $935 was recorded in the fourth quarter 2016 associated with the Commercial Services reporting unit of the BPO business. This charge is reported in the Loss from discontinued operations, net of tax, for the year ended December 31, 2016.

We incurred total separation costs of $9 and $159 in 2017 and 2016, respectively, and these costs are included in Loss from discontinued operations, net of tax, in the accompanying Consolidated Statements of Income (Loss). Separation costs are primarily for third-party investment banking, accounting, legal, consulting and other similar types of services related to the Separation transaction as well as costs associated with the operational separation of the two companies, such as those related to human resources, brand management, real estate and information management to the extent not capitalized. Separation costs also include the costs associated with bonuses and restricted stock grants awarded to employees for retention through the Separation.

Xerox and Conduent entered into various agreements to effect the Separation and provide a framework for their relationship after the Separation, including a separation and distribution agreement, a transition service agreement, a tax matters agreement, an employee matters agreement, an intellectual property agreement and a trademark license agreement. The transition services primarily involve Xerox providing services to Conduent related to information technology and human resource infrastructure and are all expected to be for terms of no more than one year post-separation. In addition, Xerox is also party to various commercial agreements with Conduent entities. The amount billed for transition services provided under the above agreements as well as sales and purchases to and from Conduent were not material.

In connection with the Separation, Conduent made a net distribution to Xerox of approximately $1.8 billion prior to the Distribution Date. Xerox used a portion of the cash distribution proceeds to repay the $1.0 billion Senior Unsecured Term Facility in January 2017, which was required to be repaid upon completion of the Separation. This $1.0 billion of cash and debt was excluded from the Cash and cash equivalents and Total Debt at December 31, 2016, respectively, and was reported in Current Assets and Current Liabilities of discontinued operations at December 31, 2016, respectively. Interest expense associated with this borrowing incurred during 2016 was included in Loss from discontinued operations, net of tax. Xerox used the balance of the proceeds received as well as cash on hand to repay $1.0 billion of Senior Notes that came due in the first quarter 2017. Refer to Note 14 - Debt for additional information.

Information Technology Outsourcing (ITO)

In 2014, we entered into an agreement for the sale of our ITO business to Atos and began reporting it as a Discontinued Operation. All prior periods were accordingly revised to conform to this presentation. The sale was completed on June 30, 2015. The final sale price was approximately $940 ($930 net of cash sold) and Atos also assumed approximately $85 of capital lease obligations and pension liabilities.

We recorded a net pre-tax loss of $181 ($160 after-tax) in 2014 related to the agreement to sell, reflecting the write-down of the carrying value of the ITO disposal group, inclusive of goodwill, to its estimated fair value less costs to sell. We recorded an additional net pre-tax loss of $101 in 2015, primarily at closing, related to an adjustment of the sales price and related expenses associated with the disposal, as well as reserves for certain obligations and indemnifications we retained as part of the final closing negotiations. In addition, we recorded additional tax expense of $44 in 2015 primarily related to the difference between the book basis and tax basis of allocated goodwill, which could only be recorded upon final disposal of the business.

Summarized financial information for our Discontinued Operations is as follows:

	Year Ended December 31, 2017		
	Conduent	ITO	Total
Revenue	$ —	$ —	$ —
Loss from operations[(1)]	$ (9)	$ —	$ (9)
Loss on disposal	—	—	—
Net loss before income taxes	(9)	—	(9)
Income tax benefit[(2)]	12	—	12
Income from discontinued operations, net of tax	$ 3	$ —	$ 3

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(1) 2017 includes $9 of Separation related costs.

(2) Primarily reflects changes in estimates.

	Year Ended December 31, 2016		
	Conduent	ITO	Total
Revenue	$ 6,355	$ —	$ 6,355
Loss from operations[(1)]	$ (1,343)	$ —	$ (1,343)
Loss on disposal	—	—	—
Net loss before income taxes	(1,343)	—	(1,343)
Income tax benefit	250	—	250
Loss from discontinued operations, net of tax	$ (1,093)	$ —	$ (1,093)

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(1) 2016 includes $159 of Separation related costs and $18 of interest on the $1.0 billion Senior Unsecured Term Facility, which was required to be repaid upon completion of the Separation, and therefore was also reported in the loss from discontinued operations.

	Year Ended December 31, 2015		
	Conduent	ITO	Total
Revenue	$ 6,604	$ 619	$ 7,223
(Loss) income from operations	$ (511)	$ 104	$ (407)
Loss on disposal	—	(101)	(101)
Net (loss) income before income taxes	(511)	3	(508)
Income tax benefit (expense)	215	(81)	134
Loss from discontinued operations, net of tax	$ (296)	$ (78)	$ (374)

The following is a summary of selected financial information of Conduent for the years ended December 31, 2016 and 2015:

	Year Ended December 31,	
	2016	2015
Cost and Expenses:		
Cost of services	$ 5,456	$ 5,923
Other Expenses	2,065	1,192
Total Costs and Expenses	$ 7,521	$ 7,115
Selected amounts included in Costs and Expenses:		
Depreciation of buildings and equipment	$ 130	$ 126
Amortization of internal use software	49	51
Amortization of product software	61	65
Amortization of acquired intangible assets	280	250
Amortization of customer contract costs	93	108
Operating lease rent expense	378	389
Defined contribution plans	35	34
Interest expense (1)	13	8
Goodwill impairment charge (2)	935	—
Expenditures:		
Cost of additions to land, buildings and equipment	$ 150	$ 126
Cost of additions to internal use software	39	26
Customer-related deferred set-up/transition and inducement costs	62	55

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(1) Represents interest on Conduent third-party borrowings only that were transferred to Conduent as part of the Distribution. 2016 amount excludes $18 of interest associated with the $1.0 billion Senior Unsecured Term Facility noted above. No additional interest expense was allocated to discontinued operations for the year ended December 31, 2016 and 2015.

(2) Prior to the Separation and Distribution of Conduent, in connection with the annual goodwill impairment test, a pre-tax goodwill impairment charge was recorded in the fourth quarter 2016 associated with the Commercial Services reporting unit of the BPO business.

The following is a summary of the major categories of assets and liabilities that were transferred to Conduent as of December 31, 2016:

	December 31, 2016
Cash and cash equivalents	$ 390
Accounts receivable, net	1,287
Other current assets	239
Total current assets of discontinued operations	1,916
Land, buildings and equipment, net	283
Intangible assets, net	1,144
Goodwill	3,889
Other long-term assets	477
Total long-term assets of discontinued operations	5,793
Total Assets of Discontinued Operations	$ 7,709
Current portion of long-term debt	$ 28
Accounts payable	159
Accrued pension and benefit costs	284
Unearned income	208
Other current liabilities	742
Total current liabilities of discontinued operations	1,421
Long-term debt	1,913
Pension and other benefit liabilities	173
Other long-term liabilities	757
Total long-term liabilities of discontinued operations	2,843
Total Liabilities of Discontinued Operations	$ 4,264

As a result of the Separation, the Company distributed $3,445 in net assets of Conduent, which has been reflected as a reduction to Preferred Stock of $142, Retained Earnings of $3,829 and Accumulated other comprehensive loss of $526 in the accompanying Consolidated Balance Sheet and Consolidated Statements of Shareholders' Equity as of December 31, 2016.

Other Divestitures

Xerox Research Centre Europe in Grenoble

In August 2017, we completed the sale of the Xerox Research Centre Europe in Grenoble, France to Naver Corporation (Naver). The selling price was approximately $23 and included a license agreement and the transfer of liabilities. The net assets and expenses of the sale were approximately $10, including approximately $6 of Goodwill, resulting in a pre-tax gain of $13 ($4 after-tax), which is included in Other expenses, net in the Consolidated Statements of Income (Loss) for the year ended December 31, 2017. The sale included the transfer of approximately 80 researchers and administrative staff who became part of Naver.

Note 6 – Accounts Receivable, Net

Accounts receivable, net were as follows:

	December 31, 2017	December 31, 2016
Invoiced	$ 1,048	$ 651
Accrued	368	374
Allowance for doubtful accounts	(59)	(64)
Accounts Receivable, Net	$ 1,357	$ 961

We perform ongoing credit evaluations of our customers and adjust credit limits based upon customer payment history and current creditworthiness. The allowance for uncollectible accounts receivable is determined principally on the basis of past collection experience as well as consideration of current economic conditions and changes in our customer collection trends.

Accounts Receivable Sales Arrangements

Accounts receivable sales arrangements are utilized in the normal course of business as part of our cash and liquidity management. Prior to the fourth quarter 2017, we had facilities in the U.S., Canada and several countries in Europe that enabled us to sell certain accounts receivable, without recourse, to third-parties. The accounts receivable sold were generally short-term trade receivables with payment due dates of less than 60 days. In connection with the efforts of our Strategic Transformation Program to reduce costs and simplify our business processes, during the fourth quarter 2017 we terminated all accounts receivable sales arrangements in North America and all but one arrangement in Europe, which resulted in a one-time reduction in our operating cash flows. The remaining accounts receivable sales facility in Europe enables us to sell receivables associated with our distributor network on an ongoing basis without recourse. Under this remaining arrangement, we sell our entire interest in the related accounts receivable for cash and no portion of the payment is held back or deferred by the purchaser.

In the sales arrangements terminated in the fourth quarter 2017, a portion of the sales proceeds was normally held back by the purchaser and payment was deferred until collection of the related sold receivables. Our risk of loss following the sales of accounts receivable under these programs was limited to the outstanding amount deferred. These balances were included in Other current assets in the accompanying Consolidated Balance Sheets and the balance at December 31, 2016 was $48. Due to the termination of these programs in the fourth quarter 2017, there is no remaining balance deferred at December 31, 2017. We reported the collections on these balances as operating cash flows in the Consolidated Statements of Cash Flows because they were the result of an operating activity and the associated interest rate risk was considered de minimis due to their short-term nature.

Of the accounts receivable sold and derecognized from our balance sheet, $161 and $531 remained uncollected as of December 31, 2017 and 2016, respectively. Accounts receivable sales activity was as follows:

	Year Ended December 31,		
	2017	2016	2015
Accounts receivable sales	$ 1,733	$ 2,267	$ 2,142
Deferred proceeds	164	233	247
Loss on sale of accounts receivable	10	16	13

Note 7 – Finance Receivables, Net

Finance receivables include sales-type leases, direct financing leases and installment loans arising from the marketing of our equipment. These receivables are typically collateralized by a security interest in the underlying assets. Finance receivables, net were as follows:

	December 31,	
	2017	2016
Gross receivables	$ 4,354	$ 4,380
Unearned income	(494)	(526)
Subtotal	3,860	3,854
Residual values	—	—
Allowance for doubtful accounts	(108)	(110)
Finance Receivables, Net	3,752	3,744
Less: Billed portion of finance receivables, net	112	90
Less: Current portion of finance receivables not billed, net	1,317	1,256
Finance Receivables Due After One Year, Net	$ 2,323	$ 2,398

Contractual maturities of our gross finance receivables as of December 31, 2017 were as follows (including those already billed of $112):

2018	2019	2020	2021	2022	Thereafter	Total
$ 1,686	$ 1,211	$ 827	$ 454	$ 163	$ 13	$ 4,354

Finance Receivables - Allowance for Credit Losses and Credit Quality

Our finance receivable portfolios are primarily in the U.S., Canada and Europe. We generally establish customer credit limits and estimate the allowance for credit losses on a country or geographic basis. Customer credit limits are based upon an initial evaluation of the customer's credit quality and we adjust that limit accordingly based upon ongoing credit assessments of the customer, including payment history and changes in credit quality.

The allowance for doubtful accounts and provision for credit losses represents an estimate of the losses expected to be incurred from the Company's finance receivable portfolio. The level of the allowance is determined on a collective basis by applying projected loss rates to our different portfolios by country, which represent our portfolio segments. This is the level at which we develop and document our methodology to determine the allowance for credit losses. This loss rate is primarily based upon historical loss experience adjusted for judgments about the probable effects of relevant observable data including current economic conditions as well as delinquency trends, resolution rates, the aging of receivables, credit quality indicators and the financial health of specific customer classes or groups. The allowance for doubtful finance receivables is inherently more difficult to estimate than the allowance for trade accounts receivable because the underlying lease portfolio has an average maturity, at any time, of approximately two to three years and contains past due billed amounts, as well as unbilled amounts. We consider all available information in our quarterly assessments of the adequacy of the allowance for doubtful accounts. The identification of account-specific exposure is not a significant factor in establishing the allowance for doubtful finance receivables. Our policy and methodology used to establish our allowance for doubtful accounts has been consistently applied over all periods presented.

Since our allowance for doubtful finance receivables is determined by country, the risk characteristics in our finance receivable portfolio segments will generally be consistent with the risk factors associated with the economies of those countries/regions. Loss rates in the U.S. remained steady and did not change significantly during 2017 and 2016. Since Europe is comprised of various countries and regional economies, the risk profile within our European portfolio segment is somewhat more diversified due to the varying economic conditions among and within the countries. Charge-offs in Europe were $11 in 2017 as compared to $15 in 2016, reflecting continued stabilization of Europe from the credit issues that began back in 2011.

The following table is a rollforward of the allowance for doubtful finance receivables as well as the related investment in finance receivables:

Allowance for Credit Losses:	United States	Canada	Europe	Other[(2)]	Total
Balance at December 31, 2015[(1)]	$ 54	$ 17	$ 45	$ 2	$ 118
Provision	10	3	11	—	24
Charge-offs	(12)	(8)	(15)	—	(35)
Recoveries and other[(3)]	3	4	(4)	—	3
Balance at December 31, 2016	$ 55	$ 16	$ 37	$ 2	$ 110
Provision	11	2	4	—	17
Charge-offs	(12)	(5)	(11)	—	(28)
Recoveries and other[(3)]	2	2	5	—	9
Balance at December 31, 2017	$ 56	$ 15	$ 35	$ 2	$ 108
Finance Receivables Collectively Evaluated for Impairment:					
December 31, 2016[(4)]	$ 2,138	$ 378	$ 1,286	$ 52	$ 3,854
December 31, 2017[(4)]	$ 2,029	$ 397	$ 1,362	$ 72	$ 3,860

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(1) *In the first quarter 2016, as a result of an internal reorganization, a U.S. leasing unit previously classified as Other was reclassified to the U.S. Prior year amounts have been reclassified to conform to current year presentation.*

(2) *Includes developing market countries and smaller units.*

(3) *Includes the impacts of foreign currency translation and adjustments to reserves necessary to reflect events of non-payment such as customer accommodations and contract terminations.*

(4) *Total Finance receivables exclude the allowance for credit losses of $108 and $110 at December 31, 2017 and 2016, respectively.*

In the U.S. and Canada, customers are further evaluated or segregated by class based on industry sector. The primary customer classes are Finance & Other Services, Government & Education, Graphic Arts, Industrial, Healthcare and Other. In Europe, customers are further grouped by class based on the country or region of the customer. The primary customer classes include the U.K./Ireland, France and the following European regions - Central, Nordic and Southern. These groupings or classes are used to understand the nature and extent of our exposure to credit risk arising from finance receivables.

We evaluate our customers based on the following credit quality indicators:

- **Investment grade:** This rating includes accounts with excellent to good business credit, asset quality and capacity to meet financial obligations. These customers are less susceptible to adverse effects due to shifts in economic conditions or changes in circumstance. The rating generally equates to a Standard & Poors (S&P) rating of BBB- or better. Loss rates in this category are normally less than 1%.
- **Non-investment grade:** This rating includes accounts with average credit risk that are more susceptible to loss in the event of adverse business or economic conditions. This rating generally equates to a BB S&P rating. Although we experience higher loss rates associated with this customer class, we believe the risk is somewhat mitigated by the fact that our leases are fairly well dispersed across a large and diverse customer base. In addition, the higher loss rates are largely offset by the higher rates of return we obtain with such leases. Loss rates in this category are generally in the range of 2% to 5%.
- **Substandard:** This rating includes accounts that have marginal credit risk such that the customer's ability to make repayment is impaired or may likely become impaired. We use numerous strategies to mitigate risk including higher rates of interest, prepayments, personal guarantees, etc. Accounts in this category include customers who were downgraded during the term of the lease from investment and non-investment grade evaluation when the lease was originated. Accordingly, there is a distinct possibility for a loss of principal and interest or customer default. The loss rates in this category are generally in the range of 7% to 10%.

Credit quality indicators are updated at least annually, and the credit quality of any given customer can change during the life of the portfolio. Details about our finance receivables portfolio based on industry and credit quality indicators are as follows:

	December 31, 2017				December 31, 2016(4)			
	Investment Grade	Non-investment Grade	Sub-standard	Total Finance Receivables	Investment Grade	Non-investment Grade	Sub-standard	Total Finance Receivables
Finance and other services	$ 199	$ 345	$ 75	$ 619	$ 215	$ 343	$ 60	$ 618
Government and education	490	61	6	557	535	56	17	608
Graphic arts	84	97	141	322	135	106	106	347
Industrial	82	84	14	180	88	82	14	184
Healthcare	88	48	9	145	92	39	12	143
Other	68	98	40	206	90	106	42	238
Total United States	1,011	733	285	2,029	1,155	732	251	2,138
Finance and other services	54	42	27	123	54	43	15	112
Government and education	48	5	5	58	52	6	2	60
Graphic arts	34	35	27	96	39	37	24	100
Industrial	20	12	11	43	21	13	6	40
Other	36	25	16	77	33	25	8	66
Total Canada	192	119	86	397	199	124	55	378
France	234	226	22	482	181	222	51	454
U.K/Ireland	106	150	10	266	95	148	10	253
Central(1)	189	149	16	354	182	148	19	349
Southern(2)	52	144	13	209	36	131	14	181
Nordic(3)	29	21	1	51	26	22	1	49
Total Europe	610	690	62	1,362	520	671	95	1,286
Other	38	28	6	72	35	15	2	52
Total	$ 1,851	$ 1,570	$ 439	$ 3,860	$ 1,909	$ 1,542	$ 403	$ 3,854

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(1) Switzerland, Germany, Austria, Belgium and Holland.

(2) Italy, Greece, Spain and Portugal.

(3) Sweden, Norway, Denmark and Finland.

(4) The December 31, 2016 amounts have been reclassified to conform to 2017 presentation.

The aging of our receivables portfolio is based upon the number of days an invoice is past due. Receivables that are more than 90 days past due are considered delinquent. Receivable losses are charged against the allowance when management believes the uncollectibility of the receivable is confirmed and is generally based on individual credit evaluations, results of collection efforts and specific circumstances of the customer. Subsequent recoveries, if any, are credited to the allowance.

We generally continue to maintain equipment on lease and provide services to customers that have invoices for finance receivables that are 90 days or more past due and, as a result of the bundled nature of billings, we also continue to accrue interest on those receivables. However, interest revenue for such billings is only recognized if collectability is deemed reasonably assured. The aging of our billed finance receivables is as follows:

	December 31, 2017						
	Current	31-90 Days Past Due	>90 Days Past Due	Total Billed	Unbilled	Total Finance Receivables	>90 Days and Accruing
Finance and other services	$ 18	$ 3	$ 1	$ 22	$ 597	$ 619	$ 12
Government and education	18	3	3	24	533	557	21
Graphic arts	12	1	—	13	309	322	6
Industrial	6	1	1	8	172	180	4
Healthcare	5	1	1	7	138	145	5
Other	7	1	1	9	197	206	3
Total United States	66	10	7	83	1,946	2,029	51
Canada	8	2	1	11	386	397	17
France	6	—	—	6	476	482	22
U.K./Ireland	3	—	—	3	263	266	—
Central(1)	1	2	—	3	351	354	6
Southern(2)	4	1	1	6	203	209	6
Nordic(3)	—	—	—	—	51	51	—
Total Europe	14	3	1	18	1,344	1,362	34
Other	3	—	—	3	69	72	—
Total	$ 91	$ 15	$ 9	$ 115	$ 3,745	$ 3,860	$ 102

	December 31, 2016						
	Current	31-90 Days Past Due	>90 Days Past Due	Total Billed	Unbilled	Total Finance Receivables	>90 Days and Accruing
Finance and other services	$ 13	$ 3	$ 1	$ 17	$ 601	$ 618	$ 11
Government and education	10	4	3	17	591	608	25
Graphic arts	13	1	—	14	333	347	5
Industrial	4	1	1	6	178	184	5
Healthcare	3	1	1	5	138	143	5
Other	9	2	1	12	226	238	5
Total United States	52	12	7	71	2,067	2,138	56
Canada	3	—	—	3	375	378	8
France	3	—	—	3	451	454	20
U.K./Ireland	2	1	—	3	250	253	1
Central(1)	2	1	—	3	346	349	5
Southern(2)	5	1	1	7	174	181	6
Nordic(3)	1	—	—	1	48	49	1
Total Europe	13	3	1	17	1,269	1,286	33
Other	3	—	—	3	49	52	—
Total	$ 71	$ 15	$ 8	$ 94	$ 3,760	$ 3,854	$ 97

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(1) Switzerland, Germany, Austria, Belgium and Holland.
(2) Italy, Greece, Spain and Portugal.
(3) Sweden, Norway, Denmark and Finland.

Sale of Finance Receivables

In 2013 and 2012, we transferred our entire interest in certain groups of lease finance receivables to third-party entities for cash proceeds and beneficial interests. The transfers were accounted for as sales with derecognition of the associated lease receivables. There have been no transfers or sales of finance receivables since 2013. We continued to service the sold receivables and record servicing fee income over the expected life of the associated receivables. The following is a summary of our prior sales activity:

	Year Ended December 31,	
	2013	2012
Net carrying value (NCV) sold	$ 676	$ 682
Allowance included in NCV	17	18
Cash proceeds received	635	630
Beneficial interests received	86	101

The principal value of the finance receivables derecognized from our balance sheet associated with these sales was $76 at December 31, 2016. During 2017, we exercised the various clean-up calls we, as the servicer, held on the sold receivables and, accordingly, repurchased the remaining balances of the previously derecognized receivables and terminated the programs. The amounts repurchased were not material.

The ultimate purchaser of the transferred receivables had no recourse to our other assets for the failure of customers to pay principal and interest when due beyond our beneficial interests, which were $24 at December 31, 2016 and were included in Other current assets and Other long-term assets in the accompanying Consolidated Balance Sheets. Due to the repurchase of receivables during 2017, there is no remaining balance of beneficial interests at December 31, 2017. We reported collections on the beneficial interests as operating cash flows in the Consolidated Statements of Cash Flows because such beneficial interests were the result of an operating activity and the associated interest rate risk was deemed de minimis considering the weighted average life of the sold receivables was less than two years.

Note 8 – Inventories and Equipment on Operating Leases, Net

The following is a summary of Inventories by major category:

	December 31,	
	2017	2016
Finished goods	$ 777	$ 713
Work-in-process	49	47
Raw materials	89	81
Total Inventories	$ 915	$ 841

The transfer of equipment from our inventories to equipment subject to an operating lease is presented in our Consolidated Statements of Cash Flows in the operating activities section. Equipment on operating leases and similar arrangements consists of our equipment rented to customers and depreciated to estimated salvage value at the end of the lease term.

Equipment on operating leases and the related accumulated depreciation were as follows:

	December 31,	
	2017	2016
Equipment on operating leases	$ 1,546	$ 1,468
Accumulated depreciation	(1,092)	(993)
Equipment on Operating Leases, Net	$ 454	$ 475

Depreciable lives generally vary from three to four years consistent with our planned and historical usage of the equipment subject to operating leases. Our equipment operating lease terms vary, generally from one to three years. Scheduled minimum future rental revenues on operating leases with original terms of one year or longer are:

2018	2019	2020	2021	2022	Thereafter
$ 313	$ 208	$ 131	$ 66	$ 24	$ 2

Total contingent rentals on operating leases, consisting principally of usage charges in excess of minimum contracted amounts, for the years ended December 31, 2017, 2016 and 2015 amounted to $119, $132 and $139, respectively.

Note 9 - Land, Buildings, Equipment and Software, Net

Land, buildings and equipment, net were as follows:

	Estimated Useful Lives (Years)	December 31, 2017	December 31, 2016
Land		$ 22	$ 20
Building and building equipment	25 to 50	909	892
Leasehold improvements	Varies	192	238
Plant machinery	5 to 12	1,214	1,225
Office furniture and equipment	3 to 15	651	657
Other	4 to 20	54	70
Construction in progress		30	33
Subtotal		3,072	3,135
Accumulated depreciation		(2,443)	(2,475)
Land, Buildings and Equipment, Net		$ 629	$ 660

Depreciation expense and operating lease rent expense were as follows:

	Year Ended December 31, 2017	2016	2015
Depreciation expense	$ 136	$ 148	$ 151
Operating lease expense	161	157	164

We lease buildings and equipment, substantially all of which are accounted for as operating leases. Capital leased assets were $35 and $31 at December 31, 2017 and 2016, respectively.

Future minimum operating lease commitments that have initial or remaining non-cancelable lease terms in excess of one year at December 31, 2017 were as follows:

2018	2019	2020	2021	2022	Thereafter
$ 127	$ 100	$ 77	$ 55	$ 42	$ 48

Internal Use Software

Additions to:	Year Ended December 31, 2017	2016	2015
Internal use software	$ 36	$ 45	$ 64

Capitalized costs, net:	December 31, 2017	2016
Internal use software	$ 209	$ 218

Useful lives of our internal use software generally vary from three to seven years.

Note 10 – Investment in Affiliates, at Equity

Investments in corporate joint ventures and other companies in which we generally have a 20% to 50% ownership interest were as follows:

	December 31, 2017	2016
Fuji Xerox	$ 1,366	$ 1,219
Other	38	75
Investments in Affiliates, at Equity	$ 1,404	$ 1,294

Our equity in net income of our unconsolidated affiliates was as follows:

	Year Ended December 31,		
	2017	2016	2015
Fuji Xerox	$ 102	$ 114	$ 91
Other	13	13	18
Total Equity in Net Income of Unconsolidated Affiliates	$ 115	$ 127	$ 109

Fuji Xerox

Fuji Xerox is headquartered in Tokyo and operates in Japan, China, Australia, New Zealand, Vietnam and other areas of the Pacific Rim. Our investment in Fuji Xerox of $1,366 at December 31, 2017, differs from our implied 25% interest in the underlying net assets, or $1,455, due primarily to our deferral of gains resulting from sales of assets by us to Fuji Xerox.

Equity in net income of Fuji Xerox is affected by certain adjustments to reflect the deferral of profit associated with intercompany sales. These adjustments may result in recorded equity income that is different from that implied by our 25% ownership interest.

Refer to Note 2 - Correction of Fuji Xerox Misstatement in Prior Period Financial Statements for additional information regarding the results of a review of accounting practices at Fuji Xerox and the associated impact of adjustments from that review on previously reported Equity in net income of unconsolidated affiliates. The 2016 and 2015 summarized financial information below for Fuji Xerox has likewise been revised accordingly to reflect the impact of those adjustments.

Summarized financial information for Fuji Xerox is as follows:

	Year Ended December 31,		
	2017	2016	2015
Summary of Operations			
Revenues	$ 9,638	$ 10,149	$ 9,832
Costs and expenses	9,072	9,460	9,225
Income before income taxes	566	689	607
Income tax expense	144	206	218
Net Income	422	483	389
Less: Net income - noncontrolling interests	5	8	7
Net Income - Fuji Xerox	$ 417	$ 475	$ 382
Balance Sheet			
Assets:			
Current assets	$ 4,315	$ 4,313	$ 4,350
Long-term assets	4,488	4,516	4,777
Total Assets	$ 8,803	$ 8,829	$ 9,127
Liabilities and Equity:			
Short-term debt	$ 428	$ 681	$ 780
Other current liabilities	2,079	2,001	2,011
Long-term debt	76	283	584
Other long-term liabilities	369	587	521
Noncontrolling interests	33	31	31
Fuji Xerox shareholders' equity	5,818	5,246	5,200
Total Liabilities and Equity	$ 8,803	$ 8,829	$ 9,127

Yen/U.S. Dollar exchange rates used to translate are as follows:

Financial Statement	Exchange Basis	2017	2016	2015
Summary of Operations	Weighted average rate	112.14	108.76	120.97
Balance Sheet	Year-end rate	112.87	116.53	120.49

Transactions with Fuji Xerox

We receive dividends from Fuji Xerox, which are reflected as a reduction in our investment. Additionally, we have a Technology Agreement with Fuji Xerox whereby we receive royalty payments for their use of our Xerox brand trademark, as well as rights to access our patent portfolio in exchange for access to their patent portfolio. These payments are included in Services, maintenance and rentals revenues in the Consolidated Statements of Income (Loss). We also have arrangements with Fuji Xerox whereby we purchase inventory from and sell inventory to Fuji Xerox. Pricing of the transactions under these arrangements is based upon terms the Company believes to be negotiated at arm's length. Our purchase commitments with Fuji Xerox are in the normal course of business and typically have a lead time of three months. In addition, we pay Fuji Xerox and they pay us for unique research and development costs.

Transactions with Fuji Xerox were as follows:

	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Dividends received from Fuji Xerox	$ 46	$ 47	$ 51
Royalty revenue earned	103	110	105
Inventory purchases from Fuji Xerox	1,585	1,641	1,728
Inventory sales to Fuji Xerox	58	80	108
R&D payments received from Fuji Xerox	1	1	1
R&D payments paid to Fuji Xerox	14	13	7

As of December 31, 2017 and 2016, net amounts due to Fuji Xerox were $331 and $273, respectively.

Refer to Note 24 - Subsequent Event for additional information about the agreement between Fujifilm and the Company to combine the Company and Fuji Xerox.

Note 11 - Goodwill and Intangible Assets, Net

Goodwill

The following table presents the changes in the carrying amount of goodwill:

	Total
Balance at December 31, 2015	$ 3,951
Foreign currency translation	(183)
Acquisitions:	
Imagetek	10
Other	9
Balance at December 31, 2016	$ 3,787
Foreign currency translation	105
Acquisitions:	
MT Business	33
Other	11
Divestiture[(1)]	(6)
Balance at December 31, 2017	$ 3,930

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(1) Relates to the sale of Xerox Research Centre Europe in Grenoble, France to Naver. Refer to Note 5 - Divestitures for additional information regarding this divestiture.

Intangible Assets, Net

Net intangible assets were $268 at December 31, 2017. Intangible assets were comprised of the following:

		December 31, 2017			December 31, 2016		
	Weighted Average Amortization	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	10 years	$ 319	$ 236	$ 83	$ 508	$ 410	$ 98
Distribution network	25 years	123	89	34	123	84	39
Trademarks	20 years	261	120	141	250	107	143
Technology and non-compete	14 years	16	6	10	15	5	10
Total Intangible Assets		$ 719	$ 451	$ 268	$ 896	$ 606	$ 290

Amortization expense related to intangible assets was $53, $58, and $60 for the years ended December 31, 2017, 2016 and 2015, respectively. Excluding the impact of additional acquisitions, amortization expense is expected to approximate $51 in 2018, $50 in 2019, $38 in 2020 and $19 in each of the years 2021 and 2022.

Note 12 – Restructuring and Asset Impairment Charges

In 2016, in conjunction with our announcement of the planned Separation of the Company, we initiated a three-year Strategic Transformation program to accelerate our cost productivity initiatives. The program is expected to deliver productivity gains and cost savings in areas such as delivery, remote connectivity, sales productivity, pricing, design efficiency and supply chain optimization.

The program is expected to include restructuring charges related to downsizing our employee base, exiting certain activities, outsourcing certain internal functions and engaging in other actions designed to reduce our cost structure and improve productivity. In addition, we expect to incur asset impairment charges in connection with these restructuring actions for those assets that are sold, abandoned or made obsolete as a result of initiatives under the program. Beginning in 2016, all restructuring costs incurred were the result of actions and initiatives associated with the Strategic Transformation program.

Costs associated with restructuring, including employee severance and lease termination costs, are generally recognized when it has been determined that a liability has been incurred, which is generally upon communication to the affected employees or exit from the leased facility, respectively. In those geographies where we have either a formal severance plan or a history of consistently providing severance benefits representing a substantive plan, we recognize employee severance costs when they are both probable and reasonably estimable.

A summary of our restructuring program activity during the three years ended December 31, 2017 is as follows:

	Severance and Related Costs	Lease Cancellation and Other Costs	Asset Impairments(2)	Total
Balance at December 31, 2014	$ 83	$ 1	$ —	$ 84
Restructuring provision	35	2	7	44
Reversals of prior accruals	(16)	(1)	—	(17)
Net Current Period Charges(1)	19	1	7	27
Charges against reserve and currency	(84)	(1)	(7)	(92)
Balance at December 31, 2015	$ 18	$ 1	$ —	$ 19
Restructuring provision	224	28	—	252
Reversals of prior accruals	(16)	(1)	(5)	(22)
Net Current Period Charges(1)	208	27	(5)	230
Charges against reserve and currency	(122)	(5)	5	(122)
Balance at December 31, 2016	$ 104	$ 23	$ —	$ 127
Restructuring provision	225	4	7	236
Reversals of prior accruals	(29)	(6)	—	(35)
Net Current Period Charges(1)	196	(2)	7	201
Charges against reserve and currency	(192)	(20)	(7)	(219)
Balance at December 31, 2017	$ 108	$ 1	$ —	$ 109

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(1) Represents net amount recognized within the Consolidated Statements of Income (Loss) for the years shown for restructuring and asset impairments charges.

(2) Charges associated with asset impairments represent the write-down of the related assets to their new cost basis and are recorded concurrently with the recognition of the provision.

The following table summarizes the reconciliation to the Consolidated Statements of Cash Flows:

	Year Ended December 31,		
	2017	2016	2015
Charges against reserve and currency	$ (219)	$ (122)	$ (92)
Asset impairments	7	—	7
Effects of foreign currency and other non-cash items	(12)	4	6
Restructuring Cash Payments	$ (224)	$ (118)	$ (79)

Note 13 - Supplementary Financial Information

The components of Other assets and liabilities were as follows:

	December 31,	
	2017	2016
Other Current Assets		
Income taxes receivable	$ 43	$ 50
Royalties, license fees and software maintenance	18	21
Restricted cash	1	92
Prepaid expenses	43	45
Derivative instruments	2	88
Deferred purchase price from sales of accounts receivables	—	48
Beneficial interests - sales of finance receivables	—	8
Advances and deposits	27	15
Other	102	125
Due from Conduent	—	127
Total Other Current Assets	$ 236	$ 619
Other Current Liabilities		
Income taxes payable	$ 7	$ 45
Other taxes payable	91	78
Interest payable	43	55
Restructuring reserves	106	121
Derivative instruments	25	39
Product warranties	6	7
Dividends payable	73	91
Distributor and reseller rebates/commissions	175	120
Servicer liabilities	—	62
Unearned income and other revenue deferrals	170	187
Other	211	290
Total Other Current Liabilities	$ 907	$ 1,095
Other Long-term Assets		
Income taxes receivable	$ 10	$ 14
Prepaid pension costs	193	17
Derivative instruments	1	4
Net investment in TRG	—	126
Internal use software, net	209	218
Product software, net	—	8
Restricted cash	74	87
Debt issuance costs, net	5	3
Customer contract costs, net	10	7
Beneficial interest - sales of finance receivables	—	16
Deferred compensation plan investments	18	15
Other	162	168
Total Other Long-term Assets	$ 682	$ 683
Other Long-term Liabilities		
Deferred taxes	$ 42	$ 42
Income taxes payable	21	16
Environmental reserves	9	9
Restructuring reserves	3	6
Other	131	120
Total Other Long-term Liabilities	$ 206	$ 193

Restricted Cash

As more fully discussed in Note 19 - Contingencies and Litigation, various litigation matters in Brazil require us to make cash deposits to escrow as a condition of continuing the litigation. In addition, as more fully discussed in Note 6 - Accounts Receivable, Net and Note 7 - Finance Receivables, Net, we continue to service the receivables sold under most of our receivable sale agreements. As servicer, we may collect cash related to sold receivables prior to year-end that will be remitted to the purchaser the following year. Since we are acting on behalf of the purchaser in our capacity as servicer, such cash collected is reported as restricted cash. Restricted cash amounts are classified in our Consolidated Balance Sheets based on when the cash will be contractually or judicially released.

Restricted cash amounts were as follows:

	December 31,	
	2017	2016
Tax and labor litigation deposits in Brazil	$ 72	$ 85
Escrow and cash collections related to receivable sales	—	62
Other restricted cash	3	32
Total Restricted Cash	$ 75	$ 179

Net Investment in TRG

In December 2017, we received $127 representing the final payment on the performance-based instrument we received from our 1997 sale of The Resolution Group (TRG). The final payment was reported as Other investing cash flows in the Consolidated Statements of Cash Flows. The remaining liabilities associated with our discontinued operations of $13, were reclassified to Other Current and Long-Term Liabilities. The funds received from this instrument were partially used to fund an additional contribution of approximately $105 (GBP 80 million) to our U.K. Pension Plan for salaried employees. The contribution was accordingly reported in operating cash flows in the Consolidated Statements of Cash Flows.

Due from Conduent

The balance Due from Conduent at December 31, 2016 includes the following amounts:

Due from/(to) Conduent	December 31, 2016
Cash adjustment	$ 161
Taxes payable	(32)
Other	(2)
Total Due from Conduent	$ 127

In January 2017, as provided for in the Separation Agreement, we received a distribution from Conduent of $161 representing the final adjustment required to set Conduent's cash balance at $225 as of the Separation. The cash receipt was reported in Other financing, net cash flows in the Consolidated Statements of Cash Flows as it represented an adjustment to our Distribution of Conduent. The income tax payable represented the final adjustment for income tax payments between the two companies for their consolidated 2016 tax returns, which were the last returns filed on a consolidated basis. The tax sharing between the two companies was based on a separate return basis, as if Conduent filed a separate tax return. The balance due to Conduent was substantially settled in 2017 and included in income tax payments for the year ended December 31, 2017.

Refer to Note 5 - Divestitures for additional information regarding discontinued operations.

Note 14 – Debt

Short-term borrowings were as follows:

	December 31,	
	2017	2016
Notes Payable	$ 6	$ 4
Current maturities of long-term debt	276	1,007
Total Short-term Debt	$ 282	$ 1,011

We classify our debt based on the contractual maturity dates of the underlying debt instruments or as of the earliest put date available to the debt holders. We defer costs associated with debt issuance over the applicable term, or to the first put date in the case of convertible debt or debt with a put feature. These costs are amortized as interest expense in our Consolidated Statements of Income (Loss).

Long-term debt was as follows:

	Stated Rate	Weighted Average Interest Rates at December 31, 2017[3]	December 31, 2017	December 31, 2016
Xerox Corporation				
Senior Notes due 2017 [1]			$ —	$ 500
Senior Notes due 2017 [1]			—	500
Notes due 2018	0.57%	0.57%	1	1
Senior Notes due 2018	6.35%	6.09%	265	1,000
Senior Notes due 2019	2.75%	2.58%	406	500
Senior Notes due 2019	5.63%	5.48%	554	650
Senior Notes due 2020	2.80%	2.50%	313	400
Senior Notes due 2020	3.50%	3.47%	362	400
Senior Notes due 2020	2.75%	2.67%	375	400
Senior Notes due 2021	4.50%	5.39%	1,062	1,062
Senior Notes due 2022	4.07%	4.07%	300	—
Senior Notes due 2023	3.63%	3.64%	1,000	—
Senior Notes due 2024	3.80%	3.84%	300	300
Senior Notes due 2035	4.80%	4.84%	250	250
Senior Notes due 2039	6.75%	6.78%	350	350
Subtotal - Notes			$ 5,538	$ 6,313
Other Debt				
Capital lease obligations		4.11%	$ 35	$ 31
Other			—	1
Subtotal - Other Debt			$ 35	$ 32
Principal debt balance			$ 5,573	$ 6,345
Unamortized discount			(35)	(43)
Debt issuance costs			(32)	(21)
Fair value adjustments[2]				
Terminated swaps			4	27
Current swaps			1	4
Less: current maturities			(276)	(1,007)
Total Long-term Debt			$ 5,235	$ 5,305

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(1) Senior Notes maturing in 2017 were paid in part from funds received in the distribution from Conduent as part of the Separation. Refer to Note 5 - Divestitures for additional information.

(2) Fair value adjustments include the following: (i) fair value adjustments to debt associated with terminated interest rate swaps, which are being amortized to interest expense over the remaining term of the related notes; and (ii) changes in fair value of hedged debt obligations attributable to movements in benchmark interest rates. Hedge accounting requires hedged debt instruments to be reported inclusive of any fair value adjustment.

(3) Represents weighted average effective interest rate which includes the effect of discounts and premiums on issued debt.

Scheduled principal payments due on our long-term debt for the next five years and thereafter are as follows:

2018[1]	2019	2020	2021	2022	Thereafter	Total
$ 274	$ 968	$ 1,059	$ 1,069	$ 301	$ 1,902	$ 5,573

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(1) Quarterly long-term debt maturities from continuing operations for 2018 are $2, $268, $2 and $2 for the first, second, third and fourth quarters, respectively.

Senior Notes

In September 2017, we issued $1.0 billion of 3.625% Senior Notes due March 2023 (the "2023 Senior Notes") at 99.920% of par resulting in aggregate net proceeds of approximately $992. Interest on these Senior Notes is payable semi-annually. Debt issuance costs of approximately $8 were paid and deferred in connection with the issuance and will be amortized over the term of the Senior Notes. The debt proceeds were used for general corporate purposes, which included a voluntary cash contribution of $500 to our U.S. defined benefit pension plans as well as the early redemption of certain debt.

In October 2017, we completed the early redemption of $475 of the remaining $740 of 6.35% Senior Notes due May 2018. The redemption resulted in a net loss of $7 being recorded in the fourth quarter 2017.

Refer to Note 17 - Employee Benefit Plans for further information regarding the voluntary contribution made to our U.S. defined benefit pension plans.

Credit Facility

In August 2017, we entered into an Amended and Restated Credit Agreement that included a reduction in the size of our unsecured revolving Credit Facility from $2.0 billion to $1.8 billion and an extension in the maturity date from March 2019 to August 2022. The amended and restated Credit Facility also included a reduction in the letter of credit sub-facility from $300 to $250. The accordion feature of our previous $2.0 billion Credit Facility, which allowed us to increase (from time to time, with willing lenders) the overall size of the facility by $750, was retained. We also have the right to request a one year extension on any anniversary of the amendment date.

We deferred $5 of debt issuance costs in connection with this amendment, which includes approximately $2 of unamortized deferred debt issuance costs associated with the existing Credit Facility. The write-off of debt issuance costs associated with lenders who reduced their participation in the amended and restated Credit Facility were not material. At December 31, 2017 and 2016, we had no outstanding borrowings or letters of credit under the amended and restated Credit Facility.

The amended and restated $1.8 billion Credit Agreement also includes revisions to pricing as well as certain financial covenants as follows:

Borrowings under the amended and restated Credit Facility bear interest at our choice, at either (a) a Base Rate as defined in the new Credit Facility agreement, plus a spread that varies between 0.000% and 0.700% depending on our credit rating at the time of borrowing, or (b) LIBOR plus an all-in spread that varies between 1.000% and 1.700% depending on our credit rating at the time of borrowing. Based on our credit rating as of December 31, 2017, the applicable all-in spreads for the Base Rate and LIBOR borrowing were 0.175% and 1.175%, respectively.

An annual facility fee is payable to each lender in the amended and restated Credit Facility at a rate that varies between 0.125% and 0.300% depending on our credit rating. Based on our credit rating as of December 31, 2017 the applicable rate is 0.200%.

The amended and restated Credit Facility contains various conditions to borrowing and affirmative, negative and financial maintenance covenants. Certain of the more significant covenants are summarized below:

(a) Maximum leverage ratio (a quarterly test that is calculated as principal debt divided by consolidated EBITDA, both as defined in the amended and restated Credit Facility) of 4.25x.

(b) Minimum interest coverage ratio (a quarterly test that is calculated as consolidated EBITDA divided by consolidated interest expense, both as defined in the amended and restated Credit Facility) may not be less than 3.00x.

(c) Limitations on (i) liens securing debt, (ii) mergers, consolidations and liquidations, (iii) limitations on debt incurred by certain subsidiaries, (iv) sale of all or substantially all our assets, (v) payment restrictions affecting subsidiaries, (vi) non-arm's length transactions with affiliates, (vii) change in nature of business, (viii) actions that may violate OFAC and anti-corruption laws.

The amended and restated Credit Facility contains various events of default that are substantially similar to those included in the $2.0 billion Credit Facility, the occurrence of which could result in termination of the lenders' commitments to lend and the acceleration of all our obligations under the amended and restated Credit Facility. These events of default include, without limitation: (i) payment defaults, (ii) breaches of covenants under the amended and restated Credit Facility (certain of which breaches do not have any grace period), (iii) cross-defaults and acceleration to certain of our other obligations and (iv) a change of control of Xerox.

On February 15, 2018, we entered into an Amendment No. 1 to the Credit Agreement, which among other things, modifies the “change of control” provisions of the Credit Agreement to permit the consummation of the Fujifilm Transactions. See Note 24 - Subsequent Event for additional information regarding the Fujifilm Transactions.

Debt Exchange

In March 2017, we completed a private offering to exchange portions of certain outstanding Senior Notes due 2018 through 2020 (collectively, the old notes), listed below, for $300 of new Senior Notes due 2022 and $322 in cash consideration, which includes a $22 exchange premium.

The following principal amounts of each series of old notes were validly tendered and subsequently cancelled:

Maturity Date	Coupon	Principal Amount Exchanged	4.07% Senior Notes Due March 2022	Cash Consideration
Senior Notes due May 15, 2018	6.350%	$ 260	$ 130	$ 143
Senior Notes due March 15, 2019	2.750%	94	47	48
Senior Notes due December 15, 2019	5.625%	96	48	56
Senior Notes due May 15, 2020	2.800%	87	44	43
Senior Notes due August 20, 2020	3.500%	38	19	20
Senior Notes due September 1, 2020	2.750%	25	12	12
Total		$ 600	$ 300	$ 322

The new Senior Notes bear a fixed coupon rate of 4.07% and become due in March 2022. There were no other significant changes to the terms between the old and new Senior Notes. We recorded a loss of approximately $9 for the exchange premium and other carrying value adjustments related to the portion of the old notes exchanged for cash. However, the old notes exchanged for the new Senior Notes were accounted for as a debt modification and therefore approximately $9 related to the exchange premium and other carrying value adjustments for that portion was carried over as an adjustment to the carrying value of new Senior Notes and is expected to be accreted over the term of the new Senior Notes. Transaction costs incurred on the exchange and paid to third parties of $4 were expensed as part of the loss.

Commercial Paper

We have a private placement commercial paper (CP) program in the U.S. under which we may issue CP up to a maximum amount of $2.0 billion outstanding at any time. Aggregate CP and Credit Facility borrowings may not exceed $1.8 billion outstanding at any time. The maturities of the CP Notes will vary, but may not exceed 390 days from the date of issue. The CP Notes are sold at a discount from par or, alternatively, sold at par and bear interest at market rates. We had no CP outstanding at December 31, 2017 and 2016.

Interest

Interest paid on our short-term and long-term debt amounted to $268, $352 and $365 for the years ended December 31, 2017, 2016 and 2015, respectively.

	Year Ended December 31,		
	2017	2016	2015
Interest paid - continuing operations	$ 268	$ 332	$ 356
Interest paid - discontinued operations	—	20	9
Total interest paid on debt	$ 268	$ 352	$ 365

Interest expense and interest income was as follows:

	Year Ended December 31,		
	2017	2016	2015
Interest expense(1)	$ 252	$ 309	$ 346
Interest income(2)	302	330	352

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(1) Includes Equipment financing interest expense, as well as non-financing interest expense included in Other expenses, net in the Consolidated Statements of Income (Loss).

(2) Includes Finance income, as well as other interest income that is included in Other expenses, net in the Consolidated Statements of (Loss) Income.

Equipment financing interest is determined based on an estimated cost of funds, applied against the estimated level of debt required to support our net finance receivables. The estimated cost of funds is based on the interest cost associated with actual borrowings determined to be in support of the leasing business. The estimated level of debt continues to be based on an assumed 7 to 1 leverage ratio of debt/equity as compared to our average finance receivable balance during the applicable period.

Note 15 – Financial Instruments

We are exposed to market risk from changes in foreign currency exchange rates and interest rates, which could affect operating results, financial position and cash flows. We manage our exposure to these market risks through our regular operating and financing activities and, when appropriate, through the use of derivative financial instruments. These derivative financial instruments are utilized to hedge economic exposures, as well as to reduce earnings and cash flow volatility resulting from shifts in market rates. We enter into limited types of derivative contracts, including interest rate swap agreements, foreign currency spot, forward and swap contracts and net purchased foreign currency options to manage interest rate and foreign currency exposures. Our primary foreign currency market exposures include the Japanese Yen, Euro and U.K. Pound Sterling. The fair market values of all our derivative contracts change with fluctuations in interest rates and/or currency exchange rates and are designed so that any changes in their values are offset by changes in the values of the underlying exposures. Derivative financial instruments are held solely as risk management tools and not for trading or speculative purposes. The related cash flow impacts of all of our derivative activities are reflected as cash flows from operating activities.

We do not believe there is significant risk of loss in the event of non-performance by the counterparties associated with our derivative instruments because these transactions are executed with a diversified group of major financial institutions. Further, our policy is to deal only with counterparties having a minimum investment grade or better credit rating. Credit risk is managed through the continuous monitoring of exposures to such counterparties.

Interest Rate Risk Management

We use interest rate swap agreements to manage our interest rate exposure and to achieve a desired proportion of variable and fixed rate debt. These derivatives may be designated as fair value hedges or cash flow hedges depending on the nature of the risk being hedged.

Terminated Swaps

During the period from 2004 to 2011, we early terminated several interest rate swaps that were designated as fair value hedges of certain debt instruments. The associated net fair value adjustments to the debt instruments are being amortized to interest expense over the remaining term of the related notes. In 2017, 2016 and 2015, the amortization of these fair value adjustments reduced interest expense by $13, $19 and $22, respectively, and we expect to record a net decrease in interest expense of $4 in future years through 2022.

Fair Value Hedges

As of December 31, 2017 and 2016, pay variable/received fixed interest rate swaps with notional amounts of $300 and $300, respectively, and net asset fair value of $1 and $4, respectively, were designated and accounted for as fair value hedges. The swaps were structured to hedge the fair value of related debt by converting them from fixed rate instruments to variable rate instruments. No ineffective portion was recorded to earnings during 2017 or 2016.

The following is a summary of our fair value hedges at December 31, 2017:

Debt Instrument	Year First Designated	Notional Amount	Net Fair Value	Weighted Average Interest Rate Paid	Interest Rate Received	Basis	Maturity
Senior Note 2021	2014	$ 300	$ 1	2.80%	4.50%	Libor	2021

Foreign Exchange Risk Management

We are a global company, we are exposed to foreign currency exchange rate fluctuations in the normal course of our business. As a part of our foreign exchange risk management strategy, we use derivative instruments, primarily forward contracts and purchased option contracts, to hedge the following foreign currency exposures, thereby reducing volatility of earnings or protecting fair values of assets and liabilities:

- Foreign currency-denominated assets and liabilities
- Forecasted purchases, and sales in foreign currency

At December 31, 2017, we had outstanding forward exchange and purchased option contracts with gross notional values of $1,788, with terms of less than 12 months. Approximately 85% of these contracts at December 31, 2017 mature within three months, 8% in three to six months and 7% in six to twelve months.

The following is a summary of the primary hedging positions and corresponding fair values as of December 31, 2017:

Currencies Hedged (Buy/Sell)	Gross Notional Value	Fair Value Asset (Liability)(1)
U.S. Dollar/Euro	$ 406	$ (4)
Japanese Yen/U.S. Dollar	356	(5)
Japanese Yen/Euro	308	(9)
Euro/U.K. Pound Sterling	263	1
Canadian Dollar/Euro	100	(4)
Euro/Canadian Dollar	94	(2)
U.S. Dollar/Canadian Dollar	58	—
Euro/Japanese Yen	38	—
Swiss Franc/Euro	22	—
U.S. Dollar/Russian Ruble	19	—
Euro/Danish Krone	18	—
Mexican Peso/U.S. Dollar	13	—
All Other	93	—
Total Foreign Exchange Hedging	$ 1,788	$ (23)

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(1) Represents the net receivable (payable) amount included in the Consolidated Balance Sheet at December 31, 2017.

Foreign Currency Cash Flow Hedges

We designate a portion of our foreign currency derivative contracts as cash flow hedges of our foreign currency-denominated inventory purchases, sales and expenses. No amount of ineffectiveness was recorded in the Consolidated Statements of Income (Loss) for these designated cash flow hedges and all components of each derivative's gain or loss was included in the assessment of hedge effectiveness. The net liability fair value of these contracts were $14 and $20 as of December 31, 2017 and December 31, 2016, respectively.

Summary of Derivative Instruments Fair Value

The following table provides a summary of the fair value amounts of our derivative instruments:

		December 31,	
Designation of Derivatives	Balance Sheet Location	2017	2016
Derivatives Designated as Hedging Instruments			
Foreign exchange contracts – forwards	Other current assets	$ 1	$ 6
	Other current liabilities	(15)	(26)
Interest rate swaps	Other long-term assets	1	4
	Net Designated Derivative Liability	$ (13)	$ (16)
Derivatives NOT Designated as Hedging Instruments			
Foreign exchange contracts – forwards	Other current assets	$ 1	$ 82
	Other current liabilities	(10)	(13)
	Net Undesignated Derivative (Liability) Asset	$ (9)	$ 69
Summary of Derivatives	Total Derivative Assets	$ 3	$ 92
	Total Derivative Liabilities	(25)	(39)
	Net Derivative (Liability) Asset	$ (22)	$ 53

Summary of Derivative Instruments Gains (Losses)

Derivative gains and (losses) affect the income statement based on whether such derivatives are designated as hedges of underlying exposures. The following is a summary of derivative gains and (losses).

Designated Derivative Instruments Gains (Losses)

The following tables provide a summary of gains (losses) on derivative instruments:

Derivatives in Fair Value Relationships	Location of (Loss) Gain Recognized in Income	Year Ended December 31, Derivative (Loss) Gain Recognized in Income 2017	2016	2015	Hedged Item Gain (Loss) Recognized in Income 2017	2016	2015
Interest rate contracts	Interest expense	$ (3)	$ (3)	$ 2	$ 3	$ 3	$ (2)

Derivatives in Cash Flow Hedging Relationships	Year Ended December 31, Derivative (Loss) Gain Recognized in OCI (Effective Portion) 2017	2016	2015	Location of Derivative Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	(Loss) Gain Reclassified from AOCI to Income (Effective Portion) 2017	2016	2015
Foreign exchange contracts – forwards/options	$ (28)	$ 20	$ 17	Cost of sales	$ (35)	$ 42	$ (23)

No amount of ineffectiveness was recorded in the Consolidated Statements of Income (Loss) for these designated cash flow hedges and all components of each derivative’s gain or (loss) were included in the assessment of hedge effectiveness. In addition, no amount was recorded for an underlying exposure that did not occur or was not expected to occur.

As of December 31, 2017, net after-tax losses of $12 were recorded in accumulated other comprehensive loss associated with our cash flow hedging activity. The entire balance is expected to be reclassified into net income within the next 12 months, providing an offsetting economic impact against the underlying anticipated transactions.

Non-Designated Derivative Instruments Gains (Losses)

Non-designated derivative instruments are primarily instruments used to hedge foreign currency-denominated assets and liabilities. They are not designated as hedges since there is a natural offset for the re-measurement of the underlying foreign currency-denominated asset or liability.

The following table provides a summary of gains (losses) on non-designated derivative instruments:

Derivatives NOT Designated as Hedging Instruments	Location of Derivative (Loss) Gain	Year Ended December 31, 2017	2016	2015
Foreign exchange contracts – forwards	Other expense – Currency (losses) gains, net	$ (44)	$ 172	$ 17

During the three years ended December 31, 2017, we recorded Currency losses, net of $4, $13 and $2, respectively. Currency losses, net includes the mark-to-market adjustments of the derivatives not designated as hedging instruments and the related cost of those derivatives, as well as the re-measurement of foreign currency-denominated assets and liabilities.

Note 16 – Fair Value of Financial Assets and Liabilities

The following table represents assets and liabilities fair value measured on a recurring basis. The basis for the measurement at fair value in all cases is Level 2 – Significant Other Observable Inputs.

	As of December 31,	
	2017	2016
Assets		
Foreign exchange contracts - forwards	$ 2	$ 88
Interest rate swaps	1	4
Deferred compensation investments in mutual funds	18	15
Total	$ 21	$ 107
Liabilities		
Foreign exchange contracts - forwards	$ 25	$ 39
Deferred compensation plan liabilities	19	17
Total	$ 44	$ 56

We utilize the income approach to measure the fair value for our derivative assets and liabilities. The income approach uses pricing models that rely on market observable inputs such as yield curves, currency exchange rates and forward prices, and therefore are classified as Level 2.

Fair value for our deferred compensation plan investments in mutual funds is based on quoted market prices for those funds. Fair value for deferred compensation plan liabilities is based on the fair value of investments corresponding to employees' investment selections.

Summary of Other Financial Assets and Liabilities

The estimated fair values of our other financial assets and liabilities were as follows:

	December 31, 2017		December 31, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	$ 1,293	$ 1,293	$ 2,223	$ 2,223
Accounts receivable, net	1,357	1,357	961	961
Short-term debt	282	283	1,011	1,015
Long-term debt	5,235	5,373	5,305	5,438

The fair value amounts for Cash and cash equivalents and Accounts receivable, net, approximate carrying amounts due to the short maturities of these instruments. The fair value of Short and Long-term debt was estimated based on the current rates offered to us for debt of similar maturities (Level 2). The difference between the fair value and the carrying value represents the theoretical net premium or discount we would pay or receive to retire all debt at such date.

Note 17 – Employee Benefit Plans

We sponsor numerous defined benefit and defined contribution pension and other post-retirement benefit plans, primarily retiree health care, in our domestic and international operations. December 31 is the measurement date for all of our post-retirement benefit plans.

Over the past several years, where legally possible, we have amended our major defined benefit pension plans to freeze current benefits and eliminate benefits accruals for future service, including our primary U.S. defined benefit plan for salaried employees, the Canadian Salary Pension Plan and the U.K. Final Salary Pension Plan. The freeze of current benefits is the primary driver of the reduction in pension service costs since 2012. In certain Non-U.S. plans we are required to continue to consider salary increases and inflation in determining the benefit obligation related to prior service. The Netherlands defined benefit pension plan has also been amended to reflect the Company's ability to reduce the indexation of future pension benefits within the plan in scenarios when the returns on plan assets are insufficient to cover that indexation.

Prior to the freeze of current benefits, most of our defined benefit pension plans generally provided employees a benefit, depending on eligibility, calculated under a highest average pay and years of service formula. Our primary domestic defined benefit pension plans provided a benefit at the greater of (i) the highest average pay and years of service formula, (ii) the benefit calculated under a formula that provides for the accumulation of salary and interest credits during an employee's work life or (iii) the individual account balance from the Company's prior defined contribution plan (Transitional Retirement Account or TRA).

Pension plan assets consist of both defined benefit plan assets and assets legally restricted to the TRA accounts. The combined investment results for these plans, along with the results for our other defined benefit plans, are shown below in the “actual return on plan assets” caption. To the extent that investment results relate to TRA, such results are charged directly to these accounts as a component of interest cost.

	Pension Benefits					
	U.S. Plans		Non-U.S. Plans		Retiree Health	
	2017	2016	2017	2016	2017	2016
Change in Benefit Obligation:						
Benefit obligation, January 1	$ 4,161	$ 4,126	$ 6,160	$ 6,308	$ 761	$ 855
Service cost	2	4	29	31	5	6
Interest cost	226	184	158	195	28	32
Plan participants' contributions	—	—	4	4	2	1
Actuarial loss (gain)	392	114	(29)	636	(16)	(75)
Currency exchange rate changes	—	—	635	(774)	10	4
Plan Amendments/Curtailments	—	—	(4)	—	—	—
Benefits paid/settlements	(606)	(275)	(246)	(234)	(66)	(62)
Other	5	8	(4)	(6)	(1)	—
Benefit Obligation, December 31	$ 4,180	$ 4,161	$ 6,703	$ 6,160	$ 723	$ 761
Change in Plan Assets:						
Fair value of plan assets, January 1	$ 2,774	$ 2,806	$ 5,384	$ 5,353	$ —	$ —
Actual return on plan assets	381	220	453	804	—	—
Employer contributions	675	24	161	154	64	61
Plan participants' contributions	—	—	4	4	2	1
Currency exchange rate changes	—	—	557	(694)	—	—
Benefits paid/settlements	(606)	(275)	(246)	(234)	(66)	(62)
Other	—	(1)	(5)	(3)	—	—
Fair Value of Plan Assets, December 31	$ 3,224	$ 2,774	$ 6,308	$ 5,384	$ —	$ —
Net Funded Status at December 31(1)	$ (956)	$ (1,387)	$ (395)	$ (776)	$ (723)	$ (761)
Amounts Recognized in the Consolidated Balance Sheets:						
Other long-term assets	$ —	$ —	$ 193	$ 17	$ —	$ —
Accrued compensation and benefit costs	(26)	(24)	(25)	(22)	(61)	(63)
Pension and other benefit liabilities	(930)	(1,363)	(563)	(771)	—	—
Post-retirement medical benefits	—	—	—	—	(662)	(698)
Net Amounts Recognized	$ (956)	$ (1,387)	$ (395)	$ (776)	$ (723)	$ (761)

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(1) Includes under-funded and unfunded plans.

Benefit plans pre-tax amounts recognized in AOCL at December 31:

	Pension Benefits				Retiree Health	
	U.S. Plans		Non-U.S. Plans			
	2017	2016	2017	2016	2017	2016
Net actuarial loss	$ 1,178	$ 1,094	$ 1,562	$ 1,741	$ 22	$ 37
Prior service credit	(7)	(9)	(28)	(28)	(26)	(29)
Total Pre-tax Loss	$ 1,171	$ 1,085	$ 1,534	$ 1,713	$ (4)	$ 8
Accumulated Benefit Obligation	$ 4,179	$ 4,161	$ 6,483	$ 5,931		

Aggregate information for pension plans with an Accumulated benefit obligation in excess of plan assets is presented below:

	December 31, 2017			December 31, 2016		
	Projected benefit obligation	Accumulated benefit obligation	Fair value of plan assets	Projected benefit obligation	Accumulated benefit obligation	Fair value of plan assets
Underfunded Plans:						
U.S.	$ 3,830	$ 3,829	$ 3,224	$ 3,820	$ 3,820	$ 2,774
Non U.S.	814	799	723	4,535	4,368	4,194
Unfunded Plans:						
U.S.	$ 350	$ 350	$ —	$ 341	$ 341	$ —
Non U.S.	496	485	—	445	436	—
Total Underfunded and Unfunded Plans:						
U.S.	$ 4,180	$ 4,179	$ 3,224	$ 4,161	$ 4,161	$ 2,774
Non U.S.	1,310	1,284	723	4,980	4,804	4,194
Total	$ 5,490	$ 5,463	$ 3,947	$ 9,141	$ 8,965	$ 6,968

Our pension plan assets and benefit obligations at December 31, 2017 were as follows:

	Fair Value of Pension Plan Assets	Pension Benefit Obligations	Net Funded Status
U.S. funded	$ 3,224	$ 3,830	$ (606)
U.S. unfunded	—	350	(350)
Total U.S.	$ 3,224	$ 4,180	$ (956)
U.K.	4,098	3,948	150
Canada	749	777	(28)
Other	1,461	1,978	(517)
Total	$ 9,532	$ 10,883	$ (1,351)

The components of Net periodic benefit cost and other changes in plan assets and benefit obligations were as follows:

	Year Ended December 31,								
	Pension Benefits						Retiree Health		
	U.S. Plans			Non-U.S. Plans					
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Components of Net Periodic Benefit Costs:									
Service cost	$ 2	$ 4	$ 4	$ 29	$ 31	$ 32	$ 5	$ 6	$ 7
Interest cost(1)	226	184	80	158	195	203	28	32	34
Expected return on plan assets(2)	(227)	(190)	(79)	(221)	(249)	(284)	—	—	—
Recognized net actuarial loss	21	26	24	79	65	70	1	2	1
Amortization of prior service credit	(2)	(2)	(2)	(4)	(3)	4	(4)	(5)	(18)
Recognized settlement loss	133	65	88	2	1	1	—	—	—
Recognized curtailment gain	—	—	—	(2)	—	—	—	—	(22)
Defined Benefit Plans	153	87	115	41	40	26	30	35	2
Defined contribution plans	25	30	33	29	31	33	n/a	n/a	n/a
Net Periodic Benefit Cost	178	117	148	70	71	59	30	35	2
Other changes in plan assets and benefit obligations recognized in Other Comprehensive Income:									
Net actuarial (gain) loss	238	84	(74)	(273)	76	204	(16)	(75)	(4)
Prior service credit	—	—	—	(1)	—	(16)	—	—	(32)
Amortization of net actuarial loss	(154)	(92)	(112)	(81)	(66)	(71)	(1)	(2)	(1)
Amortization of net prior service credit	2	2	2	4	3	(4)	4	5	18
Curtailment gain	—	—	—	—	—	—	—	—	22
Total Recognized in Other Comprehensive Income	86	(6)	(184)	(351)	13	113	(13)	(72)	3
Total Recognized in Net Periodic Benefit Cost and Other Comprehensive Income	$ 264	$ 111	$ (36)	$ (281)	$ 84	$ 172	$ 17	$ (37)	$ 5

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(1) *Interest cost for Pension Benefits includes interest expense on non-TRA obligations of $257, $296 and $311 and interest expense (income) directly allocated to TRA participant accounts of $127, $83 and $(25) for the years ended December 31, 2017, 2016 and 2015, respectively.*

(2) *Expected return on plan assets includes expected investment income on non-TRA assets of $321, $356 and $388 and actual investment income (loss) on TRA assets of $127, $83 and $(25) for the years ended December 31, 2017, 2016 and 2015, respectively.*

The net actuarial loss and prior service credit for the defined benefit pension plans that will be amortized from Accumulated other comprehensive (loss) income into net periodic benefit cost over the next fiscal year are $(83) and $6, respectively, excluding amounts that may be recognized through settlement losses. The prior service credit for the retiree health benefit plans that will be amortized from Accumulated other comprehensive income (loss) into net periodic benefit cost over the next fiscal year is $3 and no amount is expected to be amortized for net actuarial loss.

Plan Amendments

Retiree-Health Plan

In 2015, we amended our U.S. Retiree Health Plan to eliminate future benefit accruals for active salaried employees effective December 31, 2015. There was no change in benefits for union employees or existing retirees or employees that retired before December 31, 2015. As a result of this plan amendment, we recognized a pre-tax curtailment gain of $22 in 2015. The gain represented the recognition of deferred gains from other prior-year amendments (“prior service credits”) as a result of the discontinuation of the future benefit or service accrual period for active salaried employees.

Plan Assets

Current Allocation

As of the 2017 and 2016 measurement dates, the global pension plan assets were $9,532 and $8,158, respectively. These assets were invested among several asset classes.

The following tables present the defined benefit plans assets measured at fair value and the basis for that measurement.

	December 31, 2017									
	U.S. Plans					Non-U.S. Plans				
Asset Class	Level 1	Level 2	Level 3	Assets measured at NAV(1)	Total	Level 1	Level 2	Level 3	Assets measured at NAV(1)	Total
Cash and cash equivalents	$ 2	$ —	$ —	$ —	$ 2	$ 686	$ —	$ —	$ —	$ 686
Equity Securities:										
U.S.	104	—	—	31	135	310	24	—	—	334
International	134	—	—	52	186	441	676	—	127	1,244
Fixed Income Securities:										
U.S. treasury securities	—	384	—	—	384	—	42	—	—	42
Debt security issued by government agency	—	127	—	—	127	—	1,938	—	—	1,938
Corporate bonds	—	1,866	—	—	1,866	—	784	—	—	784
Asset backed securities	—	—	—	—	—	—	—	—	—	—
Derivatives	—	(20)	—	—	(20)	—	74	—	—	74
Real estate	24	—	—	11	35	—	—	137	176	313
Private equity/venture capital	—	—	—	433	433	—	58	7	662	727
Guaranteed insurance contracts	—	—	—	—	—	—	—	100	—	100
Other(2)	33	—	—	43	76	6	60	—	—	66
Total Fair Value of Plan Assets	$ 297	$ 2,357	$ —	$ 570	$ 3,224	$ 1,443	$ 3,656	$ 244	$ 965	$ 6,308

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(1) Certain assets that are measured at fair value using the NAV per share (or its equivalent) practical expedient, have not been classified in the fair value hierarchy.
(2) Other Level 1 includes net non-financial (liabilities) assets of $33 U.S. and $15 Non-U.S., respectively, such as due to/from broker, interest receivables and accrued expenses.

	December 31, 2016									
	U.S. Plans					Non-U.S. Plans				
Asset Class	Level 1	Level 2	Level 3	Assets measured at NAV(1)	Total	Level 1	Level 2	Level 3	Assets measured at NAV(1)	Total
Cash and cash equivalents	$ —	$ —	$ —	$ —	$ —	$ 544	$ —	$ —	$ —	$ 544
Equity Securities:										
U.S.	320	—	—	68	388	266	42	—	—	308
International	258	—	—	160	418	358	722	—	127	1,207
Fixed Income Securities:										
U.S. treasury securities	—	233	—	—	233	—	44	—	—	44
Debt security issued by government agency	—	65	—	—	65	—	1,654	—	—	1,654
Corporate bonds	—	1,052	—	—	1,052	—	618	—	—	618
Asset backed securities	—	2	—	—	2	—	1	—	—	1
Derivatives	—	(38)	—	—	(38)	—	64	—	—	64
Real estate	36	—	12	34	82	—	—	121	168	289
Private equity/venture capital	—	—	—	490	490	—	60	6	425	491
Guaranteed insurance contracts	—	—	—	—	—	—	—	104	—	104
Other(2)	15	—	—	67	82	6	54	—	—	60
Total Fair Value of Plan Assets	$ 629	$ 1,314	$ 12	$ 819	$ 2,774	$ 1,174	$ 3,259	$ 231	$ 720	$ 5,384

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(1) Certain assets that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.
(2) Other Level 1 includes net non-financial (liabilities) assets of $15 U.S. and $6 Non-U.S., respectively, such as due to/from broker, interest receivables and accrued expenses.

The following tables represents a roll-forward of the defined benefit plans assets measured at fair value using significant unobservable inputs (Level 3 assets):

	U.S.	Non-U.S.			
	Real Estate	Real Estate	Private Equity/Venture Capital	Guaranteed Insurance Contracts	Total
Balance at December 31, 2015	$ 17	$ 145	$ 4	$ 120	$ 269
Purchases	—	1	2	2	5
Sales	(3)	(13)	(1)	(12)	(26)
Realized gains	—	6	—	1	7
Unrealized losses	(2)	(5)	(4)	(3)	(12)
Currency translation	—	(13)	5	(4)	(12)
Balance at December 31, 2016	$ 12	$ 121	$ 6	$ 104	$ 231
Purchases	—	1	—	—	1
Transfers out of Level 3	(7)	—	—	—	—
Sales	(5)	—	—	(2)	(2)
Realized losses	(9)	(1)	—	—	(1)
Unrealized gains (losses)	9	7	(16)	(15)	(24)
Currency translation	—	9	17	13	39
Balance at December 31, 2017	$ —	$ 137	$ 7	$ 100	$ 244

Level 3 Valuation Method

Our primary Level 3 assets are Real Estate and Private Equity/Venture Capital investments. The fair value of our real estate investment funds are based on the Net Asset Value (NAV) of our ownership interest in the funds. NAV information is received from the investment advisers and is primarily derived from third-party real estate appraisals for the properties owned. The fair value for our private equity/venture capital partnership investments are based on our share of the estimated fair values of the underlying investments held by these partnerships as reported (or expected to be reported) in their audited financial statements. The valuation techniques and inputs for our Level 3 assets have been consistently applied for all periods presented.

Investment Strategy

The target asset allocations for our worldwide defined benefit pension plans were:

	2017		2016	
	U.S.	Non-U.S.	U.S.	Non-U.S.
Equity investments	12%	24%	30%	28%
Fixed income investments	73%	45%	48%	45%
Real estate	3%	5%	6%	5%
Private equity/venture capital	6%	12%	8%	9%
Other	6%	14%	8%	13%
Total Investment Strategy	100%	100%	100%	100%

We employ a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. The intent of this strategy is to minimize plan expenses by exceeding the interest growth in long-term plan liabilities. Risk tolerance is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. This consideration involves the use of long-term measures that address both return and risk. The investment portfolio contains a diversified blend of equity and fixed income investments. Furthermore, equity investments are diversified across U.S. and non-U.S. stocks, as well as growth, value and small and large capitalizations. Other assets such as real estate, private equity, and hedge funds are used to improve portfolio diversification. Derivatives may be used to hedge market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments. Investment risks and returns are measured and monitored on an ongoing basis through annual liability measurements and quarterly investment portfolio reviews.

Expected Long-term Rate of Return

We employ a “building block” approach in determining the long-term rate of return for plan assets. Historical markets are studied and long-term relationships between equities and fixed income are assessed. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term portfolio return is established giving consideration to investment diversification and rebalancing. Peer data and historical returns are reviewed periodically to assess reasonableness and appropriateness.

Contributions

The following table summarizes cash contributions to our defined benefit pension plans and retiree health benefit plans.

	Year Ended December 31,	
	2017	Estimated 2018
U.S. Plans	$ 675	$ 76
Non-U.S. Plans	161	116
Total	$ 836	$ 192
Retiree Health	$ 64	$ 62

The 2017 U.S. pension plan contributions of $675 include $650 contributed to our domestic tax-qualified defined benefit plans, which was comprised of $15 to meet the minimum funding requirements and $635 of additional voluntary contributions. The original estimate of 2017 voluntary contributions to our U.S. pension plans of $135 was increased by $500 to $635 as a result of funding provided from a Senior Note offering in the third quarter 2017. Refer to Note 14 - Debt for further information regarding the issuance of the Senior Notes.

There are no contributions required in 2018 for our U.S. tax-qualified defined benefit plans to meet the minimum funding requirements. However, our estimated 2018 contributions include $50 of voluntary contributions to these plans.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid during the following years:

	Pension Benefits			
	U.S.	Non-U.S.	Total	Retiree Health
2018	$ 528	$ 241	$ 769	$ 62
2019	301	246	547	60
2020	312	252	564	58
2021	293	260	553	57
2022	315	266	581	55
Years 2023-2027	1,456	1,436	2,892	239

Assumptions

Weighted-average assumptions used to determine benefit obligations at the plan measurement dates:

	Pension Benefits					
	2017		2016		2015	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	3.6%	2.3%	4.0%	2.5%	4.3%	3.3%
Rate of compensation increase	0.2%	2.6%	0.2%	2.6%	0.2%	2.7%

	Retiree Health		
	2017	2016	2015
Discount rate	3.5%	3.9%	4.1%

Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31:

	Pension Benefits							
	2018		2017		2016		2015	
	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.	U.S.	Non-U.S.
Discount rate	3.6%	2.3%	4.0%	2.5%	4.3%	3.3%	3.9%	3.1%
Expected return on plan assets	5.8%	3.8%	7.0%	4.1%	7.5%	4.8%	7.5%	5.2%
Rate of compensation increase	0.2%	2.6%	0.2%	2.6%	0.2%	2.7%	0.2%	2.6%

	Retiree Health			
	2018	2017	2016	2015
Discount rate	3.5%	3.9%	4.1%	3.8%

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Note: Expected return on plan assets is not applicable to retiree health benefits as these plans are not funded. Rate of compensation increase is not applicable to retiree health benefits as compensation levels do not impact earned benefits.

Assumed health care cost trend rates were as follows:

	December 31,	
	2017	2016
Health care cost trend rate assumed for next year	6.8%	7.2%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.8%	4.8%
Year that the rate reaches the ultimate trend rate	2026	2026

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1% increase	1% decrease
Effect on total service and interest cost components	$ 2	$ (2)
Effect on post-retirement benefit obligation	53	(46)

Defined Contribution Plans

We have post-retirement savings and investment plans in several countries, including the U.S., the U.K. and Canada. In many instances, employees who participated in the defined benefit pension plans that have been amended to freeze future service accruals were transitioned to an enhanced defined contribution plan. In these plans employees are allowed to contribute a portion of their salaries and bonuses to the plans, and we match a portion of the employee contributions. We recorded charges related to our defined contribution plans of $54 in 2017, $61 in 2016 and $66 in 2015.

Note 18 - Income and Other Taxes

Income before income taxes (pre-tax income) from continuing operations was as follows:

	Year Ended December 31,		
	2017	2016	2015
Domestic income	$ 399	$ 415	$ 613
Foreign income	171	153	311
Income Before Income Taxes	$ 570	$ 568	$ 924

Provision for income taxes from continuing operations were as follows:

	Year Ended December 31,		
	2017	2016	2015
Federal Income Taxes			
Current	$ 7	$ (15)	$ (225)
Deferred(1)	411	(4)	300
Foreign Income Taxes			
Current	62	71	73
Deferred	(21)	(13)	7
State Income Taxes			
Current	13	15	(38)
Deferred	9	8	76
Total Provision	$ 481	$ 62	$ 193

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(1) Includes $400 estimated impact of the Tax Cuts and Jobs Act (the "Tax Act").

A reconciliation of the U.S. federal statutory income tax rate to the consolidated effective income tax rate was as follows:

	Year Ended December 31,		
	2017	2016	2015
U.S. federal statutory income tax rate	35.0 %	35.0 %	35.0 %
Nondeductible expenses	1.2 %	2.9 %	1.1 %
Effect of tax law changes	70.2 %	1.2 %	(1.0)%
Change in valuation allowance for deferred tax assets	1.0 %	(1.4)%	(1.6)%
State taxes, net of federal benefit	2.3 %	3.0 %	2.2 %
Audit and other tax return adjustments	(8.0)%	(4.1)%	1.3 %
Tax-exempt income, credits and incentives	(2.9)%	(4.0)%	(1.8)%
Foreign rate differential adjusted for U.S. taxation of foreign profits(1)	(15.2)%	(22.6)%	(15.3)%
Other	0.9 %	0.9 %	1.0 %
Effective Income Tax Rate	84.5 %	10.9 %	20.9 %

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(1) The "U.S. taxation of foreign profits" represents the U.S. tax, net of foreign tax credits, associated with actual and deemed repatriations of earnings from our non-U.S. subsidiaries.

On a consolidated basis, including discontinued operations, we paid a total of $84, $130 and $138 in income taxes to federal, foreign and state jurisdictions during the three years ended December 31, 2017, respectively.

Total income tax expense (benefit) was allocated as follows:

	Year Ended December 31,		
	2017	2016	2015
Pre-tax income	$ 481	$ 62	$ 193
Discontinued operations(1)	(12)	(250)	(134)
Common shareholders' equity:			
Changes in defined benefit plans	63	15	59
Stock option and incentive plans, net	—	—	(18)
Cash flow hedges	5	(8)	15
Translation adjustments	1	2	—
Total Income Tax Expense (Benefit)	$ 538	$ (179)	$ 115

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(1) Refer to Note 5 - Divestitures for additional information regarding discontinued operations.

Unrecognized Tax Benefits and Audit Resolutions

We recognize tax liabilities when, despite our belief that our tax return positions are supportable, we believe that certain positions may not be fully sustained upon review by tax authorities. Each period, we assess uncertain tax positions for recognition, measurement and effective settlement. Benefits from uncertain tax positions are measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement - the more-likely-than-not recognition threshold. Where we have determined that our tax return filing position does not satisfy the more likely than not recognition threshold, we have recorded no tax benefits.

We are also subject to ongoing tax examinations in numerous jurisdictions due to the extensive geographical scope of our operations. Our ongoing assessments of the more-likely-than-not outcomes of the examinations and related tax positions require judgment and can increase or decrease our effective tax rate, as well as impact our operating results. The specific timing of when the resolution of each tax position will be reached is uncertain. As of December 31, 2017, we do not believe that there are any positions for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease within the next 12 months.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2017	2016	2015
Balance at January 1	$ 165	$ 222	$ 207
Additions (Reductions) related to current year	1	(9)	36
Additions related to prior years positions	10	—	—
Reductions related to prior years positions	(46)	(31)	(5)
Settlements with taxing authorities[(1)]	(5)	—	(6)
Reductions related to lapse of statute of limitations	(3)	(2)	(9)
Currency	3	(2)	(1)
Tax Positions assumed in Conduent Separation	—	(13)	—
Balance at December 31	$ 125	$ 165	$ 222

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(1) Majority of settlements did not result in the utilization of cash.

Included in the balances at December 31, 2017, 2016 and 2015 are $8, $5 and $9, respectively, of tax positions that are highly certain of realizability but for which there is uncertainty about the timing or that they may be reduced through an indirect benefit from other taxing jurisdictions. Because of the impact of deferred tax accounting, other than for the possible incurrence of interest and penalties, the disallowance of these positions would not affect the annual effective tax rate.

Within income tax expense, we recognize interest and penalties accrued on unrecognized tax benefits, as well as interest received from favorable settlements. We had $5, $10 and $2 accrued for the payment of interest and penalties associated with unrecognized tax benefits at December 31, 2017, 2016 and 2015, respectively.

In the U.S., we are no longer subject to U.S. federal income tax examinations for years before 2012. With respect to our major foreign jurisdictions, we are no longer subject to tax examinations by tax authorities for years before 2007.

Tax Cuts and Jobs Act (the "Tax Act")

On December 22, 2017, the Tax Cuts and Jobs Act (the “Tax Act”) was enacted in the U.S. The Tax Act significantly revises the U.S. corporate income tax system by, among other things, lowering the U.S. statutory corporate income tax rate from 35% to 21% and implementing a territorial tax system that includes a transition tax on deemed repatriated earnings of foreign subsidiaries.

During the fourth quarter 2017, we recorded an estimated non-cash provisional charge of $400 reflecting the impact associated with the provisions of the Tax Act based on currently available information.

Foreign tax effects: The deemed repatriation tax is based on total post-1986 earnings and profits (E&P) that have previously been deferred from U.S. income taxes. We recorded a provisional charge for our deemed repatriation tax of $165. We expect to utilize our existing foreign tax credit carryforwards to settle the estimated deemed repatriation tax. We have not yet completed our calculation of the total post-1986 foreign E&P for our foreign subsidiaries. Further, the deemed repatriation tax is based in part on the amount of those earnings held in cash and other specified assets. This amount may change when we fully develop and finalize the calculations of post-1986 foreign E&P previously deferred from U.S. income taxes and the amounts held in cash or other specified assets. In addition, clarifications in the law and further legislative guidance that may be issued could impact this calculation.

Our estimated charge for the Tax Act also included a provisional charge of approximately $100 for other tax liabilities and adjustments resulting from our provisional estimate of the actual and anticipated distributions of our net accumulated foreign E&P. As a consequence of the Tax Act, we now provisionally no longer consider our foreign earnings indefinitely reinvested. This estimate is subject to refinement based on a final determination of the amount of our foreign earnings as well as the jurisdictions that will subject these earnings to tax.

Deferred tax assets and liabilities: We remeasured certain deferred tax assets and liabilities based on the new statutory income tax rate of 25%, inclusive of estimated state taxes. We recorded a provisional amount related to the remeasurement of our deferred tax balance of $135. However, we are still analyzing certain aspects of the Tax Act, evaluating the state tax implications, refining our calculations and assessing our position on various available elections, which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts.

In summary, our estimated provisional charge incorporates assumptions made based on our current interpretation of the Tax Act as well as currently available information and may change, possibly materially, as we complete our analysis and receive additional clarification and implementation guidance. Changes in interpretations and assumptions, as well as actions we may take as a result of the Tax Act may also impact this estimated charge. In addition, certain tax positions will likely get finalized when we file our 2017 U.S. tax return, which will enable us to conclude whether any further adjustments are required to our net deferred tax balances in the U.S. as well as to the liability associated with the deemed repatriation tax. Any adjustments to these provisional amounts will be reported as a component of Income tax expense in the reporting period in which any such adjustments are determined. Further, the Company is in the process of analyzing the effects of new taxes due on certain foreign income, such as GILTI (global intangible low-taxed income), BEAT (base-erosion anti-abuse tax), FDII (foreign-derived intangible income) and limitations on interest expense deductions (if certain conditions apply) that are effective starting in 2018, and other provisions of the Tax Legislation. The Company has elected to account for GILTI as period costs if and when incurred pursuant to the exposure draft issued by the FASB in January 2018.

Deferred Income Taxes

As of December 31, 2016, we did not provide any deferred taxes on undistributed earnings of our foreign subsidiaries and other foreign investments carried at equity since such undistributed earnings were determined to be indefinitely reinvested and we did not have any plans to initiate an action that would precipitate a deferred tax impact. During the fourth quarter of 2017, we changed our intent with regard to the net accumulated earnings and profits of our foreign subsidiaries and other foreign investments carried at equity. The change was prompted by the Tax Act enacted in December 2017 as discussed above. In connection with this change, we provided an estimate for the transition tax on the deemed repatriated foreign earnings as well as an estimate for state and foreign taxes on future distributions of net accumulated foreign earnings and profits.

The tax effects of temporary differences that give rise to significant portions of the deferred taxes were as follows:

	December 31,	
	2017	2016
Deferred Tax Assets		
Research and development	$ 143	$ 289
Post-retirement medical benefits	183	276
Net operating losses	432	407
Operating reserves, accruals and deferrals	128	190
Tax credit carryforwards	646	751
Deferred and share-based compensation	43	76
Pension	308	660
Depreciation	106	8
Other	62	73
Subtotal	2,051	2,730
Valuation allowance	(435)	(416)
Total	$ 1,616	$ 2,314
Deferred Tax Liabilities		
Unearned income and installment sales	$ 344	$ 633
Intangibles and goodwill	134	200
Unremitted earnings of foreign subsidiaries	140	9
Other	14	39
Total	$ 632	$ 881
Total Deferred Taxes, Net	$ 984	$ 1,433

The deferred tax assets for the respective periods were assessed for recoverability and, where applicable, a valuation allowance was recorded to reduce the total deferred tax asset to an amount that will, more-likely-than-not, be realized in the future. The net change in the total valuation allowance for the years ended December 31, 2017 and 2016 was an increase of $19 and $33, respectively. The valuation allowance relates primarily to certain net operating loss carryforwards, tax credit carryforwards and deductible temporary differences for which we have concluded it is more-likely-than-not that these items will not be realized in the ordinary course of operations.

Although realization is not assured, we have concluded that it is more-likely-than-not that the deferred tax assets, for which a valuation allowance was determined to be unnecessary, will be realized in the ordinary course of operations based on the available positive and negative evidence, including scheduling of deferred tax liabilities and projected income from operating activities. The amount of the net deferred tax assets considered realizable, however, could be reduced in the near term if actual future income or income tax rates are lower than estimated, or if there are differences in the timing or amount of future reversals of existing taxable or deductible temporary differences.

At December 31, 2017, we had tax credit carryforwards of $646 available to offset future income taxes, of which $23 are available to carryforward indefinitely while the remaining $623 will expire 2018 through 2038 if not utilized. We also had net operating loss carryforwards for income tax purposes of $0.8 billion that will expire 2018 through 2038, if not utilized, and $1.8 billion available to offset future taxable income indefinitely.

Note 19 – Contingencies and Litigation

As more fully discussed below, we are involved in a variety of claims, lawsuits, investigations and proceedings concerning: securities law; governmental entity contracting, servicing and procurement law; intellectual property law; environmental law; employment law; the Employee Retirement Income Security Act (ERISA); and other laws and regulations. We determine whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. We assess our potential liability by analyzing our litigation and regulatory matters using available information. We develop our views on estimated losses in consultation with outside counsel handling our defense in these matters, which involves an analysis of potential results, assuming a combination of litigation and settlement strategies. Should developments in any of these matters cause a change in our determination as to an unfavorable outcome and result in the need to recognize a material accrual, or should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on our results of operations, cash flows and financial position in the period or periods in which such change in determination, judgment or settlement occurs.

Additionally, guarantees, indemnifications and claims arise during the ordinary course of business from relationships with suppliers, customers and nonconsolidated affiliates, as well as through divestitures and sales of businesses, when the Company undertakes an obligation to guarantee the performance of others if specified triggering events occur. Nonperformance under a contract could trigger an obligation of the Company. These potential claims include actions based upon alleged exposures to products, real estate, intellectual property such as patents, environmental matters, and other indemnifications. The ultimate effect on future financial results is not subject to reasonable estimation because considerable uncertainty exists as to the final outcome of these claims. However, while the ultimate liabilities resulting from such claims may be significant to results of operations in the period recognized, management does not anticipate they will have a material adverse effect on the Company's consolidated financial position or liquidity. As of December 31, 2017, we have accrued our estimate of liability incurred under our indemnification arrangements and guarantees.

Brazil Tax and Labor Contingencies

Our Brazilian operations are involved in various litigation matters and have received or been the subject of numerous governmental assessments related to indirect and other taxes, as well as disputes associated with former employees and contract labor. The tax matters, which comprise a significant portion of the total contingencies, principally relate to claims for taxes on the internal transfer of inventory, municipal service taxes on rentals and gross revenue taxes. We are disputing these tax matters and intend to vigorously defend our positions. Based on the opinion of legal counsel and current reserves for those matters deemed probable of loss, we do not believe that the ultimate resolution of these matters will materially impact our results of operations, financial position or cash flows.

The labor matters principally relate to claims made by former employees and contract labor for the equivalent payment of all social security and other related labor benefits, as well as consequential tax claims, as if they were regular employees. As of December 31, 2017, the total amounts related to the unreserved portion of the tax and labor contingencies, inclusive of related interest, amounted to approximately $600 with the decrease from the December 31, 2016 balance of $750, primarily related to closed cases partially offset by interest. With respect to the unreserved balance of $600, the majority has been assessed by management as being remote as to the likelihood of ultimately resulting in a loss to the Company. In connection with the above proceedings, customary local regulations may require us to make escrow cash deposits or post other security of up to half of the total amount in dispute. As of December 31, 2017 we had $72 of escrow cash deposits for matters we are disputing and additional letters of credit and surety bonds of $147 and $98, respectively, which include associated indexation. There were no liens on Brazilian assets as of December 31, 2017. Generally, any escrowed amounts would be refundable and any liens would be removed to the extent the matters are resolved in our favor. We routinely assess all these matters as to probability of ultimately incurring a liability against our Brazilian operations and record our best estimate of the ultimate loss in situations where we assess the likelihood of an ultimate loss as probable.

Litigation Against the Company

Transactions to Combine Xerox and Fuji Xerox: In February 2018, five complaints, including four purported class actions, were filed by Xerox shareholders in the Supreme Court of the State of New York, County of New York in connection with the proposed transactions to combine Xerox and Fuji Xerox. All of the complaints name as defendants Xerox, its directors, and FUJIFILM Holdings Corporation ("Fujifilm"). The complaint in one of the actions also names as a defendant Ursula M. Burns, the former Chief Executive Officer of Xerox. The plaintiffs allege, among other things, that Xerox's directors breached their fiduciary duties in negotiating, approving, and purportedly making false and misleading disclosures about the proposed transactions, and that Xerox and/or Fujifilm aided and abetted those breaches. The complaint in one of the actions further alleges that all defendants engaged in common law fraud by purportedly failing to disclose information about the joint venture agreements between Xerox and Fujifilm. The lawsuits seek injunctive relief preventing the proposed transactions, and/or additional disclosures by Xerox's directors, various directions to Xerox's directors, unspecified damages from Xerox's directors, costs and attorneys' fees, as well as other relief. Xerox believes the lawsuits are meritless and will vigorously defend them. At this time, however, it is premature to make any conclusion regarding the probability of incurring material losses in these litigations. Should developments cause a change in our determination as to an unfavorable outcome, or result in a final adverse judgment or settlement, there could be a material adverse effect on our results of operations, cash flows and financial position in the period in which such change in determination, judgment, or settlement occurs, including an inability to close the proposed transactions.

State of Texas v. Xerox Corporation, Xerox State Healthcare, LLC, and ACS State Healthcare, LLC: On May 9, 2014, the State of Texas, via the Texas Office of Attorney General (the "State"), filed a lawsuit in the 53rd Judicial District Court of Travis County, Texas. The lawsuit alleges that Xerox Corporation, Xerox State Healthcare, LLC and ACS State Healthcare (collectively "the Defendants") violated the Texas Medicaid Fraud Prevention Act in the administration of ACS's contract with the Texas Department of Health and Human Services ("HHSC"). Xerox Corporation provided a guaranty of contractual performance with respect to the ACS contract. The State alleges that the Defendants made false representations of material facts regarding the processes, procedures, implementation and results regarding the prior authorization of orthodontic claims. The State seeks recovery of actual damages, two times the amount of any overpayments made as a result of unlawful acts, civil penalties, pre- and post-judgment interest and all costs and attorneys' fees. The State references the amount in controversy as exceeding hundreds of millions of dollars. The Defendants filed their Answer in June 2014 denying all allegations. In August 2017, the State of Texas filed a Second Amended Petition, which makes substantially similar allegations and seeks similar remedies as the original lawsuit. On October 23, 2017, Xerox Corporation filed a Motion for Summary Judgment seeking judgment in Xerox's favor on all claims against it. The Defendants will continue to vigorously defend themselves in this matter. This matter is a "Conduent Liability", as defined in the Separation and Distribution Agreement dated as of December 31, 2016 between Xerox Corporation and Conduent Incorporated, for which Conduent is required to indemnify Xerox. Conduent is entitled to direct the defense of this matter.

Oklahoma Firefighters Pension and Retirement System v. Xerox Corporation, Ursula M. Burns, Luca Maestri, Kathryn A. Mikells, Lynn R. Blodgett, Robert K. Zapfel, David H. Bywater and Mary Scanlon: On October 21, 2016, the Oklahoma Firefighters Pension and Retirement System ("plaintiff") filed a purported securities class action complaint against Xerox Corporation, Ursula Burns, Luca Maestri, Kathryn Mikells, Lynn Blodgett and Robert Zapfel (collectively, "defendants") in the U.S. District Court for the Southern District of New York on behalf of the plaintiff and certain purchasers or acquirers of Xerox common stock. The complaint alleged that defendants made false and misleading statements, in violation of Sections 10(b) and 20(a) of the Securities Exchange Act and SEC Rule 10b-5, relating to the operations and prospects of Xerox's Health Enterprise business. Plaintiff sought, among other things, unspecified monetary damages and attorneys' fees. Other, similar lawsuits may follow. On December 28, 2016, the Court entered a stipulated order setting out a schedule for amendment of the complaint and for defendants' response to that complaint following the Court's appointment of lead plaintiff under the Private Securities Litigation Reform Act. On February 28, 2017, the Court issued an opinion and order appointing the Arkansas Public Employees Retirement System ("APERS") as lead plaintiff. On May 1, 2017, APERS filed an amended complaint, alleging substantially similar claims and seeking substantially similar relief, but adding David Bywater and Mary Scanlon as defendants. On June 30, 2017, defendants moved to dismiss the amended complaint, and the motion was fully briefed on October 13, 2017. Xerox will vigorously defend against this matter. At this time, it is premature to make any conclusion regarding the probability of incurring material losses in this litigation. Should developments cause a change in our determination as to an unfavorable outcome, or result in a final adverse judgment or settlement, there could be a material adverse effect on our results of operations, cash flows and financial position in the period in which such change in determination, judgment, or settlement occurs.

Guarantees, Indemnifications and Warranty Liabilities

Indemnifications Provided as Part of Contracts and Agreements

Acquisitions/Divestitures:

We have indemnified, subject to certain deductibles and limits, the purchasers of businesses or divested assets for the occurrence of specified events under certain of our divestiture agreements. In addition, we customarily agree to hold the other party harmless against losses arising from a breach of representations and covenants, including such matters as adequate title to assets sold, intellectual property rights, specified environmental matters and certain income taxes arising prior to the date of acquisition. Where appropriate, an obligation for such indemnifications is recorded as a liability at the time of the acquisition or divestiture. Since the obligated amounts of these types of indemnifications are often not explicitly stated and/or are contingent on the occurrence of future events, the overall maximum amount of the obligation under such indemnifications cannot be reasonably estimated. Other than obligations recorded as liabilities at the time of divestiture, we have not historically made significant payments for these indemnifications. Additionally, under certain of our acquisition agreements, we have provided for additional consideration to be paid to the sellers if established financial targets are achieved post-closing. We have recognized liabilities for these contingent obligations based on an estimate of the fair value of these contingencies at the time of acquisition. Contingent obligations related to indemnifications arising from our divestitures and contingent consideration provided for by our acquisitions are not expected to be material to our financial position, results of operations or cash flows.

Other Agreements:

We are also party to the following types of agreements pursuant to which we may be obligated to indemnify the other party with respect to certain matters:

- Guarantees on behalf of our subsidiaries with respect to real estate leases. These lease guarantees may remain in effect subsequent to the sale of the subsidiary.
- Agreements to indemnify various service providers, trustees and bank agents from any third-party claims related to their performance on our behalf, with the exception of claims that result from third-party's own willful misconduct or gross negligence.
- Guarantees of our performance in certain sales and services contracts to our customers and indirectly the performance of third parties with whom we have subcontracted for their services. This includes indemnifications to customers for losses that may be sustained as a result of the use of our equipment at a customer's location.

In each of these circumstances, our payment is conditioned on the other party making a claim pursuant to the procedures specified in the particular contract and such procedures also typically allow us to challenge the other party's claims. In the case of lease guarantees, we may contest the liabilities asserted under the lease. Further, our obligations under these agreements and guarantees may be limited in terms of time and/or amount, and in some instances, we may have recourse against third parties for certain payments we made.

Patent Indemnifications

In most sales transactions to resellers of our products, we indemnify against possible claims of patent infringement caused by our products or solutions. In addition, we indemnify certain software providers against claims that may arise as a result of our use or our subsidiaries', customers' or resellers' use of their software in our products and solutions. These indemnities usually do not include limits on the claims, provided the claim is made pursuant to the procedures required in the sales contract.

Indemnification of Officers and Directors

Our corporate by-laws require that, except to the extent expressly prohibited by law, we must indemnify Xerox Corporation's officers and directors against judgments, fines, penalties and amounts paid in settlement, including legal fees and all appeals, incurred in connection with civil or criminal action or proceedings, as it relates to their services to Xerox Corporation and our subsidiaries. Although the by-laws provide no limit on the amount of indemnification, we may have recourse against our insurance carriers for certain payments made by us. However, certain indemnification payments (such as those related to "clawback" provisions in certain compensation arrangements) may not be covered under our directors' and officers' insurance coverage. We also indemnify certain fiduciaries of our employee benefit plans for liabilities incurred in their service as fiduciary whether or not they are officers of the Company. Finally, in connection with our acquisition of businesses, we may become contractually obligated to indemnify certain former and current directors, officers and employees of those businesses in accordance with pre-acquisition by-laws and/or indemnification agreements and/or applicable state law.

Product Warranty Liabilities

In connection with our normal sales of equipment, including those under sales-type leases, we generally do not issue product warranties. Our arrangements typically involve a separate full service maintenance agreement with the customer. The agreements generally extend over a period equivalent to the lease term or the expected useful life of the equipment under a cash sale. The service agreements involve the payment of fees in return for our performance of repairs and maintenance. As a consequence, we do not have any significant product warranty obligations, including any obligations under customer satisfaction programs. In a few circumstances, particularly in certain cash sales, we may issue a limited product warranty if negotiated by the customer. We also issue warranties for certain of our entry level products, where full service maintenance agreements are not available. In these instances, we record warranty obligations at the time of the sale. Aggregate product warranty liability expenses for the three years ended December 31, 2017 were $15, $15 and $22, respectively. Total product warranty liabilities as of December 31, 2017 and 2016 were $7 and $8, respectively.

Other Contingencies

We have issued or provided approximately $370 of guarantees as of December 31, 2017 in the form of letters of credit or surety bonds issued to i) support certain insurance programs; ii) support our obligations related to the Brazil tax and labor contingencies; and iii) support certain contracts, primarily with public sector customers, which require us to provide a surety bond as a guarantee of our performance of contractual obligations.

In general, we would only be liable for the amount of these guarantees in the event we defaulted in performing our obligations under each contract; the probability of which we believe is remote. We believe that our capacity in the surety markets as well as under various credit arrangements (including our Credit Facility) is sufficient to allow us to respond to future requests for proposals that require such credit support.

Note 20 - Preferred Stock

Series B Convertible Perpetual Preferred Stock

We have issued 180,000 shares of Series B Convertible Perpetual Preferred Stock, that have an aggregate liquidation value of $180 and a carrying value of $214. The Series B Convertible Preferred Stock pays quarterly cash dividends at a rate of 8% per year ($14 per year). Each share of Preferred Stock is convertible at any time, at the option of the holder, into 37.4532 shares of common stock for a total of 6,742 thousand shares (reflecting an initial conversion price of approximately $26.70 per share of common stock), subject to customary anti-dilution adjustments.

If the closing price of our common stock exceeds $39.00 or 146.1% of the initial conversion price of $26.70 per share of common stock for 20 out of 30 consecutive trading days, we have the right to cause any or all of the Series B Convertible Perpetual Preferred Stock to be converted into shares of common stock at the then applicable conversion rate. The Preferred Stock is also convertible, at the option of the holder, upon a change in control, at the applicable conversion rate plus an additional number of shares determined by reference to the price paid for our common stock upon such change in control. In addition, upon the occurrence of certain fundamental change events, including a change in control or the delisting of Xerox's common stock, the holder of convertible preferred stock has the right to require us to redeem any or all of the convertible preferred stock in cash at a redemption price per share equal to the liquidation preference and any accrued and unpaid dividends to, but not including, the redemption date. The convertible preferred stock is classified as temporary equity (i.e., apart from permanent equity) as a result of the contingent redemption feature.

Common stock share prices and amounts noted above related to the conversion of the Series B Convertible Perpetual Preferred Stock have all been adjusted to reflect the one-for-four reverse stock split previously disclosed in Note 1 - Basis of Presentation and Summary of Significant Accounting Policies.

Note 21 – Shareholders' Equity

As previously disclosed in Note 1 - Basis of Presentation and Summary of Significant Accounting Policies, a one-for-four reverse stock split became effective on June 14, 2017 for all authorized, issued and outstanding shares of Xerox common stock. Accordingly, all share and per share amounts have been adjusted to reflect this reverse stock split for all prior periods presented.

Preferred Stock

As of December 31, 2017, we had one class of preferred stock outstanding. See Note 20 - Preferred Stock for further information. We are authorized to issue approximately 22 million shares of cumulative preferred stock, $1.00 par value per share.

Common Stock

We have 437.5 million authorized shares of common stock, $1.00 par value per share. At December 31, 2017, 24 million shares were reserved for issuance under our incentive compensation plans, 12 million shares were reserved for debt to equity exchanges and approximately 7 million shares were reserved for conversion of the Series B convertible perpetual preferred stock.

Treasury Stock

We account for the repurchased common stock under the cost method and include such treasury stock as a component of our common shareholders' equity. Retirement of treasury stock is recorded as a reduction of Common stock and Additional paid-in capital at the time such retirement is approved by our Board of Directors.

The following provides cumulative information relating to our share repurchase programs from their inception in October 2005 through December 31, 2017. No shares were repurchased during 2017 or 2016 (shares in thousands):

Authorized share repurchase programs	$	8,000
Share repurchase cost	$	7,755
Share repurchase fees	$	12
Number of shares repurchased		173,807

Of the cumulative $8.0 billion of share repurchase authority previously granted by our Board of Directors, approximately $245 of that authority remained available as of December 31, 2017.

The following table reflects the changes in Common and Treasury stock shares (shares in thousands):

	Common Stock Shares	Treasury Stock Shares
Balance at December 31, 2014	281,089	1,903
Stock based compensation plans, net	2,823	—
Acquisition of Treasury stock	—	28,800
Cancellation of Treasury stock	(30,703)	(30,703)
Balance at December 31, 2015	253,209	—
Stock based compensation plans, net	385	—
Balance at December 31, 2016	253,594	—
Stock based compensation plans, net	1,019	—
Balance at December 31, 2017	254,613	—

Stock-Based Compensation

We have a long-term incentive plan whereby eligible employees may be granted restricted stock units (RSUs), performance shares (PSs) and non-qualified stock options. We grant stock-based awards in order to continue to attract and retain employees and to better align employees' interests with those of our shareholders. Each of these awards is subject to settlement with newly issued shares of our common stock. At December 31, 2017 and 2016, 16 million and 10 million shares, respectively, were available for grant of awards.

Stock-based compensation expense was as follows:

	Year Ended December 31,		
	2017	2016	2015
Stock-based compensation expense, pre-tax	$ 52	$ 50	$ 27
Income tax benefit recognized in earnings	20	19	10

Restricted Stock Units: Compensation expense is based upon the grant date market price and is recorded over the vesting period, which is normally three years from the date of grant, based on management's estimate of the number of shares expected to vest.

Performance Shares: We grant officers, and selected executives and middle managers, PSs that vest contingent upon meeting pre-determined cumulative goals for Revenue, Earnings per Share (EPS) and Cash Flow from Operations, typically over a three-year performance period. If the cumulative three-year actual results exceed the stated targets, then all plan participants have the potential to earn additional shares of common stock up to a maximum overachievement of 100% of the original grant.

In 2017, the maximum overachievement that could be earned was changed to 100% (from 25%) for all participants to align their maximum overachievement with that of the officers and selected executives. Previously that level was only available to officers and certain senior executives. All PSs entitle the holder to one share of common stock, payable after a three-year service period and attainment of the stated goals.

Because of the difficulty in setting three-year performance goals that would appropriately take into account the Separation, PSs granted in 2015 and 2016 vested contingent upon achieving two-year and one-year performance goals, respectively.

The fair value of PSs is based upon the market price of our stock on the date of the grant. Compensation expense is recognized over the vesting period, which is normally three years from the date of grant, based on management's estimate of the number of shares expected to vest. If the stated targets are not met, any recognized compensation cost would be reversed.

Note: Management’s estimate of the number of shares expected to vest at the time of grant reflects an estimate for forfeitures based on our historical forfeiture rate to date. Should actual forfeitures differ from management’s estimate, the activity will be reflected in a subsequent period.

Summary of Stock-based Compensation Activity

(shares in thousands)	2017 Shares	2017 Weighted Average Grant Date Fair Value	2016 Shares(1)	2016 Weighted Average Grant Date Fair Value(1)(2)	2015 Shares(1)	2015 Weighted Average Grant Date Fair Value(1)(2)
Restricted Stock Units						
Outstanding at January 1	1,807	$ 30.10	598	$ 44.20	3,049	$ 38.00
Granted	1,436	31.39	1,793	38.28	200	44.32
Vested	(117)	36.99	(79)	38.48	(2,548)	31.44
Cancelled	(270)	29.03	(137)	40.48	(103)	37.08
Separation of Conduent	—	—	(786)	40.28	—	—
Shares granted in equity conversion	—	—	418	30.10	—	—
Outstanding at December 31	2,856	30.65	1,807	30.10	598	44.20
Performance Shares						
Outstanding at January 1	5,054	$ 33.98	5,802	$ 46.68	5,180	$ 45.44
Granted	1,349	32.80	1,320	37.40	2,368	42.72
Vested	(1,413)	37.44	(8)	45.32	(817)	31.60
Cancelled	(1,873)	34.59	(1,234)	47.36	(929)	42.96
Separation of Conduent	—	—	(1,974)	44.36	—	—
Shares granted in equity conversion	—	—	1,148	33.98	—	—
Outstanding at December 31	3,117	31.54	5,054	33.98	5,802	46.68
Stock Options						
Outstanding at January 1	—	$ —	780	$ 27.48	1,529	$ 28.00
Canceled/expired	—	—	(98)	27.96	(101)	29.72
Exercised	—	—	(306)	28.12	(648)	28.36
Separation of Conduent	—	—	(376)	26.80	—	—
Outstanding at December 31	—	—	—	—	780	27.48
Exercisable at December 31	—	—	—	—	780	27.48

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(1) Share activity and weighted average grant date fair values include immaterial rounding due to our one-for-four reverse stock split.
(2) Exercise price for stock options.

The total unrecognized compensation cost related to non-vested stock-based awards at December 31, 2017 was as follows:

Awards	Unrecognized Compensation	Remaining Weighted-Average Vesting Period (Years)
Restricted Stock Units	$ 42	2.1
Performance Shares	47	2.0
Total	$ 89	

The aggregate intrinsic value of outstanding RSU and PS awards was as follows:

Awards	December 31, 2017
Restricted Stock Units	$ 83
Performance Shares	91

The total intrinsic value and actual tax benefit realized for all vested and exercised stock-based awards was as follows:

	December 31, 2017			December 31, 2016			December 31, 2015		
Awards	Total Intrinsic Value	Cash Received	Tax Benefit	Total Intrinsic Value	Cash Received	Tax Benefit	Total Intrinsic Value	Cash Received	Tax Benefit
Restricted Stock Units	$ 3	$ —	$ 1	$ 3	$ —	$ 1	$ 109	$ —	$ 33
Performance Shares	40	—	12	—	—	—	35	—	12
Stock Options	—	—	—	3	9	1	14	19	5

Note 22 – Other Comprehensive Income (Loss)

The historical statements of Comprehensive Income (Loss) and Shareholders' Equity have not been revised to reflect the effect of the Separation and instead reflect the Separation as a final adjustment to the balances at December 31, 2016. Refer to Note 5 - Divestitures for additional information regarding the Separation. Other Comprehensive Income (Loss) is comprised of the following:

	Year Ended December 31,					
	2017		2016		2015	
	Pre-tax	Net of Tax	Pre-tax	Net of Tax	Pre-tax	Net of Tax
Translation Adjustments Gains (Losses)	$ 484	$ 483	$ (345)	$ (347)	$ (651)	$ (651)
Unrealized (Losses) Gains:						
Changes in fair value of cash flow hedges (losses) gains	(28)	(23)	18	14	13	12
Changes in cash flow hedges reclassed to earnings[(1)]	35	25	(40)	(28)	28	13
Other losses	(1)	(1)	(1)	(1)	(3)	(2)
Net Unrealized Gains (Losses)	6	1	(23)	(15)	38	23
Defined Benefit Plans Gains (Losses)						
Net actuarial/prior service gains (losses)	52	64	(118)	(87)	(73)	(86)
Prior service amortization/curtailment[(2)]	(10)	(7)	(10)	(6)	(38)	(23)
Actuarial loss amortization/settlement[(2)]	236	158	160	109	186	126
Fuji Xerox changes in defined benefit plans, net[(3)]	29	29	(93)	(93)	21	21
Other (losses) gains[(4)]	(138)	(138)	202	203	116	115
Changes in Defined Benefit Plans Gains	169	106	141	126	212	153
Other Comprehensive Income (Loss)	659	590	(227)	(236)	(401)	(475)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	1	1	(3)	(3)	(1)	(1)
Other Comprehensive Income (Loss) Attributable to Xerox	$ 658	$ 589	$ (224)	$ (233)	$ (400)	$ (474)

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(1) Reclassified to Cost of sales - refer to Note 15 - Financial Instruments for additional information regarding our cash flow hedges.
(2) Reclassified to Total Net Periodic Benefit Cost - refer to Note 17 - Employee Benefit Plans for additional information.
(3) Represents our share of Fuji Xerox's benefit plan changes.
(4) Primarily represents currency impact on cumulative amount of benefit plan net actuarial losses and prior service credits in AOCL.

Accumulated Other Comprehensive Loss (AOCL)

The AOCL balance at December 31, 2016, reflects the transfer of Conduent related AOCL balances at December 31, 2016 to Conduent. Refer to Note 5 - Divestitures for additional information regarding the Separation. AOCL is comprised of the following:

	December 31,		
	2017	2016	2015
Cumulative translation adjustments	$ (1,781)	$ (2,263)	$ (2,390)
Other unrealized (losses) gains, net	(12)	(13)	1
Benefit plans net actuarial losses and prior service credits[(1)]	(1,955)	(2,061)	(2,241)
Total Accumulated Other Comprehensive Loss Attributable to Xerox	$ (3,748)	$ (4,337)	$ (4,630)

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(1) Includes our share of Fuji Xerox.

Note 23 – Earnings (Loss) per Share

As previously disclosed in Note 1 - Basis of Presentation and Summary of Significant Accounting Policies, a one-for-four reverse stock split became effective on June 14, 2017 for all authorized, issued and outstanding shares of Xerox common stock. Accordingly, all share and per share amounts have been adjusted to reflect this reverse stock split for all prior periods presented.

The following table sets forth the computation of basic and diluted earnings (loss) per share of common stock (shares in thousands):

	Year Ended December 31,		
	2017	2016	2015
Basic Earnings (Loss) per Share:			
Net income from continuing operations attributable to Xerox	$ 192	$ 622	$ 822
Accrued dividends on preferred stock	(14)	(24)	(24)
Adjusted Net income from continuing operations available to common shareholders	$ 178	$ 598	$ 798
Net income (loss) from discontinued operations attributable to Xerox	3	(1,093)	(374)
Adjusted Net income (loss) available to common shareholders	$ 181	$ (495)	$ 424
Weighted-average common shares outstanding	254,341	253,391	266,131
Basic Earnings (Loss) per Share:			
Continuing operations	$ 0.70	$ 2.36	$ 3.00
Discontinued operations	0.01	(4.31)	(1.41)
Basic Earnings (Loss) per Share	$ 0.71	$ (1.95)	$ 1.59
Diluted Earnings (Loss) per Share:			
Net income from continuing operations attributable to Xerox	$ 192	$ 622	$ 822
Accrued dividends on preferred stock	(14)	(24)	(24)
Adjusted net income from continuing operations available to common shareholders	$ 178	$ 598	$ 798
Net income (loss) from discontinued operations attributable to Xerox	3	(1,093)	(374)
Adjusted Net income (loss) available to common shareholders	$ 181	$ (495)	$ 424
Weighted-average common shares outstanding	254,341	253,391	266,131
Common shares issuable with respect to:			
Stock options	—	174	324
Restricted stock and performance shares	2,229	2,430	2,601
Adjusted Weighted average common shares outstanding	256,570	255,995	269,056
Diluted Earnings (Loss) per Share:			
Continuing operations	$ 0.70	$ 2.33	$ 2.97
Discontinued operations	0.01	(4.26)	(1.39)
Diluted Earnings (Loss) per Share	$ 0.71	$ (1.93)	$ 1.58
The following securities were not included in the computation of diluted earnings per share as they were either contingently issuable shares or shares that if included would have been anti-dilutive (shares in thousands):			
Stock options	—	202	456
Restricted stock and performance shares	3,706	5,430	4,402
Convertible preferred stock	6,742	6,742	6,742
Total Anti-Dilutive Securities	10,448	12,374	11,600
Dividends per Common Share	$ 1.00	$ 1.24	$ 1.12

Note 24 – Subsequent Event

Transaction to Combine Xerox and Fuji Xerox

On January 31, 2018, Xerox entered into a Redemption Agreement with FUJIFILM Holdings Corporation, a Japanese company ("Fujifilm"), and Fuji Xerox Co., Ltd, a Japanese company in which Xerox indirectly holds a 25 percent equity interest and Fujifilm holds the remaining 75 percent equity interest ("Fuji Xerox") (the "Redemption Agreement"), pursuant to which, among other things, (i) Fuji Xerox shall redeem for cash most or all of Fujifilm's 75 percent equity interest in Fuji Xerox and (ii) Fuji Xerox shall become an indirect majority or wholly owned subsidiary of Xerox (the "Redemption"). The combined company resulting from the Fujifilm Transactions (as defined below) shall hereinafter be referred to as "New Fuji Xerox".

Concurrently with the execution and delivery of the Redemption Agreement, Xerox entered into a Share Subscription Agreement with Fujifilm (the "Subscription Agreement" and together with the Redemption Agreement, the "Fujifilm Transaction Agreements"), pursuant to which, among other things, (i) Fujifilm shall subscribe for and purchase from Xerox, and Xerox shall issue to Fujifilm, a number of shares of common capital stock of Xerox (and after Closing, of New Fuji Xerox, "Common Stock") representing 50.1 percent of (i) the aggregate number of issued and outstanding shares of Common Stock (excluding any performance shares issued under the Company's existing employee incentive plans) plus (ii) such additional shares of Common Stock that would be issued and outstanding assuming the exercise of in-the-money options as of 5:00 p.m. New York time two business days prior to closing of the Fujifilm Transactions (as defined below) (the "Closing") plus (iii) any shares of Common Stock reserved for issue relating to restricted stock units outstanding as of the Closing that are fully vested as of 5:00 p.m. New York time two business days prior to the Closing (collectively, the "Fully Diluted Capital Stock") of Xerox in exchange for (A) cash and (B) all of the issued and outstanding equity interests of Fuji Xerox not held by Xerox or its wholly owned subsidiaries and (ii) Xerox shall become a direct, majority owned subsidiary of Fujifilm (the "Issuance" and together with the Redemption, the "Fujifilm Transactions"). In addition, pursuant to the terms of the Subscription Agreement, at Closing, an aggregate number of shares equal to the "True-Up Shares" (as defined in the Subscription Agreement) shall be held in escrow and released to Fujifilm as and if necessary for Fujifilm to maintain its ownership percentage.

In connection with the Fujifilm Transactions, Xerox expects to pay a special pro rata cash dividend to its shareholders in an amount equal to $2.5 billion in the aggregate (the "Special Dividend"), which is expected to be financed through the issuance of debt that will be incurred by New Fuji Xerox. Fujifilm will not be a shareholder of Xerox as of the record date for the Special Dividend and therefore will not receive any payment in respect thereof.

As noted above, immediately following the Closing, Fujifilm is expected to own approximately 50.1 percent of the Fully Diluted Capital Stock of New Fuji Xerox and Xerox shareholders are expected to own approximately 49.9 percent. Further, pursuant to that certain Shareholders Agreement, to be entered into by Xerox and Fujifilm at Closing (the "Shareholders Agreement"), the Board of Directors of New Fuji Xerox will have twelve directors, which will initially be composed of seven individuals designated by Fujifilm and five individuals from among the members of the Board of Directors of the Company immediately prior to Closing designated by Xerox in consultation with and subject to reasonable approved by Fujifilm. Accordingly, the Fujifilm Transactions are expected to be accounted for as a reverse acquisition.

Xerox must pay to Fujifilm a $183 termination fee (the "Termination Fee") in the event that the Subscription Agreement is terminated (i) by either party because the applicable shareholder approvals are not obtained if an alternative acquisition proposal is publicly announced prior to the Xerox shareholder meeting duly called for the purpose of obtaining the applicable shareholder approvals and Xerox enters into a definitive agreement with respect to, or otherwise consummates, an alternative acquisition proposal within 12 months after the termination of the Subscription Agreement; (ii) by Fujifilm (A) in connection with a material and intentional breach by Xerox of its non-solicitation obligations resulting in a third party making an alternate acquisition proposal that is reasonably likely to materially interfere with the Fujifilm Transactions or (B) following a change in the recommendation by the Board of Directors of Xerox; or (iii) by Xerox in order to enter into a definitive agreement with a third party with respect to a superior proposal, in each case as set forth in, and subject to the conditions of, the Fujifilm Transaction Agreements.

We expect the Fujifilm Transactions, which require Xerox shareholder approval, to close in the second half of 2018 subject to customary regulatory approvals, filings with the U.S. Securities and Exchange Commission, tax considerations, and securing any necessary financing. Until the combination is complete, each of Xerox, Fuji Xerox and Fujifilm will continue to be separate, independent organizations and will operate as usual.

Quarterly Results of Operations (Unaudited)

(in millions, except per-share data)	First Quarter[2][3]	Second Quarter	Third Quarter	Fourth Quarter	Full Year
2017					
Revenues	$ 2,454	$ 2,567	$ 2,497	$ 2,747	$ 10,265
Costs and Expenses	2,470	2,374	2,330	2,521	9,695
(Loss) Income before Income Taxes and Equity Income	(16)	193	167	226	570
Income (benefit) tax expense	(24)	43	18	444	481
Equity in net income of unconsolidated affiliates	40	20	30	25	115
Income (Loss) from Continuing Operations	48	170	179	(193)	204
(Loss) income from discontinued operations, net of tax	(6)	—	3	6	3
Net Income (Loss)	42	170	182	(187)	207
Less: Net income - noncontrolling interests	2	4	3	3	12
Net Income (Loss) Attributable to Xerox	$ 40	$ 166	$ 179	$ (190)	$ 195
Basic Earnings (Loss) per Share[1]:					
Continuing operations	$ 0.17	$ 0.64	$ 0.68	$ (0.78)	$ 0.70
Discontinued operations	(0.03)	—	0.01	0.02	0.01
Total Basic Earnings per Share	$ 0.14	$ 0.64	$ 0.69	$ (0.76)	$ 0.71
Diluted Earnings (Loss) per Share[1]:					
Continuing operations	$ 0.16	$ 0.63	$ 0.67	$ (0.78)	$ 0.70
Discontinued operations	(0.02)	—	0.01	0.02	0.01
Total Diluted Earnings per Share	$ 0.14	$ 0.63	$ 0.68	$ (0.76)	$ 0.71
2016[3]					
Revenues	$ 2,615	$ 2,793	$ 2,629	$ 2,734	$ 10,771
Costs and Expenses	2,583	2,602	2,463	2,555	10,203
Income before Income Taxes and Equity Income	32	191	166	179	568
Income (benefit) tax expense	(2)	18	28	18	62
Equity in net income of unconsolidated affiliates	34	26	40	27	127
Income from Continuing Operations	68	199	178	188	633
(Loss) income from discontinued operations, net of tax	(35)	(38)	8	(1,028)	(1,093)
Net Income (Loss)	33	161	186	(840)	(460)
Less: Net income - noncontrolling interests	2	3	3	3	11
Net Income (Loss) Attributable to Xerox	$ 31	$ 158	$ 183	$ (843)	$ (471)
Basic Earnings (Loss) per Share[1][2]:					
Continuing operations	$ 0.24	$ 0.75	$ 0.66	$ 0.71	$ 2.36
Discontinued operations	(0.14)	(0.15)	0.03	(4.06)	(4.31)
Total Basic Earnings (Loss) per Share:	$ 0.10	$ 0.60	$ 0.69	$ (3.35)	$ (1.95)
Diluted Earnings (Loss) per Share[1][2]:					
Continuing operations	$ 0.23	$ 0.75	$ 0.66	$ 0.70	$ 2.33
Discontinued operations	(0.13)	(0.15)	0.03	(4.00)	(4.26)
Total Diluted Earnings (Loss) per Share	$ 0.10	$ 0.60	$ 0.69	$ (3.30)	$ (1.93)

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(1) *The sum of quarterly earnings per share may differ from the full-year amounts due to rounding, or in the case of diluted earnings per share, because securities that are anti-dilutive in certain quarters may not be anti-dilutive on a full-year basis.*

(2) *Per-share computations reflect the impact of our one-for-four reverse stock split effective June 14, 2017. Refer to Note 1 - Basis of Presentation and Summary of Significant Accounting Pronouncements in the Consolidated Financial Statements for further information.*

(3) Refer to Note 2 - Correction of Fuji Xerox Misstatement in Prior Period Financial Statements in the Consolidated Financial Statements as well as Revised Quarterly Results of Operations (Unaudited) that follows for additional information regarding the revisions related to the Fuji Xerox misstatement.

Revised Quarterly Results of Operations (Unaudited)

As discussed in Note 2 - Correction of Fuji Xerox Misstatement in Prior Period Financial Statements in the Consolidated Financial Statements, we revised our previously filed financial statements as a result of a correction of a misstatement in Fuji Xerox's reported results. The following tables reconcile selected lines from the Company's Condensed Consolidated Statements of Income (Loss) for the first quarter 2017 and all four quarters of 2016 and 2015 from the reported amounts in the Form 10-Q's filed for those periods to the revised amounts.

	Three Months Ended March 31, 2017		
	As Reported	**Adjustment**	**As Revised**
Equity in net income of unconsolidated affiliates	$ 16	$ 24	$ 40
Income from Continuing Operations	24	24	48
Net Income	18	24	42
Net Income Attributable to Xerox	16	24	40
Net income from continuing operations attributable to Xerox	$ 22	$ 24	$ 46
Basic Earnings per Share:			
Continuing operations	$ 0.07	$ 0.10	$ 0.17
Total	$ 0.05	$ 0.09	$ 0.14
Diluted Earnings per Share:			
Continuing operations	$ 0.07	$ 0.09	$ 0.16
Total	$ 0.05	$ 0.09	$ 0.14

	Three Months Ended March 31, 2016			Three Months Ended June 30, 2016		
	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Equity in net income of unconsolidated affiliates	$ 37	$ (3)	$ 34	$ 22	$ 4	$ 26
Income from Continuing Operations	71	(3)	68	195	4	199
Net Income	36	(3)	33	157	4	161
Net Income Attributable to Xerox	34	(3)	31	154	4	158
Basic Earnings per Share:						
Continuing operations	$ 0.25	$ (0.01)	$ 0.24	$ 0.74	$ 0.01	$ 0.75
Total	$ 0.11	$ (0.01)	$ 0.10	$ 0.59	$ 0.01	$ 0.60
Diluted Earnings per Share:						
Continuing operations	$ 0.24	$ (0.01)	$ 0.23	$ 0.73	$ 0.02	$ 0.75
Total	$ 0.11	$ (0.01)	$ 0.10	$ 0.58	$ 0.02	$ 0.60

	Three Months Ended September 30, 2016			Three Months Ended December 31, 2016		
	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Equity in net income of unconsolidated affiliates	$ 39	$ 1	$ 40	$ 23	$ 4	$ 27
Income from Continuing Operations	177	1	178	184	4	188
Net Income (Loss)	185	1	186	(844)	4	(840)
Net Income (Loss) Attributable to Xerox	182	1	183	(847)	4	(843)
Basic Earnings (Loss) per Share:						
Continuing operations	$ 0.66	$ —	$ 0.66	$ 0.69	$ 0.02	$ 0.71
Total	$ 0.69	$ —	$ 0.69	$ (3.37)	$ 0.02	$ (3.35)
Diluted Earnings (Loss) per Share:						
Continuing operations	$ 0.65	$ 0.01	$ 0.66	$ 0.68	$ 0.02	$ 0.70
Total	$ 0.68	$ 0.01	$ 0.69	$ (3.32)	$ 0.02	$ (3.30)

	Three Months Ended March 31, 2015			Three Months Ended June 30, 2015		
	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Equity in net income of unconsolidated affiliates	$ 34	$ (18)	$ 16	$ 29	$ (4)	$ 25
Income from Continuing Operations	189	(18)	171	210	(4)	206
Net Income	230	(18)	212	17	(4)	13
Net Income Attributable to Xerox	225	(18)	207	12	(4)	8
Basic Earnings per Share:						
Continuing operations	$ 0.64	$ (0.06)	$ 0.58	$ 0.73	$ (0.01)	$ 0.72
Total	$ 0.79	$ (0.07)	$ 0.72	$ 0.02	$ (0.01)	$ 0.01
Diluted Earnings per Share:						
Continuing operations	$ 0.63	$ (0.06)	$ 0.57	$ 0.72	$ (0.01)	$ 0.71
Total	$ 0.78	$ (0.07)	$ 0.71	$ 0.02	$ (0.01)	$ 0.01

	Three Months Ended September 30, 2015			Three Months Ended December 31, 2015		
	As Reported	Adjustment	As Revised	As Reported	Adjustment	As Revised
Equity in net income of unconsolidated affiliates	$ 40	$ —	$ 40	$ 32	$ (4)	$ 28
Income from Continuing Operations	206	—	206	261	(4)	257
Net (Loss) Income	(31)	—	(31)	276	(4)	272
Net (Loss) Income Attributable to Xerox	(34)	—	(34)	271	(4)	267
Basic Earnings (Loss) per Share:						
Continuing operations	$ 0.75	$ —	$ 0.75	$ 0.99	$ (0.02)	$ 0.97
Total	$ (0.16)	$ —	$ (0.16)	$ 1.05	$ (0.02)	$ 1.03
Diluted (Loss) Earnings per Share:						
Continuing operations	$ 0.75	$ —	$ 0.75	$ 0.98	$ (0.02)	$ 0.96
Total	$ (0.16)	$ —	$ (0.16)	$ 1.04	$ (0.02)	$ 1.02

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Note: The sum of quarterly earnings per share may differ from the full-year amounts due to rounding, or in the case of diluted earnings per share, because securities that are anti-dilutive in certain quarters may not be anti-dilutive on a full-year basis.

Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

Management's Responsibility for Financial Statements

Our management is responsible for the integrity and objectivity of all information presented in this annual report. The consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States of America and include amounts based on management's best estimates and judgments. Management believes the consolidated financial statements fairly reflect the form and substance of transactions and that the financial statements fairly represent the Company's financial position and results of operations.

The Audit Committee of the Board of Directors, which is composed solely of independent directors, meets regularly with the independent auditors, PricewaterhouseCoopers LLP, the internal auditors and representatives of management to review accounting, financial reporting, internal control and audit matters, as well as the nature and extent of the audit effort. The Audit Committee is responsible for the engagement of the independent auditors. The independent auditors and internal auditors have access to the Audit Committee.

Disclosure Controls and Procedures

The Company's management evaluated, with the participation of our principal executive officer and principal financial officer, or persons performing similar functions, the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to ensure that information we are required to disclose in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms relating to Xerox Corporation, including our consolidated subsidiaries, and was accumulated and communicated to the Company's management, including the principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the rules promulgated under the Securities Exchange Act of 1934. Under the supervision and with the participation of our management, including our principal executive, financial and accounting officers, we have conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in "Internal Control - Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on the above evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2017.

The effectiveness of our internal control over financial reporting as of December 31, 2017 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears in Part II, Item 8 of this Form 10-K.

Changes in Internal Control over Financial Reporting

In connection with the evaluation required by paragraph (d) of Rule 13a-15 under the Exchange Act, there was no change identified in our internal control over financial reporting that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The information regarding directors is incorporated herein by reference to the section entitled “Proposal 1 - Election of Directors” in our definitive Proxy Statement (2018 Proxy Statement) to be filed pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, in connection with our Annual Meeting of Stockholders. The Proxy Statement will be filed within 120 days after the end of our fiscal year ended December 31, 2017.

The information regarding compliance with Section 16(a) of the Securities and Exchange Act of 1934 is incorporated herein by reference to the section entitled “Section 16(a) Beneficial Ownership Reporting Compliance” of our 2018 Proxy Statement.

The information regarding the Audit Committee, its members and the Audit Committee financial experts is incorporated by reference herein from the subsection entitled “Committee Functions, Membership and Meetings” in the section entitled “Proposal 1 - Election of Directors” in our 2018 Proxy Statement.

We have adopted a code of ethics applicable to our principal executive officer, principal financial officer and principal accounting officer. The Finance Code of Conduct can be found on our website at: http://www.xerox.com/investor and then clicking on Corporate Governance. Information concerning our Finance Code of Conduct can be found under "Corporate Governance" in our 2018 definitive Proxy Statement and is incorporated here by reference.

Executive Officers of Xerox

The following is a list of the executive officers of Xerox, their current ages, their present positions and the year appointed to their present positions. Each officer is elected to hold office until the meeting of the Board of Directors held on the day of the next annual meeting of shareholders, subject to the provisions of the By-Laws.

Name	Age	Present Position	Year Appointed to Present Position	Xerox Officer Since
Jeffrey Jacobson	58	Chief Executive Officer	2017	2012
Michael Feldman	51	Executive Vice President, President North America Operations	2017	2013
Darrell L. Ford	53	Executive Vice President, Chief Human Resources Officer	2015	2015
Sarah Hlavinka McConnell	53	Executive Vice President, General Counsel and Secretary	2017	2017
William F. Osbourn, Jr.	53	Executive Vice President, Chief Financial Officer	2017	2017
Herve Tessler	54	Executive Vice President, President International Operations	2017	2010
Kevin Warren	55	Executive Vice President, Chief Commercial Officer	2017	2010
Stephen Hoover	57	Senior Vice President, Chief Technology Officer	2017	2017
Yehia Maaty	49	Senior Vice President, Chief Delivery Officer	2017	2014
Farooq Muzaffar	43	Senior Vice President, Chief Strategy and Marketing Officer	2017	2017
Joseph H. Mancini, Jr.	59	Vice President, Chief Accounting Officer	2013	2010

Of the officers named above, Messrs. Hoover, Jacobson, Maaty, Mancini, Jr., Tessler and Warren have been officers or executives of Xerox, or its subsidiaries, for at least the past five years.

Mr. Feldman joined Xerox in 2013 and served as the senior vice president of the Global Document Outsourcing Services Business Group. Starting in October 2013, he served as president of Large Enterprise Operations for the Xerox Technology Business until January 2017. Prior to joining Xerox, he spent 24 years at Hewlett-Packard as vice president and general manager of the Managed Enterprise Solutions Business Unit in the Imaging and Printing Group’s Americas Organization.

Mr. Ford joined Xerox in 2015. Previously he served as senior vice president and chief human resources officer at Advanced Micro Devices (AMD) from 2012. Prior to joining AMD, he held senior HR leadership roles at Shell Oil, Honeywell International and AT&T.

Ms. McConnell joined Xerox in 2017. Prior to joining Xerox, she was executive vice president, general counsel and corporate secretary for ABM Industries Incorporated, a leading facility services provider with domestic and international operations, from 2007 to 2017. Prior to joining ABM, she served as vice president, assistant general counsel and secretary for Fisher Scientific International.

Mr. Osbourn joined Xerox in 2016 following 13 years at Time Warner Cable Inc. (TWC). After serving in a variety of roles, including controller and chief accounting officer for eight years, he was co-chief financial officer of TWC. Prior, he spent two years as executive director for External Financial Reporting and Accounting Policy at Time Warner Inc. Before Time Warner, he spent 14 years at PricewaterhouseCoopers LLP in roles of increasing responsibility and was admitted to partnership in 2000.

Mr. Muzaffar joined Xerox in 2017 after 12 years in executive positions at Verizon Communications Inc., including chief technology officer for Verizon Enterprise Solutions. Prior to Verizon, he was an investment banker in technology, media and telecom at Goldman Sachs & Co., leading mergers and acquisitions in the software sector.

Item 11. Executive Compensation

The information included under the following captions under “Proposal 1-Election of Directors” in our 2018 definitive Proxy Statement is incorporated herein by reference: “Compensation Discussion and Analysis”, “Summary Compensation Table”, “Grants of Plan-Based Awards in 2017”, “Outstanding Equity Awards at 2017 Fiscal Year-End”, “Option Exercises and Stock Vested in 2017”, “Pension Benefits for the 2017 Fiscal Year”, “Nonqualified Deferred Compensation for the 2017 Fiscal Year”, “Potential Payments upon Termination or Change in Control”, "CEO Pay Ratio", “Summary of Director Annual Compensation", "Compensation Committee Interlocks and Insider Participation” and “Compensation Committee”. The information included under the heading “Compensation Committee Report” in our 2018 definitive Proxy Statement is incorporated herein by reference; however, this information shall not be deemed to be “soliciting material” or to be “filed” with the Commission or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act of 1934, as amended.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information regarding security ownership of certain beneficial owners and management and securities authorized for issuance under equity compensation plans is incorporated herein by reference to the subsections entitled “Ownership of Company Securities,” and “Equity Compensation Plan Information” under “Proposal 1- Election of Directors” in our 2018 definitive Proxy Statement.

Item 13. Certain Relationships, Related Transactions and Director Independence

Information regarding certain relationships and related transactions is incorporated herein by reference to the subsection entitled “Certain Relationships and Related Person Transactions” under “Proposal 1- Election of Directors” in our 2018 definitive Proxy Statement. The information regarding director independence is incorporated herein by reference to the subsections entitled “Corporate Governance” and “Director Independence” in the section entitled “Proposal 1 - Election of Directors” in our 2018 definitive Proxy Statement.

Item 14. Principal Auditor Fees and Services

The information regarding principal auditor fees and services is incorporated herein by reference to the section entitled “Proposal 2 - Ratification of Election of Independent Registered Public Accounting Firm” in our 2018 definitive Proxy Statement.

Part IV

Item 15. Exhibits and Financial Statements Schedules

(a) (1) Index to Financial Statements filed as part of this report:

- Report of Independent Registered Public Accounting Firm;
- Consolidated Statements of Income (Loss) for each of the years in the three-year period ended December 31, 2017;
- Consolidated Statements of Comprehensive Income (Loss) for each of the three years in the period ended December 31, 2017;
- Consolidated Balance Sheets as of December 31, 2017 and 2016;
- Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2017;
- Consolidated Statements of Shareholders' Equity for each of the three years in the period ended December 31, 2017;
- Notes to the Consolidated Financial Statements; and
- All other schedules are omitted as they are not applicable, or the information required is included in the financial statements or notes thereto.

(2) Financial Statement Schedule:

- Schedule II - Valuation and Qualifying Accounts for each of the three years in the period ended December 31, 2017.

(3)The exhibits filed herewith are set forth in the Index of Exhibits included herein.

(b) The management contracts or compensatory plans or arrangements listed in the “Index of Exhibits” that are applicable to the executive officers named in the Summary Compensation Table which appears in Registrant's 2017 Proxy Statement or to our directors are preceded by an asterisk (*).

Item 16. Form 10-K Summary

None

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

XEROX CORPORATION

/s/ JEFFREY JACOBSON

Jeffrey Jacobson
Chief Executive Officer
February 23, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

February 23, 2018

Signature	Title
Principal Executive Officer:	
/S/ JEFFREY JACOBSON	Chief Executive Officer and Director
Jeffrey Jacobson	
Principal Financial Officer:	
/S/ WILLIAM F. OSBOURN, JR.	Executive Vice President and Chief Financial Officer
William F. Osbourn Jr.	
Principal Accounting Officer:	
/S/ JOSEPH H. MANCINI, JR.	Vice President and Chief Accounting Officer
Joseph H. Mancini, Jr.	
Directors:	
/S/ ROBERT J. KEEGAN	Chairman of the Board and Director
Robert J. Keegan	
/S/ GREGORY Q. BROWN	Director
Gregory Q. Brown	
/S/ JOSEPH J. ECHEVARRIA	Director
Joseph J. Echevarria	
/S/ WILLIAM CURT HUNTER	Director
William Curt Hunter	
/S/ CHERYL GORDON KRONGARD	Director
Cheryl Gordon Krongard	
/S/ CHARLES PRINCE	Director
Charles Prince	
/S/ ANN N. REESE	Director
Ann N. Reese	
/S/ STEPHEN H. RUSCKOWSKI	Director
Stephen Rusckowski	
/S/ SARA MARTINEZ TUCKER	Director
Sara Martinez Tucker	

Schedule II
Valuation and Qualifying Accounts
For the three years ended December 31, 2017

(in millions)	Balance at beginning of period	Additions charged to bad debt provision (1)	Amounts (credited) charged to other income statement accounts (1)	Deductions and other, net of recoveries (2)	Balance at end of period
2017 Allowance for Losses:					
Accounts Receivable	$ 64	$ 16	$ (2)	$ (19)	$ 59
Finance Receivables	110	17	15	(34)	108
	$ 174	$ 33	$ 13	$ (53)	$ 167
2016 Allowance for Losses:					
Accounts Receivable	$ 74	$ 13	$ 2	$ (25)	$ 64
Finance Receivables	118	24	4	(36)	110
	$ 192	$ 37	$ 6	$ (61)	$ 174
2015 Allowance for Losses:					
Accounts Receivable	$ 82	$ 21	$ 5	$ (34)	$ 74
Finance Receivables	131	28	—	(41)	118
	$ 213	$ 49	$ 5	$ (75)	$ 192

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(1) *Bad debt provisions relate to estimated losses due to credit and similar collectability issues. Other charges (credits) relate to adjustments to reserves necessary to reflect events of non-payment such as customer accommodations and contract terminations.*

(2) *Deductions and other, net of recoveries primarily relates to receivable write-offs, but also includes the impact of foreign currency translation adjustments and recoveries of previously written off receivables.*

Index of Exhibits

Document and Location

2.1	Redemption Agreement, dated as of January 31, 2018, by and among Xerox Corporation, FUJIFILM Holdings Corporation and FujiXerox Co., Ltd.
	Incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K dated January 31, 2018. See SEC File Number 001-04471.
2.2	Share Subscription Agreement, dated as of January 31, 2018, by and between Xerox Corporation and Fujifilm Holdings Corporation.
	Incorporated by reference to Exhibit 2.2 to Registrant's Current Report on Form 8-K dated January 31, 2018. See SEC File Number 001-04471.
2.3	Separation and Distribution Agreement dated as of December 30, 2016 by and between Registrant and Conduent Incorporated.
	Incorporated by reference to Exhibit 2.1 to Registrant's Current Report on Form 8-K dated December 30, 2016. See SEC File Number 001-04471.
3(a)	Restated Certificate of Incorporation of Registrant filed with the Department of State of New York on February 21, 2013, as amended by Certificate of Amendment of Certificate of Incorporation filed with the Department of State of the State of New York on December 23, 2016 and June 14, 2017.
	Incorporated by reference to Exhibit 3(a) to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017. See SEC File Number 001-04471.
3(b)	By-Laws of Registrant as amended through August 15, 2016.
	Incorporated by reference to Exhibit 3(b) to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016. See SEC File Number 001-04471.
4(a)(1)	Indenture, dated as of June 25, 2003, between Registrant and Wells Fargo, as trustee, relating to unlimited amounts of debt securities which may be issued from time to time by Registrant when and as authorized by or pursuant to a resolution of Registrant's Board of Directors (the "June 25, 2003 Indenture").
	Incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K dated June 25, 2003. See SEC File Number 001-04471.
4(a)(2)	Form of Third Supplemental Indenture, dated as of March 20, 2006, to the June 25, 2003 Indenture.
	Incorporated by reference to Exhibit 4(b)(6) to Registrant's Current Report on Form 8-K dated March 20, 2006. See SEC File Number 001-04471.
4(a)(3)	Form of Fourth Supplemental Indenture, dated as of August 18, 2006, to the June 25, 2003 Indenture.
	Incorporated by reference to Exhibit 4(b)(7) to Registrant's Current Report on Form 8-K dated August 18, 2006. See SEC File Number 001-04471.
4(a)(4)	Form of Sixth Supplemental Indenture, dated as of May 17, 2007 to the June 25, 2003 Indenture.
	Incorporated by reference to Exhibit 4(b)(2) to Registrant's Registration Statement No. 333-142900. See SEC File Number 001-04471.
4(b)(1)	Form of Amended and Restated Credit Agreement dated as of August 9, 2017 between Registrant and the Initial Lenders named therein, Citibank, N.A., as Administrative Agent, and Citigroup Global Markets Inc., J.P. Morgan Chase Bank. N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, BNP Paribas Securities Corp., Mizuho Bank, Ltd. and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Joint Lead Arrangers and Joint Bookrunners.
	Incorporated by reference to Exhibit 4(b) to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017. See SEC File Number 001-04471.
4(b)(2)	Amendment No. 1 to Credit Agreement, dated as of February 15, 2018, among Xerox Corporation, certain Lenders signatory thereto, Citibank, N.A., as administrative agent.
	Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K dated February 20, 2018. See SEC File Number 001-04471.
4(c)	Form of Indenture dated as of December 4, 2009 between Registrant and the Bank of New York Mellon, as trustee, relating to an unlimited amount of senior debt securities.
	Incorporated by reference to Exhibit 4(b)(5) to Post-Effective Amendment No. 1 to Registrant's Registration Statement No. 333-142900. See SEC File Number 001-04471.

4(d)	Instruments with respect to long-term debt where the total amount of securities authorized thereunder does not exceed 10 percent of the total assets of Registrant and its subsidiaries on a consolidated basis have not been filed. Registrant agrees to furnish to the Commission a copy of each such instrument upon request.
10	The management contracts or compensatory plans or arrangements listed below that are applicable to the executive officers named in the Summary Compensation Table which appears in Registrant's 2018 Proxy Statement or to our directors are preceded by an asterisk (*).
*10(a)(1)	Registrant's Form of Separation Agreement (with salary continuance) - February 2010.
	Incorporated by reference to Exhibit 10(a)(1) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2009. See SEC File Number 001-04471.
*10(a)(2)	Registrant's Form of Separation Agreement (without salary continuance) - February 2010.
	Incorporated by reference to Exhibit 10(a)(2) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2009. See SEC File Number 001-04471.
*10(a)(3)	Registrant's Executive Salary Continuance Program effective March 1, 2017.
	Incorporated by reference to paragraph 10(a)(3) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2016. See SEC File Number 001-04471.
*10(b)	[RESERVED]
*10(c)	Letter Agreement dated May 20, 2016 between Registrant and Ursula M. Burns.
	Incorporated by reference to Exhibit 10(c) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended June 30, 2016. See SEC File Number 001-04471.
*10(d)(1)	Registrant's 2004 Equity Compensation Plan for Non-Employee Directors, as amended and restated as of May 21, 2013 ("2004 ECPNED").
	Incorporated by reference to Exhibit 10(d)(1) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2013. See SEC File Number 001-04471.
*10(d)(2)	Form of Agreement under 2004 ECPNED.
	Incorporated by reference to Exhibit 10(d)(2) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2005. See SEC File Number 001-04471.
*10(d)(3)	Form of Grant Summary under 2004 ECPNED.
	Incorporated by reference to Exhibit 10(d)(3) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2005. See SEC File Number 001-04471.
*10(d)(4)	Form of DSU Deferral under 2004 ECPNED.
	Incorporated by reference to Exhibit 10(d)(4) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2005. See SEC File Number 001-04471.
*10(e)(1)	Registrant's 2004 Performance Incentive Plan, as amended and restated as of May 24, 2012 ("2012 PIP").
	Incorporated by reference to Exhibit 10(e)(26) to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012. See SEC File Number 001-04471.
*10(e)(2)	Amendment No. 1 dated as of December 11, 2013 to 2012 PIP.
	Incorporated by reference to Exhibit 10(e)(23) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2013. See SEC File Number 001-04471.
*10(e)(3)	Annual Performance Incentive Plan for 2015 ("2015 APIP")
	Incorporated by reference to Exhibit 10(e)(15) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.
*10(e)(4)	Performance Elements for 2015 Executive Long-Term Incentive Program ("2015 ELTIP")
	Incorporated by reference to Exhibit 10(e)(21) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014. See SEC File number 001-04471.
*10(e)(5)	Form of Award Agreement under 2015 ELTIP (Performance Shares)
	Incorporated by reference to Exhibit 10(e)(22) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014. See SEC File number 001-04471.
*10(e)(6)	Form of Award Agreement under 2015 ELTIP (Retention Restricted Stock Units)
	Incorporated by reference to Exhibit 10(e)(23) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014. See SEC File number 001-04471.

*10(e)(7)	Annual Performance Incentive Plan for 2016 (“2016 APIP”). Incorporated by reference to Exhibit 10(e)(13) to Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016. See SEC File number 001-04471.
*10(e)(8)	Performance Elements for 2016 Executive Long-Term Incentive Program Incorporated by reference to Exhibit 10(e)(20) to Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015. See SEC File number 001-04471.
*10(e)(9)	Form of Award Agreement under 2016 ELTIP (Performance Shares) Incorporated by reference to Exhibit 10(e)(21) to Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015. See SEC File number 001-04471.
*10(e)(10)	Form of Award Agreement under 2016 ELTIP (Restricted Stock Units) Incorporated by reference to Exhibit 10(e)(22) to Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015. See SEC File number 001-04471.
*10(e)(11)	Form of Award Agreement under 2016 ELTIP (Retention Restricted Stock Units) Incorporated by reference to Exhibit 10(e)(23) to Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015. See SEC File number 001-04471.
*10(e)(12)	Form of Award Agreement under 2016 ELTIP (Performance Shares and Restricted Stock Units) Incorporated by reference to Exhibit 10(e)(24) to Registrant’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015. See SEC File number 001-04471.
*10(e)(13)	Amendment No. 2 dated as of February 24, 2016 to 2012 APIP. Incorporated by reference to Exhibit 10(e)(25) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2016. See SEC File Number 001-04471.
*10(e)(14)	Form of Award Agreement under 2016 ELTIP (Performance Shares and Restricted Stock Units - CEO). Incorporated by reference to Exhibit 10(e)(26) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2016. See SEC File Number 001-04471.
*10(e)(15)	Registrant’s 2004 Performance Incentive Plan, as amended and restated effective as of May 20, 2016. Incorporated by reference to Exhibit 10(e)(27) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended June 30, 2016. See SEC File Number 001-04471.
*10(e)(16)	Registrant's 2004 Performance Incentive Plan, as amended and restated as of June 30, 2017. Incorporated by reference to Exhibit 10(e)(1) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended June 30, 2017. See SEC File Number 001-04471.
*10(e)(17)	Performance Elements for 2017 Executive Long-Term Incentive Program. Incorporated by reference to Exhibit 10(e)(2) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended June 30, 2017. See SEC File Number 001-04471.
*10(e)(18)	Registrant's Amendment No. 1 to the June 30, 2017 Amendment and Restatement of the 2004 Performance and Incentive Plan dated February 1, 2018.
*10(e)(19)	Amendment to Certain Restricted Stock Unit award agreements under Registrant’s 2004 Performance Incentive Plan, as amended to date. Incorporated by reference to Exhibit 10(e)(28) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended June 30, 2016. See SEC File Number 001-04471.
*10(e)(20)	2016 CEO Executive Long-Term Incentive Program Award Agreement (Performance Shares and Restricted Stock Units). Incorporated by reference to Exhibit 10(e)(29) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended June 30, 2016. See SEC File Number 001-04471.
*10(e)(21)	2017 CEO Executive Long-Term Incentive Program Award Agreement (Restricted Stock Units). Incorporated by reference to Exhibit 10(e)(30) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended June 30, 2016. See SEC File Number 001-04471.
*10(e)(22)	Annual Performance Incentive Plan for 2017 ("2017 APIP").

*10(e)(23)	Form of Omnibus Award Agreement under ELTIP (1-year graded Restricted Stock Units). Incorporated by reference to Exhibit 10(e)(27) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2016. See SEC File Number 001-04471.
*10(e)(24)	Form of Omnibus Award Agreement under ELTIP (2-year graded Restricted Stock Units). Incorporated by reference to Exhibit 10(e)(28) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2016. See SEC File Number 001-04471.
*10(e)(25)	Form of Omnibus Award Agreement under ELTIP (3-year graded Restricted Stock Units). Incorporated by reference to Exhibit 10(e)(29) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2016. See SEC File Number 001-04471.
*10(e)(26)	Form of Omnibus Award Agreement under ELTIP (Restricted Stock Units). Incorporated by reference to Exhibit 10(e)(30) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2016. See SEC File Number 001-04471.
*10(e)(27)	Form of Omnibus Award Agreement under ELTIP (Retention Restricted Stock Units). Incorporated by reference to Exhibit 10(e)(31) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2016. See SEC File Number 001-04471.
*10(e)(28)	Form of Omnibus Award Agreement under ELTIP (Performance Shares). Incorporated by reference to Exhibit 10(e)(32) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2016. See SEC File Number 001-04471.
*10(e)(29)	Form of Omnibus Award Agreement under ELTIP (Performance Shares and Restricted Stock Units). Incorporated by reference to Exhibit 10(e)(33) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2016. See SEC File Number 001-04471.
*10(e)(30)	Annual Performance Incentive Plan for 2018 ("2018 APIP").
*10(e)(31)	Performance Elements for 2018 Executive Long-Term Incentive Program ("2018 ELTIP")
*10(e)(32)	Form of Omnibus Award Agreement under PIP; ELTIP; PSU & RSU (ratable).
*10(e)(33)	Form of Award Summary Under PIP; ELTIP; PSU & RSU (ratable).
*10(e)(34)	Form of Omnibus Award Agreement under PIP; ELTIP; RSU (ratable).
*10(e)(35)	Form of Award Summary Under PIP; ELTIP; RSU (ratable).
*10(e)(36)	Form of Omnibus Award Agreement under PIP & ELTIP Stock Options.
*10(e)(37)	Form of Award Summary under PIP; ELTIP: Stock Options.
10(f)(1)	Letter Agreement dated March 19, 2014 between Registrant and Robert K. Zapfel, Executive Vice President and President, Services of Registrant ("Zapfel Letter Agreement"). Incorporated by reference to Exhibit 10(f) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2014. See SEC File Number 001-04471.
10(f)(2)	Modification dated March 25, 2016 to Zapfel Letter Agreement. Incorporated by reference to paragraph (A)(2) in Registrant's Current Report on Form 8-K dated March 25, 2016. See SEC File Number 001-04471.
*10(g)(1)	2004 Restatement of Registrant's Unfunded Supplemental Executive Retirement Plan, as amended and restated December 4, 2007 ("2007 USERP"). Incorporated by reference to Exhibit 10(g)(1) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2007. See SEC File Number 001-04471.
*10(g)(2)	Amendment dated December 4, 2007 to Registrant's 2007 USERP. Incorporated by reference to Exhibit 10(g)(2) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2007. See SEC File Number 001-04471.
*10(g)(3)	Amendment No. 1 dated December 11, 2008 to Registrant's 2007 USERP. Incorporated by reference to Exhibit 10(g)(3) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2008. See SEC File Number 001-04471.
*10(g)(4)	Amendment No. 2 dated April 28, 2011 to Registrant's 2007 USERP. Incorporated by reference to Exhibit 10(g)(4) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended June 30, 2011. See SEC File Number 001-04471.

*10(g)(5)	Amendment No. 3 dated December 7, 2011 to Registrant's 2007 USERP. Incorporated by reference to Exhibit 10(g)(5) to Registrant's Current Report on Form 8-K dated December 7, 2011. See SEC File Number 001-04471.
*10(g)(6)	Modification to vesting under Registrant’s 2007 USERP. Incorporated by reference to paragraph (B) in Registrant's Current Report on Form 8-K dated March 25, 2016. See SEC File Number 001-04471.
*10(h)	1996 Amendment and Restatement of Registrant's Restricted Stock Plan for Directors, as amended through February 4, 2002. Incorporated by reference to Exhibit 10(h) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2004. See SEC File Number 001-04471.
10(i)	[RESERVED]
*10(j)(1)	Registrant's Universal Life Plan as amended and restated as of August 26, 2013. Incorporated by reference to Exhibit 10(j)(1) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended September 30, 2013. See SEC File Number 001-00471.
*10(j)(2)	Participant Agreement for Registrant's Universal Life Plan. Incorporated by reference to Exhibit 10(j)(2) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended September 30, 2013. See SEC File Number 001-00471.
*10(k)(1)	Registrant's Deferred Compensation Plan for Directors, as amended and restated December 5, 2007 (“DCPD”). Incorporated by reference to Exhibit 10(k)(1) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2007. See SEC File Number 001-04471.
*10(k)(2)	Amendment dated December 5, 2007 to DCPD. Incorporated by reference to Exhibit 10(k)(2) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2007. See SEC File Number 001-04471.
*10(k)(3)	Amendment No. 2 dated May 17, 2010 to DCPD. Incorporated by reference to Exhibit 10(k)(3) to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010. See SEC File Number 001-04471.
*10(l)	Registrant's Deferred Compensation Plan for Executives, 2004 Restatement, as amended through August 11, 2004. Incorporated by reference to Exhibit 10(l) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended September 30, 2004. See SEC File Number 001-04471.
10(m)	Separation Agreement dated May 11, 2000 between Registrant and G. Richard Thoman, former President and Chief Executive Officer of Registrant. Incorporated by reference to Exhibit 10(n) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2005. See SEC File Number 001-04471.
*10(n)	Uniform Rule dated December 17, 2008 for all Deferred Compensation Promised by Registrant. Incorporated by reference to Exhibit 10(r) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2008. See SEC File Number 001-04471.
*10(o)	Form of Severance Agreement entered into with various executive officers, effective October 2010. Incorporated by reference to Exhibit 10(t) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2010. See SEC File Number 001-04471.
*10(p)	Letter Agreement dated November 21, 2016 between Registrant and William F. Osbourn, Jr. Incorporated by reference to Exhibit 10(v) to Registrant's Current Report on Form 8-K dated December 2, 2016. See SEC File Number 001-04471.
*10(q)	Master Plan Amendment dated May 2, 2011 to Registrant-Sponsored Benefit Plans. Incorporated by reference to Exhibit 10(bb) to Registrant's Quarterly Report on Form 10-Q for the Quarter ended June 30, 2011. See SEC File Number 001-04471.
10(r)	Agreement dated January 28, 2016 between the Icahn Group and Registrant re: separation of Registrant’s Business Process Outsourcing business and voting at Registrant’s 2016 annual meeting of shareholders. Incorporated by reference to Exhibit 10(s) to Registrant’s Current Report on Form 8-K dated January 28, 2016. See SEC File Number 001-04471.

10(s)	Agreement dated June 27, 2016 between the Icahn Group and Registrant re: voting provisions and election of a director to Registrant's Board.
	Incorporated by reference to Exhibit 10(b) to Registrant's Current Report on Form 8-K dated June 27, 2016. See SEC File Number 001-04471.
10(t)	Transition Services Agreement dated as of December 30, 2016 by and between Registrant and Conduent Incorporated.
	Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K dated December 30, 2016. See SEC File Number 001-04471.
10(u)	Tax Matters Agreement dated as of December 30, 2016 by and between Registrant and Conduent Incorporated.
	Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K dated December 30, 2016. See SEC File Number 001-04471.
10(v)	Employee Matters Agreement dated as of December 30, 2016 by and between Registrant and Conduent Incorporated.
	Incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K dated December 30, 2016. See SEC File Number 001-04471.
10(w)	Intellectual Property Agreement dated as of December 30, 2016 by and between Registrant and Conduent Incorporated.
	Incorporated by reference to Exhibit 10.4 to Registrant's Current Report on Form 8-K dated December 30, 2016. See SEC File Number 001-04471.
10(x)	Trademark License Agreement dated as of December 30, 2016 by and between Registrant and Conduent Incorporated.
	Incorporated by reference to Exhibit 10.5 to Registrant's Current Report on Form 8-K dated December 30, 2016. See SEC File Number 001-04471.
12	Computation of Ratio of Earnings to Fixed charges and the Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.
21	Subsidiaries of Registrant.
23	Consent of PricewaterhouseCoopers LLP.
31(a)	Certification of CEO pursuant to Rule 13a-14(a) or Rule 15d-14(a).
31(b)	Certification of CFO pursuant to Rule 13a-14(a) or Rule 15d-14(a).
32	Certification of CEO and CFO pursuant to 18 U.S.C. §1350 as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.INS	XBRL Instance Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.
101.SCH	XBRL Taxonomy Extension Schema Linkbase.

Exhibit 10(e)(18)

AMENDMENT NO. 1

TO THE

XEROX CORPORATION

2004 PERFORMANCE INCENTIVE PLAN

JUNE 30, 2017, AMENDMENT AND RESTATEMENT

WITNESSETH:

WHEREAS, Xerox Corporation (the "Company") has established the Xerox Corporation 2004 Performance incentive Plan, which is presently set forth in the June 30, 2017 Amendment and Restatement (hereinafter referred to as the "Plan"), and

WHEREAS the Company desires to amend the Plan,

NOW, THEREFORE, the Plan is hereby amended as follows:

(1) Section 22(c)(iv) is added to read in its entirety as follows:

(iv) This subsection (c) shall not apply to options, SARS, shares of restricted stock, or awards for which the award agreement provides a different payment schedule.

(2) Section 24(a) (relating to Code section 409A compliance) is amended to read in its entirety as follows:

(a) Construction and effect of terms and actions

(i) It is intended that no awards under the Plan shall cause any amount to be taxable under Code Section 409A with respect to any individual. All provisions of this Plan and of any agreement, award or award summary thereunder shall be construed in a manner consistent with this intent. Any provision of or amendment to this Plan, or of any agreement, award or award summary thereunder, that would cause any amount to be taxable under Code Section 409A with respect to any person is void and without effect. Any election by any participant, and any administrative action by the Committee or its delegate that would cause any amount to be taxable under Code section 409A with respect to any person is void and without effect under the Plan. Notwithstanding anything to the contrary herein, in no event shall the Company, its officers, directors, employees, subsidiaries, or affiliates be liable for any additional tax, interest, or penalty incurred by a participant or beneficiary as a result of the Plan's failure to satisfy the requirements of Code Section 409A, or as a result of the Plan's failure to satisfy any other applicable requirements for the deferral of tax.

(ii) All references in the Plan, awards and award agreements to "termination of employment" shall mean "separation from service" as defined in Code Section 409A and Treasury guidance thereunder. The Committee, however, may decide in its discretion that, solely for purposes of determining the vested percentage of an award or the exercise period of an option or SAR, the reference to "termination of employment" shall mean the end of the participant's salary continuance period.

(3) Section 24(c) (relating to Code section 409A compliant payment terms) is amended to read in its entirety as follows:

(c) Uniform Payment Rule

(i) Except as otherwise provided in the award agreement, all awards except SARs, options, shares of restricted stock, and awards for which the award agreement provides a different payment schedule, shall be paid on the date that is the earlier of (1) or (2) below, where

(1) is a termination of employment no later than two years after the occurrence of a Section 409A-Conforming Change in Control (or, in the case of a Key Employee, the date that is 6 months after such termination); and

(2) is the Vesting Date specified in the award summary.

(ii) If a participant has made a valid election under Code Section 409A to defer payment beyond the Vesting Date specified in the award summary, such award shall be settled pursuant to clause (i) by substituting the date so elected for the Vesting Date specified in the award summary.

(iii) Payment pursuant to the death or disability of a participant is governed by the award agreement.

Effective Date: This amendment is effective for grants on and after the date hereof.

Dated: February 1, 2018

XEROX CORPORATION

By:_______________

Jeffrey Jacobson

Chief Executive Officer

EXHIBIT 10(e)(22)

Annual Performance Incentive Plan for 2017 ("2017 APIP")

Under the 2017 APIP, executive officers of the Company are eligible to receive performance related cash payments. Payments are, in general, only made if performance objectives established by the Compensation Committee of the Board of Directors (the "Committee") are met.

The Committee previously approved an incentive target opportunity for 2017, expressed as a percentage of base salary, for each participating officer. The Committee also established overall threshold, target and maximum performance metrics and payout ranges for the 2017 APIP. Certain additional goals were established for some officers based on business unit measures. Additionally, the Committee had established an opportunity for an individual performance component whereby the Committee has the authority to increase or decrease an award based on individual performance, subject to the limitations of Section 162(m) of the Internal Revenue Code. The performance measures and weightings were: constant currency revenue growth (adjusted to exclude the impact of changes in the translation of foreign currencies into U.S. dollars) (weighted at 20%), adjusted pre-tax income (weighted at 30%), operating cash flow from continuing operations (weighted at 25%) and a strategic transformation measure (cost/productivity) (weighted at 25%).

The performance against the 2017 APIP goals was as follows: constant currency revenue growth and adjusted pre-tax income were above target, operating cash flow from continuing operations and the strategic transformation measure (cost/productivity) were above maximum.

EXHIBIT 10(e)(30)

Annual Performance Incentive Plan for 2018 ("2018 APIP")

Under the 2018 APIP, executive officers of the Company are eligible to receive performance related cash payments. Payments are, in general, only made if performance objectives established by the Compensation Committee of the Board of Directors (the "Committee") are met.

The Committee approved incentive opportunities for 2018, expressed as a percentage of base salary for each participating officer. The Committee also established overall threshold, target and maximum performance metrics and payout ranges for the 2018 APIP. Additionally, the Committee established an opportunity for an individual performance component whereby the Committee has the authority to increase or decrease an award based on individual performance. The performance measures and weightings are: constant currency revenue growth (adjusted to exclude the impact of changes in the translation of foreign currencies into U.S. dollars) (weighted at 33.3%), adjusted pre-tax income (weighted at 33.3%) and free cash flow (weighted at 33.3%).

Individual awards will be subject to the review and approval of the Committee following the completion of the 2018 fiscal year, with payment to be made within the first four months of 2019.

EXHIBIT 10(e)(31)

2018 Executive Long-Term Incentive Program ("2018 E-LTIP")

Under the 2018 E-LTIP, executive officers of the Company are eligible to receive shares based on (i) satisfying certain performance measures established by the Compensation Committee of the Board of Directors (performance shares) for 50% of the award (ii) improved stock price performance (stock options) for 25% of the award and (iii) continued service only (restricted stock units) for the remaining 25% of the award.

The 2018 E-LTIP performance measures and corresponding weightings provided below apply to the 2018 performance year only. The 2019 and 2020 performance measures and goals will be determined at a later date consistent with the anticipated Fujifilm transactions.

(i) (33.3%) CAGR[1] Revenue Growth: Revenue growth adjusted annually to exclude the impact of changes in the translation of foreign currencies into U.S. dollars.

(ii) (33.3%) Free Cash Flow: Net Cash provided by (used for) Operating Activities of Continuing Operations, less capital expenditures (inclusive of internal use software), both as reported in the Company's audited consolidated financial statements, as adjusted annually for the following items:

1) Costs related to acquisition, separation or divestiture to the extent any such item qualifies for separate line item disclosure on the face of the consolidated statement of income in accordance with Generally Accepted Accounting Principles consistently applied;
2) Cash impacts from the following:
    - Items individually identified within Other Expenses, net, (except for interest, currency and asset sales) and to the extent the amount is greater than $10 million pre-tax. If any such item qualifies for separate line item disclosure on the face of the consolidated statement of income in accordance with Generally Accepted Accounting Principles consistently applied, then such item will also warrant adjustment;
    - Gains/(losses) from the settlement of tax audits or changes in enacted tax law (to the extent the amount is greater than $10 million pre-tax);
    - Gains/(losses) resulting from acts of war, terrorism or natural disasters (to the extent the amount is greater than $10 million pre-tax);
3) Cash payments for restructurings in excess of or less than the amount reported as current restructuring reserves in the preceding year's Annual Report;
4) Pension contributions in excess of or less than the planned amounts for each year;
5) Impact of changes in receivables factoring programs as compared to total amount factored at December 31, 2017 ($161 million).

(iii) (33.3%) Relative Total Shareholder Return: Total Shareholder Return (TSR) is stock price appreciation plus dividends paid over the performance period. Relative TSR will be determined by ranking Xerox and Peer Companies from highest to lowest according to their respective TSRs. Payout for this portion of the Performance Share Units will be determined based on Xerox's percentile relative to the Peer Group performance.

CAGR[1] Revenue Growth and Free Cash Flow will be adjusted for:

1) Impacts of any individual acquisition in excess of $500 million purchase price;
2) Impacts of a divestiture with revenue equal to or greater than $100 million;
3) Effects of a change in accounting principle as identified within the Company's consolidated financial statements or MD&A.

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[1] *CAGR = Compounded Annual Growth Rate.*

EXHIBIT 10(e)(32)

Omnibus Agreement – [insert year]: PIP; ELTIP; PSU & RSU(ratable)

AGREEMENT PURSUANT TO
XEROX CORPORATION
2004 PERFORMANCE INCENTIVE PLAN AS AMENDED OR RESTATED TO DATE

AGREEMENT, by Xerox Corporation, a New York corporation (the "Company"), dated as of the date that appears in the applicable award summary that provides the value (or number of Performance Share Units and Restricted Stock Units, as applicable) and vesting provisions of the applicable award (together, the "Award Summaries") in favor of the individual whose name appears on the applicable Award Summary, who is an employee of the Company, one of the Company's subsidiaries or one of its affiliates (the "Employee").

In accordance with the provisions of the "2004 Performance Incentive Plan" and any amendments and/or restatements thereto (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee") or the Chief Executive Officer of the Company (the "CEO") has authorized the execution and delivery of this Agreement.

Terms used herein that are defined in the Plan or in this Agreement shall have the meanings assigned to them in the Plan or this Agreement, respectively.

The Award Summaries contain the details of the awards covered by this Agreement and are incorporated herein in their entirety.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the Company agrees as follows:

AWARDS

1 . General. Subject to all terms and conditions of the Plan and this Agreement, the Company has awarded to the Employee on the date indicated on the applicable Award Summary (the "Grant Date") (i) the number of Performance Share Units (individually, the "PSU") and (ii) the number of Restricted Stock Units (individually, the "RSU"), in each case, as shown on the applicable Award Summary. Notwithstanding anything herein to the contrary, only active Employees and those Employees on Short Term Disability Leave, Social Service Leave, Family Medical Leave or Paid Uniform Services Leave (pursuant to the Company's Human Resources Policies or similar policies of the Company's subsidiaries or affiliates) on the effective date of the award, as shown on the applicable Award Summary, shall be eligible to receive the awards.

TERMS OF THE PERFORMANCE SHARE UNITS

2. Entitlement to Shares. As soon as practicable on or after the vesting date indicated on the applicable Award Summary, or the date of death if sooner, (the "PSU Vesting Date") in connection with the PSUs, the Company shall, without transfer or issue tax to the person entitled to receive the shares, deliver to such person a certificate or certificates for a number of shares of Common Stock equal to the number of vested PSUs (subject to reduction for withholding of Employee's taxes in relation to the award as described in Paragraph 12 below). No fractional shares shall be issued as a result of such tax withholding. Instead, the Company shall apply the equivalent of any fractional share amount to amounts withheld for taxes.

The Committee shall set performance goals and review performance against such goals in connection with determining the payout of PSUs. The award of PSUs covered hereby shall be earned based on achieving one or more performance measures, as shall be determined by the Committee. To the extent the applicable performance measure is achieved at one hundred percent (100%) of **"**target**"** (as determined by the Committee), the PSUs subject to such performance measure will be earned at the target number of shares set forth in the applicable Award Summary. To the extent the applicable performance measure is achieved below **"**threshold**"** (as determined by the Committee), none of the PSUs subject to such performance measure will be earned; to the extent the applicable performance measure is achieved between **"**threshold**"** and **"**target**"**, the PSUs subject to such performance measure will be earned between 50% and 100% of the target number of shares set forth in the applicable Award Summary; and to the extent the applicable performance measure is achieved between "target" and "maximum" (as determined by the Committee), the PSUs subject to such performance measure will be earned between 100% and 200% of the target number of shares set forth in the applicable Award Summary, in each case calculated on a linear basis.

Upon the occurrence of an event constituting a Change in Control, all PSUs and dividend equivalents outstanding on such date shall be treated pursuant to the terms set forth in the Plan. Upon payment pursuant to the terms of the Plan, such awards shall be cancelled.

3 . Dividend Equivalents. The Employee shall become entitled to receive from the Company on the PSU Vesting Date a cash payment equaling the same amount(s) that the holder of record of a number of shares of Common Stock equal to the number of PSUs covered by this Agreement (relating exclusively to PSUs earned, based on actual achievement of the applicable performance measures, not to exceed the applicable target award amount shown on the applicable Award Summary), that are held by the Employee on the close of business on the business day immediately preceding the PSU Vesting Date, would have been entitled to receive as dividends on such Common Stock during the period commencing on the effective date hereof and ending on the PSU Vesting Date, as provided under Paragraph 2. Payments under this Paragraph shall be net of any required withholding taxes. Notwithstanding anything herein to the contrary, for any Employee who is no longer an employee on the payroll of any subsidiary or affiliate of the Company on the payment date of the dividend equivalents, and such subsidiary or affiliate has determined, with the approval of the Corporate Vice President, Human Resources of the Company, that it is not administratively feasible for such subsidiary or affiliate to pay such dividend equivalents, the Employee will not be entitled to receive such dividend equivalents or other payment in lieu thereof.

TERMS OF THE RESTRICTED STOCK UNITS

4. Entitlement to Shares. Upon the vesting date indicated on the applicable Award Summary, or the date of death if sooner, (the "RSU Vesting Date") in connection with the RSUs, the Company shall, without transfer or issue tax to the person entitled to receive the shares, deliver to such person a certificate or certificates for a number of shares of Common Stock equal to the number of vested RSUs (subject to reduction for withholding of Employee's taxes in relation to the award as described in Paragraph 12 below). No fractional shares shall be issued as a result of such tax withholding. Instead, the Company shall apply the equivalent of any fractional share amount to amounts withheld for taxes.

Upon the occurrence of an event constituting a Change in Control, all RSUs and dividend equivalents on such shares that are outstanding on such date shall be treated pursuant to the terms set forth in the Plan. Upon payment pursuant to the terms of the Plan, such awards shall be cancelled.

5 . Dividend Equivalents. The Employee shall become entitled to receive from the Company on the RSU Vesting Date a cash payment equaling the same amount(s) that the holder of record of a number of shares of Common Stock equal to the number of RSUs covered by this Agreement that are held by the Employee on the close of business on the business day immediately preceding the RSU Vesting Date, would have been entitled to receive as dividends on such Common Stock during the period commencing on the effective date hereof and ending on the RSU Vesting Date, as provided under Paragraph 4. Payments under this Paragraph shall be net of any required withholding taxes. Notwithstanding anything herein to the contrary, for any Employee who is no longer an employee on the payroll of any subsidiary or affiliate of the Company on the payment date of the dividend equivalents, and such subsidiary or affiliate has determined, with the approval of the Corporate Vice President, Human Resources of the Company, that it is not administratively feasible for such subsidiary or affiliate to pay such dividend equivalents, the Employee will not be entitled to receive such dividend equivalents or other payment in lieu thereof.

OTHER TERMS

6. Ownership Guidelines. Guidelines pertaining to the Employee's required ownership of Common Stock shall be determined by the Committee or its authorized delegate, as applicable, in its sole discretion from time to time as communicated to Employee in writing.

7 . Holding Requirements. The Employee must retain fifty percent (50%) of the net shares of Common Stock acquired in connection with the PSUs and the RSUs (net of withholding tax and any applicable fees) until ownership guidelines are met under Paragraph 6 hereof, subject to any ownership and holding requirements policies established by the Committee from time to time. Such shares shall be held in the Employee's Morgan Stanley

account or in another account acceptable to the Company. In addition, shares used to maintain the Employee's ownership level pursuant to this award should be held with Morgan Stanley or in another account acceptable to the Company.

If employment terminates due to the death of the Employee, such holding requirements shall cease at the date of death. If the Employee is a Corporate officer of the Company and terminates for any other reason, the holding requirement will be applicable for a six month period for the CEO, and a three month period for all other officers, following termination.

8 . Rights of a Shareholder. Employee shall have no rights as a shareholder with respect to any shares covered by this Agreement until the date of issuance of a stock certificate to him for such shares. Except as otherwise provided herein, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

9 . Non-Assignability. This Agreement shall not be assignable or transferable by Employee except by will or by the laws of descent and distribution.

10. Effect of Termination of Employment or Death.

(a) Effect on PSUs and RSUs.

(i) if the Employee voluntarily ceases to be an Employee of the Company or any subsidiary or affiliate (the Company, subsidiary or affiliate, together, the "Employer") for any reason except retirement or the Employee's voluntary termination of employment due to a reduction in workforce, and the PSUs have not vested in accordance with Paragraph 2 or the RSUs have not vested in accordance with Paragraph 4, the PSUs or RSUs, as applicable, shall be cancelled on the date of such voluntary termination of employment.

(ii) if the Employee involuntarily ceases to be an Employee of the Employer for any reason (including Disability as provided pursuant to Paragraph 10(b) below or under a disability policy of any subsidiary or affiliate, as applicable), other than death or for Cause, or voluntarily ceases to be an Employee of the Employer due to a reduction in workforce, shares will vest on a pro rata basis, calculated as follows, and which vesting may, at the discretion of the Company, be contingent upon Employee executing a general release, and which may include an agreement with respect to engagement in detrimental activity, in a form acceptable to the Company: (1) The total number of PSUs (if any) that will have been earned and vested under this Paragraph 10(a)(ii) as of actual achievement of the applicable performance measures equals (A) the total number or PSUs awarded under this Agreement, multiplied by (B) the percentage of such PSUs earned based on the actual achievement of the applicable performance measures as determined by the Company, multiplied by (C) a fraction, the numerator of which is the number of full months of actual service performed for the Employer from the Grant Date through the date of termination of employment, and the denominator of which is 36.

Vested PSUs (if any) will be paid as soon as practicable after the PSU Vesting Date, subject to Paragraph 10(e).

(2) The total number of RSUs under this Agreement that will have vested as of termination of employment under this Paragraph 10(a)(ii) equals (A) a percentage equal to the sum of (a + b + c) multiplied by (B) the total number of RSUs awarded under this Agreement where:

a = (m/12) x 25%
b = (m/24) x 25%
c = (m/36) x 50%

and m is the number of actual months of service performed for the Employer as of termination of employment on and after the Grant Date, except that m shall not exceed 12 for purposes of calculating a; m shall not exceed 24 for purposes of calculating b; and m shall not exceed 36 for purposes of calculating c.

Vested RSUs will be paid as follows. Unless already Vested under Paragraph 4 as of such termination of employment, the number of RSUs paid under this Paragraph 10(a)(ii)(2) on the first Vesting Date specified in the Award Summary shall be the number of RSUs under this Agreement multiplied by a; the number paid on the second Vesting Date shall be the number of RSUs under this Agreement multiplied by b, and the number paid on the third Vesting Date shall be the number of RSUs under this Agreement multiplied by c. For purposes of foregoing sentence, a, b and c shall have the meanings set forth above in this Paragraph.

Vested RSUs will be paid as soon as practicable after each applicable RSU Vesting Date, subject to Paragraph 10(e).

(iii) If the Employee ceases to be an Employee of the Employer by reason of death, 100% of the PSUs and the RSUs shall vest on the date of death and the certificates for shares shall be delivered in accordance with Paragraph 2 or Paragraph 4, as applicable, to the personal representatives, heirs or legatees of the deceased Employee.

(iv) If the Employee ceases to be an Employee of the Employer by reason of retirement (i.e., for purposes of this Agreement only, "retirement" for U.S. employees shall mean termination of employment at or above age 55 with 10 years of service or age 60 with 5 years of service with the Employer), shares will vest on a pro rata basis, calculated as follows, and which vesting may, at the discretion of the Company, be contingent upon Employee executing a general release, and which may include an agreement with respect to engagement in detrimental activity, in a form acceptable to the Company:

(1) The total number of PSUs (if any) that will have been earned and vested under this Paragraph 10(a)(iv) as of actual achievement of the applicable performance measures will be determined on a pro-rata basis based on the Employee's actual months of service with the Employer and the actual achievement of the applicable performance measures as determined by the Company, in the same manner as set forth at Paragraph 10(a)(ii)(1). Such vested PSUs will be paid as set forth at Paragraph 10(a)(ii)(1)

(2) The total number of RSUs that will have vested on such termination of employment will be determined on a pro rata basis based on the Employee's actual months of service with the Employer in the same manner as set forth under Paragraph 10(a)(ii)(2). Such vested RSUs shall be paid according to the schedule set forth under Paragraph 10(a)(ii)(2)

(v) If the Employee ceases to be an Employee of the Employer due to termination for Cause, the PSUs and the RSUs, as applicable, shall, subject to any Plan provisions to the contrary, be cancelled on the date of such termination of employment.

(b) Disability. Cessation of active employment due to commencement of long-term disability under the Employer's long-term disability plan shall not be deemed to constitute a termination of employment for purposes of this Paragraph 10 and, during the continuance of such Employer-sponsored long-term disability plan benefits, the Employee shall be deemed to continue active employment with the Employer. If the Employee is deemed to have terminated employment because the Employee has received the maximum coverage under an Employer-provided long-term disability plan, PSUs and RSUs will be vested and paid according to Paragraph 10(a)(ii), treating such deemed employment and deemed termination of employment as actual months of service and termination of employment.

(c) Cause. "Cause" means (i) a violation of any of the rules, policies, procedures or guidelines of the Employer, including but not limited to the Company's Business Ethics Policy and the Proprietary Information and Conflict of Interest Agreement (ii) any conduct which qualifies for "immediate discharge" under the Employer's Human Resource Policies as in effect from time to time (iii) rendering services to a firm which engages, or engaging directly or indirectly, in any business that is competitive with the Employer, or represents a conflict of interest with the interests of the Employer; (iv) conviction of, or entering a guilty plea with respect to, a crime whether or not connected with the Employer; or (v) any other conduct determined to be injurious, detrimental or prejudicial to any interest of the Employer.

(d) Salary Continuance. For purposes of determining the number of PSUs or RSUs that are vested under this Agreement or the Award Summary, the Company may at its discretion, determine that termination of employment means the date on which salary continuance ends, and that "actual months of service" for such purposes include any period of salary continuance.

(e) The Effect of Releases. Payment will be made as soon as practicable (but not later than 70 days) after the designated payment date except that if the timing of any payment is contingent on employee action, such as execution of a release of claims or agreement, and the specified payment period straddles two calendar years, payment will be made on the second such calendar year.

11. General Restrictions. If at any time the Committee or its authorized delegate, as applicable, shall determine, in its discretion, that the listing, registration or qualification of any shares subject to this Agreement upon any securities exchange or under any state or Federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the awarding of the PSUs or the RSUs or the issue or purchase of shares hereunder, the certificates for shares may not be issued in respect of PSUs or RSUs in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee or its authorized delegate, as applicable, and any delay caused thereby shall in no way affect the date of termination of the PSUs or the RSUs.

12. Responsibility for Taxes. Employee acknowledges that the ultimate responsibility for Employee's Federal, state and municipal individual income taxes, the Employee's portion of social security and other payroll taxes, and any other taxes related to Employee's participation in the Plan and legally applicable to Employee, is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer.

13. Nature of Award. In accepting the award, Employee acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in a manner consistent with Section 13 of the Plan regarding Plan amendment and termination and, in addition, the PSUs and RSUs are subject to modification and adjustment under Section 6(b) of the Plan;

(b) the award of the PSUs and RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs or RSUs, or benefits in lieu of PSUs or RSUs, even if PSUs or RSUs have been granted repeatedly in the past;

(c) all decisions with respect to future PSU and RSU awards, if any, will be at the sole discretion of the Committee or its authorized delegate, as applicable;

(d) Employee's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Employee's employment relationship at any time; further, the PSU and RSU award and Employee's participation in the Plan will not be interpreted to form an employment contract or relationship with the Employer;

(e) Employee is voluntarily participating in the Plan;

(f) the PSUs, the RSUs and the shares of Common Stock subject thereto are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Employer, and which is outside the scope of Employee's employment contract, if any;

(g) the PSUs, the RSUs and the shares of Common Stock subject thereto are not intended to replace any pension rights or compensation;

(h) the PSUs, the RSUs and the shares of Common Stock subject thereto are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Employer;

(i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;

(j) in consideration of the award of the PSUs and RSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs or RSUs, including, but not limited to, forfeiture resulting from termination of Employee's employment with the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and Employee irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Employee shall be deemed irrevocably to have waived Employee's entitlement to pursue such claim; and

(k) subject to the provisions in the Plan regarding Change in Control, PSUs and RSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

14. No Advice Regarding Award. Neither the Company nor the Employer is providing any tax, legal or financial advice, nor is the Company or Employer making any recommendations regarding Employee's participation in the Plan, or his or her acquisition or sale of the underlying shares of Common Stock. Employee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

15. Amendment of This Agreement. With the consent of the Employee, the Committee or its authorized delegate, as applicable, may amend this Agreement in a manner not inconsistent with the Plan.

16. Subsidiary. As used herein the term "subsidiary" shall mean any present or future corporation which would be a "subsidiary corporation" of the Company as the term is defined in Section 425 of the Internal Revenue Code of 1986 on the Grant Date.

17. Affiliate. As used herein the term "affiliate" shall mean any entity in which the Company has a significant equity interest, as determined by the Committee.

18. Recoupments.

(a) If an Employee or former Employee of the Employer is reasonably deemed by the Committee or its authorized delegate, as applicable, to have engaged in detrimental activity against the Employer, any awards granted to such Employee or former Employee shall be cancelled and be of no further force or effect and any payment or delivery of an award from six months prior to such detrimental activity may be rescinded. In the event of any such rescission, the Employee shall pay to the Company the amount of any gain realized or payment received as a result of the rescinded exercise, payment or delivery, in such manner and on such terms and conditions as may be required by the Committee or its authorized delegate, as applicable. Detrimental activity may include:

(i) violating terms of a non-compete agreement with the Employer, if any;

(ii) disclosing confidential or proprietary business information of the Employer to any person or entity including but not limited to a competitor, vendor or customer without appropriate authorization from the Employer;

(iii) violating any rules, policies, procedures or guidelines of the Employer;

(iv) directly or indirectly soliciting any employee of the Employer to terminate employment with the Employer;

(v) directly or indirectly soliciting or accepting business from any customer or potential customer or encouraging any customer, potential customer or supplier of the Employer, to reduce the level of business it does with the Employer; or

(vi) engaging in any other conduct or act that is determined to be injurious, detrimental or prejudicial to any interest of the Employer.

(b) If an accounting restatement by the Company is required in order to correct any material noncompliance with financial reporting requirements under relevant securities laws, the Company will have the authority to recover from executive officers or former executive officers, whether or not still employed by the Employer, any excess incentive-based compensation (in excess of what would have been paid under the accounting restatement), including entitlement to shares, provided under this Agreement to executive officers of the Employer, that was based on such erroneous data and paid during the three-year period preceding the date on which the Company is required to prepare the accounting restatement. Notwithstanding anything herein to the contrary, the Company may implement any policy or take any action with respect to the recovery of excess incentive-based compensation, including entitlement to shares, that the Company determines to be necessary or advisable in order to comply with the requirements of the Dodd-Frank Wall Street Financial Reform and Consumer Protection Act.

19. Cancellation and Rescission of Award. Without limiting the foregoing Paragraph regarding non-engagement in detrimental activity against the Employer, the Company may cancel any award provided hereunder if the Employee is not in compliance with all of the following conditions:

(a) An Employee shall not render services for any organization or engage directly or indirectly in any business which would cause the Employee to breach any of the post-employment prohibitions contained in any agreement between the Employer and the Employee.

(b) An Employee shall not, without prior written authorization from the Employer, disclose to anyone outside the Employer, or use in other than the Employer's business, any confidential information or material, as specified in any agreement between the Employer and the Employee which contains post-employment prohibitions, relating to the business of the Employer acquired by the Employee either during or after employment with the Employer.

Notwithstanding the above, the Employer does not in any manner restrict the Employee from reporting possible violations of federal, state or local laws or regulations to any governmental agency or entity. Similarly, the Employer does not in any manner restrict the Employee from participating in any proceeding or investigation by a federal, state or local government agency or entity responsible for enforcing such laws. The Employee is not required to notify the Employer that he or she has made such report or disclosure, or of his or her participation in an agency investigation or proceeding.

(c) An Employee, pursuant to any agreement between the Employer and the Employee which contains post-employment prohibitions, shall disclose promptly and assign to the Employer all right, title and interest in any invention or idea, patentable or not, made or conceived by the Employee during employment with the Employer, relating in any manner to the actual or anticipated business, research or development work of the Employer, and shall do anything reasonably necessary to enable the Employer to secure a patent where appropriate in the United States and in foreign countries.

(d) Failure to comply with the provision of subparagraphs (a), (b) or (c) of this Paragraph 19 prior to, or during the six months after, any payment or delivery shall cause such payment or delivery to be rescinded. The Company shall notify the Employee in writing of any such rescission within two years after such payment or delivery. Within ten days after receiving such a notice from the Company, the Employee shall pay to the Company the amount of any payment received as a result of the rescinded payment or delivery pursuant to an award. Such payment to the Company by the Employee shall be made either in cash or by returning to the Company the number of shares of common stock that the Employee received in connection with the rescinded payment or delivery.

20. Notices. Notices hereunder shall be in writing and if to the Company shall be mailed to the Company at 201 Merritt 7, Norwalk, CT 06851-1056, addressed to the attention of Stock Plan Administrator (or such other person specified hereafter by the Company), and if to the Employee shall be delivered personally or mailed to the Employee at his address as the same appears on the records of the Company.

21. Language. If Employee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

22. Electronic Delivery and Acceptance. The Company will deliver any documents related to current or future participation in the Plan by electronic means. Employee hereby consents to receive such documents by electronic delivery, and agrees to participate in the Plan and be bound by the terms and conditions of this Agreement, through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Electronic acceptance by the Employee is required and the award will be cancelled for any Employee who fails to comply with the Company's acceptance requirement within six months of the Grant Date.

23. Interpretation of This Agreement. The Committee or its authorized delegate, as applicable, shall have the authority to interpret the Plan and this Agreement and to take whatever administrative actions, including correction of administrative errors in the awards subject to this Agreement and in this Agreement, as the Committee or its

authorized delegate, as applicable, in its sole good faith judgment shall determine to be advisable. All decisions, interpretations and administrative actions made by the Committee or its authorized delegate, as applicable, hereunder or under the Plan shall be binding and conclusive on the Company and the Employee. In the event there is inconsistency between the provisions of this Agreement and of the Plan, the provisions of the Plan shall govern.

24. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and to the extent provided in Paragraph 9 to the personal representatives, legatees and heirs of the Employee.

25. Governing Law and Venue. The validity, construction and effect of the Agreement and any actions taken under or relating to this Agreement shall be determined in accordance with the laws of the state of New York and applicable Federal law.

This grant is made and/or administered in the United States. For purposes of litigating any dispute that arises under this grant or the Agreement the parties hereby submit to and consent to the jurisdiction of the state of New York, agree that such litigation shall be conducted in the courts of Monroe County, New York, or the federal courts for the United States for the Western District of New York.

26. Separability. In case any provision in the Agreement, or in any other instrument referred to herein, shall become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in the Agreement, or in any other instrument referred to herein, shall not in any way be affected or impaired thereby.

27. Integration of Terms. Except as otherwise provided in this Agreement, this Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes any and all oral statements and prior writings with respect thereto.

28. Appendix for Non-U.S. Countries. Notwithstanding any provisions in this Agreement, the PSU award and RSU award shall be subject to any special terms and conditions set forth in any appendix to this Agreement for Employee's country (the "Appendix"). Moreover, if Employee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

29. Imposition of Other Requirements. The Committee or its authorized delegate, as applicable, reserves the right to impose other requirements on Employee's participation in the Plan, on the PSUs, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Committee or its authorized delegate, as applicable, determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year set forth on the applicable Award Summary.

XEROX CORPORATION

By___________________________

Signature

EXHIBIT 10(e)(33)

Restricted Stock Units - Award Summary

View Award

Award Summary

Participant Name	<Name>
Stock Symbol	XRX
Award Date	<Date>
Award Type	RSU
Award Description	Restricted Stock Unit

Future Vesting

Vest Date	Vest Quantity
<Date>	<# of Shares>
<Date>	<# of Shares>
<Date>	<# of Shares>

Performance Share Units - Award Summary

View Award

Award Summary

Participant Name	<Name>
Stock Symbol	XRX
Award Date	<Date>
Award Type	PSU
Award Description	Performance Share Unit

Future Vesting

Vest Date	Target	Performance Start Date	Performance End Date
<Date>	<# of Shares>		

EXHIBIT 10(e)(34)

Omnibus Agreement – [insert year]: PIP; ELTIP; RSUs (ratable)

AGREEMENT PURSUANT TO
XEROX CORPORATION
2004 PERFORMANCE INCENTIVE PLAN AS AMENDED OR RESTATED TO DATE

AGREEMENT, by Xerox Corporation, a New York corporation (the "Company"), dated as of the date that appears in the award summary that provides the value (or number of Restricted Stock Units) and vesting provisions of the award (the "Award Summary") in favor of the individual whose name appears on the Award Summary, who is an employee of the Company, one of the Company's subsidiaries or one of its affiliates (the "Employee").

In accordance with the provisions of the "2004 Performance Incentive Plan" and any amendments and/or restatements thereto (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee") or the Chief Executive Officer of the Company (the "CEO") has authorized the execution and delivery of this Agreement.

Terms used herein that are defined in the Plan or in this Agreement shall have the meanings assigned to them in the Plan or this Agreement, respectively.

The Award Summary contains the details of the awards covered by this Agreement and is incorporated herein in its entirety.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the Company agrees as follows:

AWARDS

1 . Award of Restricted Stock Units. Subject to all terms and conditions of the Plan and this Agreement, the Company has awarded to the Employee on the date indicated on the Award Summary (the "Grant Date") the number of Restricted Stock Units (individually, the "RSU") as shown on the Award Summary. Notwithstanding anything herein to the contrary, only active Employees and those Employees on Short Term Disability Leave, Social Service Leave, Family Medical Leave or Paid Uniform Services Leave (pursuant to the Company's Human Resources Policies or similar policies of the Company's subsidiaries or affiliates) on the effective date of the award as shown on the Award Summary shall be eligible to receive the award.

TERMS OF THE RESTRICTED STOCK UNITS

2 . Entitlement to Shares. Upon the vesting date indicated on the Award Summary, or the date of death if sooner, (the "Vesting Date") in connection with the RSUs, the Company shall, without transfer or issue tax to the person entitled to receive the shares, deliver to such person a certificate or certificates for a number of shares of Common Stock equal to the number of vested RSUs (subject to reduction for withholding of Employee's taxes in relation to the award as described in Paragraph 8 below). No fractional shares shall be issued as a result of such tax withholding. Instead, the Company shall apply the equivalent of any fractional share amount to amounts withheld for taxes.

Upon the occurrence of an event constituting a Change in Control, all RSUs and dividend equivalents on such shares that are outstanding on such date shall be treated pursuant to the terms set forth in the Plan. Upon payment pursuant to the terms of the Plan, such awards shall be cancelled.

3. Dividend Equivalents. The Employee shall become entitled to receive from the Company on the Vesting Date a cash payment equaling the same amount(s) that the holder of record of a number of shares of Common Stock equal to the number of RSUs covered by this Agreement, that are held by the Employee on the close of business on the business day immediately preceding the Vesting Date, would have been entitled to receive as dividends on such Common Stock during the period commencing on the effective date hereof and ending on the Vesting Date as provided under Paragraph 2. Payments under this Paragraph shall be net of any required withholding taxes. Notwithstanding anything herein to the contrary, for any Employee who is no longer an employee on the

payroll of any subsidiary or affiliate of the Company on the payment date of the dividend equivalents, and such subsidiary or affiliate has determined, with the approval of the Corporate Vice President, Human Resources of the Company, that it is not administratively feasible for such subsidiary or affiliate to pay such dividend equivalents, the Employee will not be entitled to receive such dividend equivalents.

OTHER TERMS

4 . Rights of a Shareholder. Employee shall have no rights as a shareholder with respect to any shares covered by this Agreement until the date of issuance of a stock certificate to him for such shares. Except as otherwise provided herein, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

5 . Non-Assignability. This Agreement shall not be assignable or transferable by Employee except by will or by the laws of descent and distribution.

6. Effect of Termination of Employment or Death.

(a) Effect on RSUs.

(i) If the Employee voluntarily ceases to be an Employee of the Company or any subsidiary or affiliate (the Company, subsidiary or affiliate, together, the “Employer”) for any reason except retirement or the Employee’s voluntary termination of employment due to a reduction in the workforce, and the RSUs have not vested in accordance with Paragraph 2, the RSUs shall be cancelled on the date of such voluntary termination of employment.

(ii) If the Employee involuntarily ceases to be an Employee of the Employer for any reason (including Disability as provided pursuant to Paragraph 6(b) below or under a disability policy of any subsidiary or affiliate, as applicable), other than death or for Cause, or voluntarily ceases to be an Employee of the Employer due to a reduction in workforce, shares will vest on a pro-rata basis, which may, at the discretion of the Company, be contingent upon Employee executing a general release, and which may include an agreement with respect to engagement in detrimental activity, in a form acceptable to the Company. The total number of RSUs under this Agreement that will have vested as of termination of employment under this Paragraph 6(a)(ii) equals (I) a percentage equal to the sum of (a + b + c) multiplied by (II) the total number of RSUs awarded under this Agreement where:

a = (m/12) x 25%
b = (m/24) x 25%
c = (m/36) x 50%

and m is the number of actual months of service performed for the Employer as of termination of employment on and after the Grant Date, except that m shall not exceed 12 for purposes of calculating a; m shall not exceed 24 for purposes of calculating b; and m shall not exceed 36 for purposes of calculating c.
Vested RSUs will be paid as follows. Unless already Vested under Paragraph 2 as of such termination of employment, the number of RSUs paid under this Paragraph on the first Vesting Date specified in the Award Summary shall be the number of RSUs under this Agreement multiplied by a; the number paid on the second Vesting Date shall be the number of RSUs under this Agreement multiplied by b, and the number paid on the third Vesting Date shall be the number of RSUs under this Agreement multiplied by c. For purposes of the preceding sentence, a, b and c shall have the meanings set forth above in this Paragraph.
Vested RSUs will be paid as soon as practicable after each applicable RSU Vesting Date, subject to Paragraph 6(e).

(iii) If the Employee ceases to be an Employee of the Employer by reason of death, 100% of the RSUs pursuant to this grant shall vest on the date of death and the certificates for shares shall be delivered in accordance with Paragraph 5 to the personal representatives, heirs or legatees of the deceased Employee.

(iv) If the Employee ceases to be an Employee of the Employer by reason of retirement (which for purposes of this Agreement only, shall mean, for a U.S. employee, termination of employment with the Employer after attaining age 55 and 10 years of service with the Employer, or age 60 and 5 years of service with the Employer) RSUs will vest on a pro rata basis, which may, at the discretion of the Company, be contingent upon Employee executing a general release, and which may include an agreement with respect to engagement in detrimental activity, in a form acceptable to the Company. The total number of RSUs that will have vested on such termination of employment will be determined on a pro rata basis based on the Employee's actual months of service with the Employer in the same manner as set forth under Paragraph 6(a)(ii). Such vested RSUs shall be paid according to the schedule set forth under Paragraph 6(a)(ii).

(v) If the Employee ceases to be an Employee of the Employer due to termination for Cause, the RSUs shall, subject to any Plan provision to the contrary, be cancelled on the date of such termination of employment.

(b) Disability. Cessation of active employment due to commencement of long-term disability under the Employer's long-term disability plan shall not be deemed to constitute a termination of employment for purposes of this Paragraph 6 and, during the continuance of such Employer-sponsored long-term disability plan benefits, the Employee shall be deemed to continue active employment with the Employer. If the Employee is deemed to have terminated employment because the Employee has received the maximum coverage under an Employer-provided long-term disability plan, RSUs will be vested and paid according to Paragraph 6(a)(ii), treating such deemed employment and deemed termination of employment as actual months of service and termination of employment.

(c) Cause. "Cause" means (i) a violation of any of the rules, policies, procedures or guidelines of the Employer, including but not limited to the Company's Business Ethics Policy and the Proprietary Information and Conflict of Interest Agreement (ii) any conduct which qualifies for "immediate discharge" under the Employer's Human Resource Policies as in effect from time to time (iii) rendering services to a firm which engages, or engaging directly or indirectly, in any business that is competitive with the Employer, or represents a conflict of interest with the interests of the Employer; (iv) conviction of, or entering a guilty plea with respect to, a crime whether or not connected with the Employer; or (v) any other conduct determined to be injurious, detrimental or prejudicial to any interest of the Employer.

(d) Salary Continuance. For purposes of determining the number of RSUs that are vested under this Agreement or the Award Summary, the Company may at its discretion, determine that termination of employment means the date on which salary continuance ends, and that "actual months of service" for such purposes include any period of salary continuance.

(e) The Effect of Releases. Payment will be made as soon as practicable (but not later than 70 days) after the designated payment date except that if the timing of any payment is contingent on employee action, such as execution of a release of claims or agreement, and the specified payment period straddles two calendar years, payment will be made on the second such calendar year.

7 . General Restrictions. If at any time the Committee or its authorized delegate, as applicable, shall determine, in its discretion, that the listing, registration or qualification of any shares subject to this Agreement upon any securities exchange or under any state or Federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the awarding of the RSUs or the issue or purchase of shares hereunder, the certificates for shares may not be issued in respect of RSUs in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee or its authorized delegate, as applicable, and any delay caused thereby shall in no way affect the date of termination of the RSUs.

8 . Responsibility for Taxes. Employee acknowledges that the ultimate responsibility for Employee's Federal, state and municipal individual income taxes, the Employee's portion of social security and other payroll taxes, and any other taxes related to Employee's participation in the Plan and legally applicable to Employee, is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer.

9. Nature of Award. In accepting the award, Employee acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in a manner consistent with Section 13 of the Plan regarding Plan amendment and termination and, in addition, the RSUs are subject to modification and adjustment under Section 6(b) of the Plan.

(b) the award of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted repeatedly in the past;

(c) all decisions with respect to future RSU awards, if any, will be at the sole discretion of the Committee or its authorized delegate, as applicable;

(d) Employee's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Employee's employment relationship at any time; further, the RSU award and Employee's participation in the Plan will not be interpreted to form an employment contract or relationship with the Employer;

(e) Employee is voluntarily participating in the Plan;

(f) the RSUs and the shares of Common Stock subject to the RSUs are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Employer, and which is outside the scope of Employee's employment contract, if any;

(g) the RSUs and the shares of Common Stock subject to the RSUs are not intended to replace any pension rights or compensation;

(h) the RSUs and the shares of Common Stock subject to the RSUs are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Employer;

(i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;

(j) in consideration of the award of the RSUs, no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs, including, but not limited to, forfeiture resulting from termination of Employee's employment with the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and Employee irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Employee shall be deemed irrevocably to have waived Employee's entitlement to pursue such claim; and

(k) subject to the provisions in the Plan regarding Change in Control, RSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

10. No Advice Regarding Award. Neither the Company nor the Employer is providing any tax, legal or financial advice, nor is the Company or Employer making any recommendations regarding Employee's participation in the Plan, or his or her acquisition or sale of the underlying shares of Common Stock. Employee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

11. Amendment of This Agreement. With the consent of the Employee, the Committee or its authorized delegate, as applicable, may amend this Agreement in a manner not inconsistent with the Plan.

12. Subsidiary. As used herein the term "subsidiary" shall mean any present or future corporation which would be a "subsidiary corporation" of the Company as the term is defined in Section 425 of the Internal Revenue Code of 1986 on the Grant Date.

13. Affiliate. As used herein the term "affiliate" shall mean any entity in which the Company has a significant equity interest, as determined by the Committee.

14. Recoupments.

(a) If an Employee or former Employee of the Employer is reasonably deemed by the Committee or its authorized delegate, as applicable, to have engaged in detrimental activity against the Employer, any awards granted to such Employee or former Employee shall be cancelled and be of no further force or effect and any payment or delivery of an award from six months prior to such detrimental activity may be rescinded. In the event of any such rescission, the Employee shall pay to the Company the amount of any gain realized or payment received as a result of the rescinded exercise, payment or delivery, in such manner and on such terms and conditions as may be required by the Committee or its authorized delegate, as applicable. Detrimental activity may include:

(i) violating terms of a non-compete agreement with the Employer, if any;

(ii) disclosing confidential or proprietary business information of the Employer to any person or entity including but not limited to a competitor, vendor or customer without appropriate authorization from the Employer;

(iii) violating any rules, policies, procedures or guidelines of the Employer;

(iv) directly or indirectly soliciting any employee of the Employer to terminate employment with the Employer;

(v) directly or indirectly soliciting or accepting business from any customer or potential customer or encouraging any customer, potential customer or supplier of the Employer, to reduce the level of business it does with the Employer; or

(vi) engaging in any other conduct or act that is determined to be injurious, detrimental or prejudicial to any interest of the Employer.

(b) If an accounting restatement by the Company is required in order to correct any material noncompliance with financial reporting requirements under relevant securities laws, the Company will have the authority to recover from executive officers or former executive officers, whether or not still employed by the Employer, any excess incentive-based compensation (in excess of what would have been paid under the accounting restatement), including entitlement to shares, provided under this Agreement to executive officers of the Employer, that was based on such erroneous data and paid during the three-year period preceding the date on which the Company is required to prepare the accounting restatement. Notwithstanding anything herein to the contrary, the Company may implement any policy or take any action with respect to the recovery of excess incentive-based compensation, including entitlement to shares that the Company determines to be necessary or advisable in order to comply with the requirements of the Dodd-Frank Wall Street Financial Reform and Consumer Protection Act.

15. Cancellation and Rescission of Award. Without limiting the foregoing Paragraph regarding non-engagement in detrimental activity against the Employer, the Company may cancel any award provided hereunder if the Employee is not in compliance with all of the following conditions:

(a) An Employee shall not render services for any organization or engage directly or indirectly in any business which would cause the Employee to breach any of the post-employment prohibitions contained in any agreement between the Employer and the Employee.

(b) An Employee shall not, without prior written authorization from the Employer, disclose to anyone outside the Employer, or use in other than the Employer's business, any confidential information or material, as specified in any agreement between the Employer and the Employee which contains post-employment prohibitions, relating to the business of the Employer acquired by the Employee either during or after employment with the Employer.

Notwithstanding the above, the Employer does not in any manner restrict the Employee from reporting possible violations of federal, state or local laws or regulations to any governmental agency or entity. Similarly, the Employer does not in any manner restrict the Employee from participating in any proceeding or investigation by a federal, state or local government agency or entity responsible for enforcing such laws. The Employee is not required to notify the Employer that he or she has made such report or disclosure, or of his or her participation in an agency investigation or proceeding.

(c) An Employee, pursuant to any agreement between the Employer and the Employee which contains post-employment prohibitions shall disclose promptly and assign to the Employer all right, title and interest in any invention or idea, patentable or not, made or conceived by the Employee during employment with the Employer, relating in any manner to the actual or anticipated business, research or development work of the Employer, and shall do anything reasonably necessary to enable the Employer to secure a patent where appropriate in the United States and in foreign countries.

(d) Failure to comply with the provision of subparagraphs (a), (b) or (c) of this Paragraph 15 prior to, or during the six months after, any payment or delivery shall cause such payment or delivery to be rescinded. The Company shall notify the Employee in writing of any such rescission within two years after such payment or delivery. Within ten days after receiving such a notice from the Company, the Employee shall pay to the Company the amount of any payment received as a result of the rescinded payment or delivery pursuant to an award. Such payment to the Company by the Employee shall be made either in cash or by returning to the Company the number of shares of common stock that the Employee received in connection with the rescinded payment or delivery.

16. Notices. Notices hereunder shall be in writing and if to the Company shall be mailed to the Company at 201 Merritt 7, Norwalk, CT 06851-1056, addressed to the attention of Stock Plan Administrator, and if to the Employee shall be delivered personally or mailed to the Employee at his address as the same appears on the records of the Company.

17. Language. If Employee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

18. Electronic Delivery and Acceptance. The Company will deliver any documents related to current or future participation in the Plan by electronic means. Employee hereby consents to receive such documents by electronic delivery, and agrees to participate in the Plan and be bound by the terms and conditions of this Agreement, through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Electronic acceptance by the Employee is required and the award will be cancelled for any Employee who fails to comply with the Company's acceptance requirement within six months of the Grant Date.

19. Interpretation of This Agreement. The Committee or its authorized delegate, as applicable, shall have the authority to interpret the Plan and this Agreement and to take whatever administrative actions, including correction of administrative errors in the awards subject to this Agreement and in this Agreement, as the Committee or its authorized delegate, as applicable, in its sole good faith judgment shall determine to be advisable. All decisions, interpretations and administrative actions made by the Committee or its authorized delegate, as applicable, hereunder or under the Plan shall be binding and conclusive on the Company and the Employee. In the event there is inconsistency between the provisions of this Agreement and of the Plan, the provisions of the Plan shall govern.

20. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and to the extent provided in Paragraph 5 to the personal representatives, legatees and heirs of the Employee.

21. Governing Law and Venue. The validity, construction and effect of the Agreement and any actions taken under or relating to this Agreement shall be determined in accordance with the laws of the state of New York and applicable Federal law.

This grant is made and/or administered in the United States. For purposes of litigating any dispute that arises under this grant or the Agreement the parties hereby submit to and consent to the jurisdiction of the state of New York, agree that such litigation shall be conducted in the courts of Monroe County, New York, or the federal courts for the United States for the Western District of New York.

22. Separability. In case any provision in the Agreement, or in any other instrument referred to herein, shall become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in the Agreement, or in any other instrument referred to herein, shall not in any way be affected or impaired thereby.

23. Integration of Terms. Except as otherwise provided in this Agreement, this Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes any and all oral statements and prior writings with respect thereto.

24. Appendix for Non-U.S. Countries. Notwithstanding any provisions in this Agreement, the RSU award shall be subject to any special terms and conditions set forth in any appendix to this Agreement for Employee's country (the "Appendix"). Moreover, if Employee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

2 5 . Imposition of Other Requirements. The Committee or its authorized delegate, as applicable, reserves the right to impose other requirements on Employee's participation in the Plan, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Committee or its authorized delegate, as applicable, determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year set forth on the Award Summary.

XEROX CORPORATION

By:_______________________________

Signature

EXHIBIT 10(e)(35)

Restricted Stock Units - Award Summary

View Award

Award Summary

Participant Name	<Name>
Stock Symbol	XRX
Award Date	<Date>
Award Type	RSU
Award Description	Restricted Stock Unit

Future Vesting

Vest Date	Vest Quantity
<Date>	<# of Shares>
<Date>	<# of Shares>
<Date>	<# of Shares>

EXHIBIT 10(e)(36)

Omnibus Agreement – [insert year]: PIP;ELTIP;Stock Options

AGREEMENT PURSUANT TO
XEROX CORPORATION
2004 PERFORMANCE INCENTIVE PLAN AS AMENDED OR RESTATED TO DATE

AGREEMENT, by Xerox Corporation, a New York corporation (the "Company"), dated as of the date that appears in the award summary that provides the number of options to purchase shares of common stock of the Company and vesting provisions of the award (the "Award Summary") in favor of the individual whose name appears on the Award Summary, who is an employee of the Company, one of the Company's subsidiaries or one of its affiliates (the "Employee").

In accordance with the provisions of the Xerox Corporation 2004 Performance Incentive Plan and any amendments and/or restatements thereto (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee") or the Chief Executive Officer of the Company (the "CEO") has authorized the execution and delivery of this Agreement.

Terms used herein that are defined in the Plan or in this Agreement shall have the meanings assigned to them in the Plan or this Agreement, respectively.

The Award Summary contains the details of the awards covered by this Agreement and is incorporated herein in its entirety.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the Company agrees as follows:

AWARDS

1. Award of Stock Options. Subject to all terms and conditions of the Plan and this Agreement, the Company has awarded to the Employee on the date of agreement and award set forth on the Award Summary (the "Grant Date") options to purchase shares of Common Stock (as defined in the Plan) of the Company, equal to the number of options set forth in the Award Summary (the "Options"), at a price per share equal to the exercise price set forth in the Award Summary (the "Exercise Price"). Each Option entitles the Employee to purchase, on exercise, one share of the Company's Common Stock subject to the conditions of the Plan and this Agreement. The Exercise Price and the number of Options awarded pursuant to this Agreement may be adjusted to the extent provided by the terms of the Plan and such adjusted Exercise Price and number of Option awarded shall be substituted for such terms as set forth in the Award Summary for all purposes of the Plan and this Agreement unless otherwise determined by the Company. Any such adjustment, however, is void and without effect if it would constitute a "modification" as defined in regulations or valid guidance under Section 409A of the Code. No Option pursuant to this Agreement is intended to qualify as an incentive stock option under Section 422 of the Code. No right or feature of any Option under this Agreement is intended to create a deferral of compensation as defined in regulations or valid guidance under Section 409A of the Code, and any such right or feature is void and without effect. Notwithstanding anything herein to the contrary, only active Employees and those Employees on Short Term Disability Leave, Social Service Leave, Family Medical Leave or Paid Uniform Services Leave (pursuant to the Company's Human Resources Policies or similar policies of the Company's subsidiaries or affiliates) on the Grant Date shall be eligible to receive the award.

TERMS OF THE OPTIONS

2. Vesting. The Employee's right to exercise Options vests on the dates and according to the conditions set forth in the Award Summary or on any earlier vesting date set forth in this Agreement. No Option may be exercised before it vests.

3. Expiration. The Options shall expire on the 10th anniversary of the Grant Date (the "Expiration Date") except as otherwise provided herein. Upon a termination of employment, the Options shall expire on the date

provided in the Agreement, but not later than the Expiration Date. No Option may be exercised as of or after the date it expires or is cancelled. The Company may at its discretion amend the Agreement to provide an Expiration Date later than the Expiration Date set forth herein, or amend the date on which the Options will expire as set forth in the Agreement or the Award Summary, except that any amendment of the Agreement or Award Summary is void and without effect if it would constitute an "extension" as defined in regulations or valid guidance under Section 409A of the Code.

(a) Voluntary termination of employment except retirement and voluntary reduction in force. If the Employee voluntarily ceases to be an Employee of the Company or any subsidiary or affiliate (together, the "Employer") for any reason except retirement or the Employee's voluntary termination of employment due to a reduction in the workforce, the total number of Options that will have vested under this Agreement as of termination of employment equals the applicable percentage set forth in the Award Summary multiplied by the number of Options awarded under this Agreement. Non-vested Options will expire on the date of termination of employment. Vested Options will expire on the earlier of the Expiration Date or the date that is three months after the date of termination of employment.

(b) Retirement. If the Employee ceases to be an Employee of the Employer by reason of retirement (which for purposes of this Agreement only, shall mean, for a U.S. employee, termination of employment with the Employer after attaining age 55 and 10 years of service with the Employer, or age 60 and 5 years of service with the Employer) will vest on a pro rata basis as set forth in this Paragraph 3(b), which may, at the discretion of the Company, be contingent upon the Employee executing a general release, and which may include an agreement with respect to engagement in detrimental activity, in a form acceptable to the Company. The total number of Options under this Agreement that will have vested as of termination of employment on a pro rata basis pursuant to this Paragraph 3(b) equals (i) a percentage equal to the sum of (a + b + c) multiplied by (ii) the total number of Options awarded under this Agreement where:

a = (m/12) x 25%
b = (m/24) x 25%
c = (m/36) x 50%

and m is the number of actual months of service performed for the Employer as of termination of employment on and after the Grant Date, except that m shall not exceed 12 for purposes of calculating a; m shall not exceed 24 for purposes of calculating b; and m shall not exceed 36 for purposes of calculating c.

Non-vested Options will expire on the date of termination of employment. Vested Options will expire on the earlier of the Expiration Date or the date that is three months after the date of termination of employment

(c) Involuntary terminations without Cause and voluntary reductions in force. If the Employee involuntarily ceases to be an Employee of the Employer for any reason (including Disability as provided pursuant to Paragraph 3(f) below or under a disability policy of any subsidiary or affiliate, as applicable), other than death or for Cause, or voluntarily ceases to be an Employee of the Employer due to a reduction in workforce, Options will vest on a pro-rata basis, which may, at the discretion of the Company, be contingent upon the Employee executing a general release, and which may include an agreement with respect to engagement in detrimental activity, in a form acceptable to the Company. Such Options will vest on a pro-rata basis based on the Employee's actual months of service with the Employer in the same manner as set forth at Paragraph 3(b). Non-vested Options will expire on the date of termination of employment. Vested Options will expire on the earlier of the Expiration Date or the date that is three months after the date of termination of employment.

(d) Death. If the Employee ceases to be an Employee of the Employer by reason of death, 100% of the Options pursuant to this grant will vest on the date of death. Vested Options will expire on the earlier of the Expiration Date or the date that is one year after the date of death.

(e) Termination for Cause. If an Employee ceases to be an Employee of the Employer due to termination for Cause as defined in this Agreement, all Options, including vested Options, will expire on the date of termination of employment.

(f) Change in Control. If the employee ceases to be an Employee of the Employer due to Termination for Good Reason, as defined by the Plan, or an involuntary termination of employment either of which such termination occurs after a Change in Control, as defined in the Plan, (other than a termination for Cause, as defined in this Agreement, according to a determination made before the Change in Control) the Options will be 100% vested on the date of such termination of employment. Vested Options will expire on the Expiration Date.

(g) Disability. Cessation of active employment due to commencement of long-term disability under the Employer's long-term disability plan shall not be deemed to constitute a termination of employment for purposes of this Section 3, and, during the continuance of such Employer-sponsored long-term disability plan benefits, the Employee shall be deemed to continue active employment with the Employer. If the Employee is terminated because the Employee has received the maximum coverage under an Employer-provided long-term disability plan, such date will be treated as a termination of employment for purpose of this Agreement. Options will vest on a pro-rata basis based on the Employee's actual months of service with the Employer, including such deemed active employment, in the same manner as set forth at Paragraph 3(b). Non-vested Options will expire on the date of termination of employment. Vested Options will expire on the earlier of the Expiration Date or the date that is three months after the date of termination of employment.

(h) Cause. "Cause" means (i) a violation of any of the rules, policies, procedures or guidelines of the Employer, including but not limited to the Company's Business Ethics Policy and the Proprietary Information and Conflict of Interest Agreement; (ii) any conduct which qualifies for "immediate discharge" under the Employer's Human Resource Policies as in effect from time to time; (iii) rendering services to a firm which engages, or engaging directly or indirectly, in any business that is competitive with the Employer, or represents a conflict of interest with the interests of the Employer; (iv) conviction of, or entering a guilty plea with respect to, a crime whether or not connected with the Employer; or (v) any other conduct determined to be injurious, detrimental or prejudicial to any interest of the Employer.

(i) Recoupment rights. Nothing in this Agreement shall limit the Company's right of recoupment of Options or any shares of Common Stock purchased by exercise of the Option, under the Plan or this Agreement as in effect on the Grant Date or any later date, including recoupment of payments pursuant to the Company's compensation recovery, "clawback" or similar policy, as may be in effect from time to time, including any policy implemented after the Grant Date.

(j) Salary continuance. For purposes of determining the number of Options that are vested and the date the Options expire under this Agreement or the Award Summary, the Company may at its discretion, determine that termination of employment means the date on which salary continuance ends, and that "actual months of service" for such purposes include any period of salary continuance.

4. Method of Exercise

(a) Notice. The Participant may exercise part or all of vested Options under this Agreement by giving the Company or its delegate written notice of intent to exercise, specifying the number of shares of Company Stock as to which the Options are to be exercised and such other information as the Company or its delegate may require.

(b) Payment. At such time as the Company shall determine, the Participant shall pay the Exercise Price (i) by personal check, cashier's check or money order, (ii) unless the Company determines otherwise, by delivering shares of Company Common Stock owned by the Participant, (iii) by payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board, (iv) by surrendering shares of Company Common Stock subject to the exercisable Option for an appreciation distribution payable in shares with a Fair Market Value on the date of exercise equal to the dollar amount by which the then Fair Market Value of the Shares subject to the surrendered portion exceeds the aggregate Exercise Price payable for the Shares ("net exercise"), or (v) by such other method as the Company may approve, to the extent permitted by applicable law. The Company may impose from time to time such limitations as it deems appropriate on the use of shares of Company stock to exercise the Option.

(c) Company rights. The obligation of the Company to deliver shares upon exercise of the Option shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriate by the Committee, including such actions as Company counsel shall deem necessary or appropriate to comply with relevant securities laws and regulations.

(d) Taxes. All obligations of the Company under this Agreement shall be subject to the rights of the Employer as set forth in the Plan to withhold shares or other amounts required to be withheld for any taxes. The

Participant shall be required to pay to the Employer, or make other arrangements satisfactory to the Employer to provide for the payment of, any federal, state, local or other taxes that the Employer is required to withhold with respect to the Option. The Participant may elect to satisfy any tax withholding obligation of the Employer with respect to the Option by having Shares withheld to satisfy the applicable withholding tax rate for federal (including FICA), state, local and other tax liabilities. Unless the Company determines otherwise, share withholding for taxes shall not exceed the Participant's minimum applicable tax withholding amount. By accepting this Award, the Employee expressly consents to the Company's and/or Employer's rights to take all such actions permitted by the Plan as may be necessary or appropriate to satisfy any such withholding obligations with respect to the Options pursuant any foreign, federal, state or local taxes.

(e) Restrictions on Exercise. Except as the Committee may otherwise permit pursuant to the Plan, only the Employee may exercise the Option during the Employee lifetime and, after the Employee's death, the Option shall be exercisable (subject to the limitations specified in the Plan) solely by the legal representatives of the Participant, or by the person who acquires the right to exercise the Option by will or by the laws of descent and distribution, to the extent that the Option is exercisable pursuant to this Agreement. An Option shall not be exercisable unless the holder provides to the satisfaction of the Committee that the holder is entitled to exercise the Option.

(f) Termination of Option. Upon exercise, the Option will terminate and cease to be outstanding.

OTHER TERMS

5. Rights of a Shareholder. The Employee shall have no rights as a shareholder with respect to any shares covered by this Agreement until the date of issuance of a stock certificate to him for such shares. Except as otherwise provided herein, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

6. Non-Assignability. An Option shall not be assignable or transferable by Employee except by will or by the laws of descent and distribution.

7. General Restrictions. If at any time the Committee or its authorized delegate, as applicable, shall determine, in its discretion, that the listing, registration or qualification of any shares subject to this Agreement upon any securities exchange or under any state or Federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the awarding of the Options or the issue or purchase of shares hereunder, the certificates for shares may not be issued in respect of Option in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee or its authorized delegate, as applicable, and any delay caused thereby shall in no way affect the expiration date of the Options.

8. Responsibility for Taxes. Employee acknowledges that the ultimate responsibility for Employee's Federal, state and municipal individual income taxes, the Employee's portion of social security and other payroll taxes, and any other taxes related to Employee's participation in the Plan and legally applicable to Employee, is and remains his or her responsibility and may exceed the amount actually withheld by the Company or the Employer.

9. Nature of Award. In accepting the award, Employee acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time in a manner consistent with provisions of the Plan regarding Plan amendment and termination and, in addition, the Options are subject to modification and adjustment pursuant to the terms of the Plan.

(b) the award of the Options is voluntary and occasional and does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options, even if Options have been granted repeatedly in the past;

(c) all decisions with respect to future Options awards, if any, will be at the sole discretion of the Committee or its authorized delegate, as applicable;

(d) Employee's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate Employee's employment relationship at any time; further, the Options award and Employee's participation in the Plan will not be interpreted to form an employment contract or relationship with the Employer;

(e) Employee is voluntarily participating in the Plan;

(f) the Options and the shares of Common Stock subject to the Options are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Employer, and which is outside the scope of Employee's employment contract, if any;

(g) the Options and the shares of Common Stock subject to the Options are not intended to replace any pension rights or compensation;

(h) the Options and the shares of Common Stock subject to the Options are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Employer;

(i) the future value of the underlying shares of Common Stock is unknown and cannot be predicted with certainty;

(j) in consideration of the award of the Options, no claim or entitlement to compensation or damages shall arise from forfeiture of the Options, including, but not limited to, forfeiture resulting from termination of Employee's employment with the Employer (for any reason whatsoever and whether or not in breach of local labor laws) and Employee irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Employee shall be deemed irrevocably to have waived Employee's entitlement to pursue such claim; and

(k) subject to the provisions in the Plan regarding Change in Control, Options and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

10. No Advice Regarding Award. Neither the Company nor the Employer is providing any tax, legal or financial advice, nor is the Company or Employer making any recommendations regarding Employee's participation in the Plan, or his or her acquisition or sale of the underlying shares of Common Stock. Employee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

11. Amendment of This Agreement. With the consent of the Employee, the Committee or its authorized delegate, as applicable, may amend this Agreement in a manner not inconsistent with the Plan.

12. Subsidiary. As used herein the term" subsidiary" shall mean any present or future corporation which would be a "subsidiary corporation" of the Company as the term is defined in Section 425 of the Internal Revenue Code of 1986 on the date of award.

13. Affiliate. As used herein the term "affiliate" shall mean any entity in which the Company has a significant equity interest, as determined by the Committee.

14. Recoupments.

(a) If an Employee or former Employee of the Employer is reasonably deemed by the Committee or its authorized delegate, as applicable, to have engaged in detrimental activity against the Employer, any awards granted to such Employee or former Employee shall be cancelled and be of no further force or effect and any payment or delivery of shares of Common Stock or other award from six months prior to such detrimental activity may be rescinded. In the event of any such rescission, the Employee shall pay to the Company the amount of any gain realized or payment received as a result of the rescinded exercise, payment or delivery, in such manner and on such terms and conditions as may be required by the Committee or its authorized delegate, as applicable. Detrimental activity may include:

(i) violating terms of a non-compete agreement with the Employer, if any;

(ii) disclosing confidential or proprietary business information of the Employer to any person or entity including but not limited to a competitor, vendor or customer without appropriate authorization from the Employer;

(iii) violating any rules, policies, procedures or guidelines of the Employer;

(iv) directly or indirectly soliciting any employee of the Employer to terminate employment with the Employer;

(v) directly or indirectly soliciting or accepting business from any customer or potential customer or encouraging any customer, potential customer or supplier of the Employer, to reduce the level of business it does with the Employer; or

(vi) engaging in any other conduct or act that is determined to be injurious, detrimental or prejudicial to any interest of the Employer.

(b) If an accounting restatement by the Company is required in order to correct any material noncompliance with financial reporting requirements under relevant securities laws, the Company will have the authority to recover from executive officers or former executive officers, whether or not still employed by the Employer, any excess incentive-based compensation (in excess of what would have been paid under the accounting restatement), including entitlement to shares, provided under this Agreement to executive officers of the Employer, that was based on such erroneous data and paid during the three-year period preceding the date on which the Company is required to prepare the accounting restatement. Notwithstanding anything herein to the contrary, the Company may implement any policy or take any action with respect to the recovery of excess incentive-based compensation, including entitlement to shares that the Company determines to be necessary or advisable in order to comply with the requirements of the Dodd-Frank Wall Street Financial Reform and Consumer Protection Act.

15. Cancellation and Rescission of Award. Without limiting the foregoing Paragraph regarding non-engagement in detrimental activity against the Employer, the Company may cancel any award provided hereunder, and rescind and recoup any exercise, award or transfer of shares of Common Stock pursuant to this award, if the Employee is not in compliance with all of the following conditions:

(a) An Employee shall not render services for any organization or engage directly or indirectly in any business which would cause the Employee to breach any of the post-employment prohibitions contained in any agreement between the Employer and the Employee.

(b) An Employee shall not, without prior written authorization from the Employer, disclose to anyone outside the Employer, or use in other than the Employer's business, any confidential information or material, as specified in any agreement between the Employer and the Employee which contains post-employment prohibitions, relating to the business of the Employer acquired by the Employee either during or after employment with the Employer.

Notwithstanding the above, the Employer does not in any manner restrict the Employee from reporting possible violations of federal, state or local laws or regulations to any governmental agency or entity. Similarly, the Employer does not in any manner restrict the Employee from participating in any proceeding or investigation by a federal, state or local government agency or entity responsible for enforcing such laws. The Employee is not required to notify the Employer that he or she has made such report or disclosure, or of his or her participation in an agency investigation or proceeding.

(c) An Employee, pursuant to any agreement between the Employer and the Employee which contains post-employment prohibitions shall disclose promptly and assign to the Employer all right, title and interest in any invention or idea, patentable or not, made or conceived by the Employee during employment with the Employer, relating in any manner to the actual or anticipated business, research or development work of the Employer, and shall do anything reasonably necessary to enable the Employer to secure a patent where appropriate in the United States and in foreign countries.

(d) Failure to comply with the provision of subparagraphs (a), (b) or (c) of this Paragraph 15 prior to, or during the six months after, any payment or delivery of Common Stock pursuant to these Options shall cause such payment or delivery to be rescinded. The Company shall notify the Employee in writing of any such rescission within two years after such payment or delivery. Within ten days after receiving such a notice from the Company, the Employee shall pay to the Company the amount of any payment received as a result of the rescinded payment or delivery pursuant to an award. Such payment to the Company by the Employee shall be made either in cash or by returning to the Company the number of shares of Common Stock that the Employee received in connection with the rescinded payment or delivery.

16. Notices. Notices hereunder shall be in writing and if to the Company shall be mailed to the Company at 201 Merritt 7, Norwalk, CT 06851-1056, addressed to the attention of Stock Plan Administrator, and if to the Employee shall be delivered personally or mailed to the Employee at his address as the same appears on the records of the Company.

17. Language. If Employee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

18. Electronic Delivery and Acceptance. The Company will deliver any documents related to current or future participation in the Plan by electronic means. Employee hereby consents to receive such documents by electronic delivery, and agrees to participate in the Plan and be bound by the terms and conditions of this Agreement, through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Electronic acceptance by the Employee is required and the award will be cancelled for any Employee who fails to comply with the Company's acceptance requirement within six months of the effective date of the award.

19. Interpretation of This Agreement. The Committee or its authorized delegate, as applicable, shall have the authority to interpret the Plan and this Agreement and to take whatever administrative actions, including correction of administrative errors in the awards subject to this Agreement and in this Agreement, as the Committee or its authorized delegate, as applicable, in its sole good faith judgment shall determine to be advisable. All decisions, interpretations and administrative actions made by the Committee or its authorized delegate, as applicable, hereunder or under the Plan shall be binding and conclusive on the Company and the Employee. In the event there is inconsistency between the provisions of this Agreement and of the Plan, the provisions of the Plan shall govern.

20. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and to the extent provided in Paragraph 5 to the personal representatives, legatees and heirs of the Employee.

21. Governing Law and Venue. The validity, construction and effect of the Agreement and any actions taken under or relating to this Agreement shall be determined in accordance with the laws of the state of New York and applicable Federal law.

This grant is made and/or administered in the United States. For purposes of litigating any dispute that arises under this grant or the Agreement the parties hereby submit to and consent to the jurisdiction of the state of New York, agree that such litigation shall be conducted in the courts of Monroe County, New York, or the federal courts for the United States for the Western District of New York.

22. Severability. In case any provision in the Agreement, or in any other instrument referred to herein, shall become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions in the Agreement, or in any other instrument referred to herein, shall not in any way be affected or impaired thereby.

23. Integration of Terms. Except as otherwise provided in this Agreement, this Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes any and all oral statements and prior writings with respect thereto.

24. Appendix for Non-U.S. Countries. Notwithstanding any provisions in this Agreement, the Option award shall be subject to any special terms and conditions set forth in any appendix to this Agreement for Employee's country (the "Appendix"). Moreover, if Employee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. The Appendix constitutes part of this Agreement.

2 5 . Imposition of Other Requirements. The Committee or its authorized delegate, as applicable, reserves the right to impose other requirements on Employee's participation in the Plan, on the Options and on any shares of Common Stock acquired under the Plan, to the extent the Committee or its authorized delegate, as applicable, determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

IN WITNESS WHEREOF, the Company has executed this Agreement as of the day and year set forth on the Award Summary.

XEROX CORPORATION

By:____________________

Signature

Non-Qualified Stock Options - Award Summary

View Award

Award Summary

Participant Name	<Name>
Stock Symbol	XRX
Award Date	<Date>
Award Type	NQSO
Award Description	Non-Qualified Stock Option

Future Vesting

Vest Date	Vest Quantity
<Date>	<# of Shares>
<Date>	<# of Shares>
<Date>	<# of Shares>

EXHIBIT 12

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred stock dividends, are determined using the following applicable factors:

Earnings available for fixed charges are calculated first, by determining the sum of: (a) income from continuing operations before income taxes and equity income; (b) distributed equity income; (c) fixed charges, as defined below; and (d) amortization of capitalized interest, if any. From this total, we subtract capitalized interest and net income attributable to noncontrolling interests.

Fixed charges are calculated as the sum of: (a) interest costs (both expensed and capitalized); (b) amortization of debt expense and discount or premium relating to any indebtedness; and (c) that portion of rental expense that is representative of the interest factor.

Preferred stock dividends used in the ratio of earnings to combined fixed charges and preferred stock dividends consist of the amount of pre-tax earnings required to cover dividends paid on our Series B Convertible Preferred Stock in 2017 and on our Series A Convertible Preferred Stock prior to 2017.

	Year Ended December 31,				
(in millions)	2017	2016	2015	2014	2013
Fixed Charges:					
Interest expense(1)	$ 252	$ 340	$ 355	$ 381	$ 406
Capitalized interest(1)	—	—	—	4	4
Portion of rental expense which represents interest factor(1)	54	178	228	273	251
Total Fixed Charges	$ 306	$ 518	$ 583	$ 658	$ 661
Earnings Available for Fixed Charges:					
Pre-tax income	$ 570	$ 568	$ 924	$ 1,090	$ 910
Distributed equity income of affiliated companies	97	52	56	69	78
Add: Fixed charges	306	518	583	658	661
Less: Capitalized interest	—	—	—	(4)	(4)
Less: Net income attributable to noncontrolling interests	(12)	(11)	(18)	(23)	(20)
Total Earnings Available for Fixed Charges	$ 961	$ 1,127	$ 1,545	$ 1,790	$ 1,625
Ratio of Earnings to Fixed Charges	3.14	2.18	2.65	2.72	2.46
Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends					
Fixed Charges:					
Interest expense(1)	$ 252	$ 340	$ 355	$ 381	$ 406
Capitalized interest(1)	—	—	—	4	4
Portion of rental expense which represents interest factor(1)	54	178	228	273	251
Total Fixed charges before preferred stock dividends pre-tax income requirements	306	518	583	658	661
Preferred stock dividends pre-tax income requirements	23	39	39	39	39
Total Combined Fixed Charges and Preferred Stock Dividends	$ 329	$ 557	$ 622	$ 697	$ 700
Earnings Available for Fixed Charges:					
Pre-tax income	$ 570	$ 568	$ 924	$ 1,090	$ 910
Distributed equity income of affiliated companies	97	52	56	69	78
Add: Fixed charges before preferred stock dividends	306	518	583	658	661
Less: Capitalized interest	—	—	—	(4)	(4)
Less: Net income attributable to noncontrolling interests	(12)	(11)	(18)	(23)	(20)
Total Earnings Available for Fixed Charges and Preferred Stock Dividends	$ 961	$ 1,127	$ 1,545	$ 1,790	$ 1,625
Ratio of Earnings to Fixed Charges and Preferred Stock Dividends	2.92	2.02	2.48	2.57	2.32

(1) Years prior to 2017 include amounts related to our discontinued operations. Refer to Note 5 - Divestitures in our Consolidated Financial Statements, which is incorporated by reference, for additional information regarding our discontinued operations.

SUBSIDIARIES OF XEROX CORPORATION

The following companies are subsidiaries of Xerox Corporation as of December 31, 2017. Unless otherwise noted, a subsidiary is a company in which Xerox Corporation or a subsidiary of Xerox Corporation holds 50% or more of the voting stock. The names of other subsidiaries have been omitted as they would not, if considered in the aggregate as a single subsidiary, constitute a significant subsidiary:

American Photocopy Equipment Company of Pittsburgh, LLC	Delaware
Berney Office Solutions, LLC	Alabama
Capitol Office Solutions, LLC	Delaware
Global Imaging Systems, Inc.	Delaware
Arizona Office Technologies, Inc.	Arizona
ASI Business Solutions, LLC	Texas
Capital Business Systems, Inc.	Pennsylvania
Carolina Office Systems, Inc.	South Carolina
G-Five, Inc.	South Carolina
Carr Business Systems, Inc.	New York
Chicago Office Technology Group, Inc.	Illinois
ComDoc, Inc.	Ohio
Conestoga Copiers, Inc. d/b/a Conestoga Business Solutions	Pennsylvania
Connecticut Business Systems, LLC	Delaware
Conway Technology Group, LLC	New Hampshire
Eastern Managed Print Network, LLC	New York
Northeast Office Systems, LLC	Massachusetts
CTX Business Solutions, Inc.	Oregon
Dahill Office Technology Corporation	Texas
Denitech Corporation	Texas
Elan Marketing, Inc. d/b/a Elan Office Systems	Nevada
Electronic Systems, Inc.	Virginia
TML Enterprises, Inc.	Virginia
GDP Technologies, Inc.	Georgia
Global PR Corporation	Illinois
ImageQuest, Inc.	Kansas
Image Technology Specialists, Inc.	Massachusetts
Inland Business Machines, Inc.	California
Integrity One Technologies, Inc.	Indiana
IOS Technology Group, Inc. d/b/a Imagetek Office Systems	Texas
Lucas Business Systems, Inc.	Delaware
Lewan & Associates, Inc.	Colorado
LRI, LLC	Iowa
Merizon Group Incorporated	Wisconsin
Michigan Office Solutions, Inc.	Michigan
Minnesota Office Technology Group, Inc.	Minnesota
Mr. Copy, Inc.	California
MRC Smart Technology Solutions, Inc.	California
MWB Copy Products, Inc.	California
SoCal Office Technologies, Inc.	California
Martin Whalen Office Solutions, Inc.	Illinois
MT Business Holdings, Inc.	Ohio
MT Business Technologies, Inc.	Ohio
Office Products, Inc./Cleveland	Ohio
Office Products, Inc./Columbus	Ohio

Office Products, Inc./Toledo	Ohio
OneSOURCE Managed Services, LLC	Oklahoma
Precision Copier Service, Inc. d/b/a Sierra Office Solutions	Nevada
Quality Business Systems, Inc.	Washington
Boise Office Equipment, Inc.	Idaho
R. K. Dixon Company	Iowa
Saxon Business Systems, Inc.	Florida
Stewart of Alabama, Inc.	Alabama
Zeno Office Solutions, Inc.	Florida
Zoom Imaging Solutions, Inc.	California
Gyricon, LLC	Delaware
Institute for Research on Learning	Delaware
NewField Information Technology LLC	Pennsylvania
Pacific Services and Development Corporation	Delaware
Palo Alto Research Center Incorporated	Delaware
PARC China Holdings, Inc.	Delaware
Proyectos Inverdoco, C.A. (dormant)	Venezuela
Stewart Business Systems, LLC	New Jersey
The Xerox Foundation	Delaware
Xerox Argentina Industrial y Comercial S.A.	Argentina
Xerox Capital LLC	Turks & Caicos Islands
Xerox de Chile S.A.	Chile
Xerox DNHC LLC	Delaware
Xerox del Ecuador, S.A.	Ecuador
Xerox Equipment Limited	Bermuda
Xerox Finance, Inc.	Delaware
Xerox Financial Services LLC	Delaware
Xerox Foreign Sales Corporation	Barbados
Xerox Holdings, Inc.	Delaware
Talegen Holdings, Inc.	Delaware
Xerox International Joint Marketing, Inc.	Delaware
Xerox International Partners	California
Xerox Investments Europe B.V.	Netherlands
XC Global Trading B.V.	Netherlands
XC Trading Singapore Pte Ltd.	Singapore
XC Trading Hong Kong Limited	Hong Kong
XC Trading Japan G.K.	Japan
XC Trading Korea YH	Korea
XC Trading Malaysia Sdn. Bhd.	Malaysia
XC Trading Shenzhen Co., Ltd.	China
Xerox Business Services (Shanghai) Co., Ltd.	China
Xerox Developing Markets Limited	Bermuda
Xerox Equipment UK Limited	United Kingdom
Xerox Holdings (Ireland) Limited	Ireland
Xerox (Europe) Limited	Ireland
Xerox XF Holdings (Ireland) Limited	Ireland
Xerox Finance (Ireland) Limited	United Kingdom
Xerox Israel Ltd.	Israel
Xerox Middle East Investments (Bermuda) Limited	Bermuda
Bessemer Insurance Limited	Bermuda

Reprographics Egypt Limited	Egypt
Xerox Egypt S.A.E.	Egypt
Xerox Finance Leasing S.A.E.	Egypt
Xerox Maroc S.A.	Morocco
Xerox Products Limited	Bermuda
Xerox Technology Services India LLP	India
Xerox Products UK Limited	United Kingdom
Xerox UK Holdings Limited	United Kingdom
Triton Business Finance Limited (dormant)	United Kingdom
Xerox Trading Enterprises Limited (dormant)	United Kingdom
Xerox Overseas Holdings Limited	United Kingdom
Xerox Business Equipment Limited (dormant)	United Kingdom
Xerox Computer Services Limited (dormant)	United Kingdom
Xerox Mailing Systems Limited (dormant)	United Kingdom
Xerox Limited	United Kingdom
Continua Limited	United Kingdom
Continua Sanctum Limited (dormant)	United Kingdom
Limited Liability Company Xerox (C.I.S.)	Russia
NewField Information Technology Limited	United Kingdom
The Xerox (UK) Trust	United Kingdom
Xerox AS	Norway
Xerox Austria GmbH	Austria
Xerox Global Services GmbH	Austria
Xerox Leasing GmbH	Austria
Xerox Bulgaria EOOD	Bulgaria
Xerox Büro Araçlari Servis ve Ticaret Ltd. Sti	Turkey
Xerox Business Services Bulgaria EOOD	Bulgaria
Xerox Canada Inc.	Ontario
Xerox (Barbados) SRL	Barbados
Xerox Finance (Luxembourg) Sarl	Luxembourg
Xerox Canada Ltd.	Canada
LaserNetworks Inc.	Ontario
Xerox Financial Services Canada Ltd.	Ontario
Xerox Capital (Europe) Limited	United Kingdom
Concept Group Limited	Scotland
Xerox IBS NI Limited	Northern Ireland
Xerox IBS Limited	Republic of Ireland
Xerox (Ireland) Limited	Ireland
Xerox AG	Switzerland
Xerox A/S	Denmark
Xerox Financial Services Danmark A/S	Denmark
Xerox Finance AG	Switzerland
Xerox Manufacturing (Nederland) B.V.	Netherlands
Xerox (Nederland) BV	Netherlands
Xerox Financial Services B.V.	Netherlands
Xerox Servicios Compartidos Guatemala	Guatemala
Xerox Sverige AB	Sweden
Xerox (UK) Limited	United Kingdom
Bessemer Trust Limited (dormant)	United Kingdom
Xerox Finance Limited	United Kingdom

Xerox Distributor Operations Limited (dormant)	United Kingdom
XEROX CZECH REPUBLIC s r.o.	Czech Republic
Xerox Espana, S.A.U.	Spain
Xerox Fabricacion S.A.U.	Spain
Xerox Renting S.A.U.	Spain
Xerox Exports Limited (dormant)	United Kingdom
Xerox Financial Services Belux NV	Belgium
Xerox Financial Services Norway AS	Norway
Xerox Financial Services Sverige AB	Sweden
Xerox Hellas AEE	Greece
Xerox Holding Deutschland GmbH	Germany
Xerox GmbH	Germany
Xerox Dienstleistungsgesellschaft GmbH	Germany
Xerox Leasing Deutschland GmbH	Germany
Xerox Reprographische Services GmbH	Germany
Xerox Hungary Trading Limited	Hungary
Xerox India Limited	India
Xerox Kazakhstan Limited Liability Partnership	Kazakhstan
Xerox N.V.	Belgium
Xerox Luxembourg SA	Luxembourg
Xerox Oy	Finland
Xerox Financial Services Finland Oy	Finland
Xerox Pensions Limited	United Kingdom
Xerox Polska Sp. z o. o	Poland
Xerox Portugal Equipamentos de Escritorio, Limitada	Portugal
CREDITEX - Aluguer de Equipamentos S.A.	Portugal
Xerox Professional Services Limited (dormant)	United Kingdom
Xerox Property Services Limited	United Kingdom
Xerox (Romania) Echipmante Si Servici S.A.	Romania
Xerox S.A.S.	France
Affiliated Computer Services Holdings (France) S.A.S.	France
Impika SAS	France
Xerox Financial Services SAS	France
Xerox Technology Services SAS	France
Xerox Serviços e Participações Ltda	Brazil
Xerox Comercio e Industria Ltda	Brazil
Xerox Shared Services Romania SRL	Romania
Xerox Slovenia d.o.o.	Slovenia
Xerox S.p.A.	Italy
Xerox Financial Services Italia S.p.A. (in liquidation)	Italy
Xerox Italia Rental Services Srl	Italy
Xerox Italia Services S.p.A.	Italy
Xerox Telebusiness GmbH	Germany
Xerox (Ukraine) Ltd LLC	Ukraine
Xerox XHB Limited	Bermuda
Xerox XIB Limited	Bermuda
XRO Limited	United Kingdom
Nemo (AKS) Limited	United Kingdom
XRI Limited	United Kingdom
RRXH Limited	United Kingdom

RRXO Limited	United Kingdom
RRXIL Limited	United Kingdom
Veenman B.V.	Netherlands
Veenman Financial Services B.V.	Netherlands
Xerox Latinamerican Holdings, Inc.	Delaware
Xerox Lease Receivables I, LLC	Delaware
Xerox Lease Receivables 2012-2 LLC	Delaware
Xerox Lease Receivables 2013-1 LLC	Delaware
Xerox Mexicana, S.A. de C.V.	Mexico
Xerox Overseas, Inc.	Delaware
XC Asia LLC	Delaware
Xerox del Peru, S.A.	Peru
Xerox Realty Corporation	Delaware
Xerox Trade Receivables II LLC	Delaware
Xerox Trinidad Limited	Trinidad
XESystems Foreign Sales Corporation	Barbados
XMPie Inc.	Delaware
XMPie, Ltd.	Israel

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (333-219773) and Form S-8 (Nos. 333-187663, 333-189290, 333-167922, 333-162639, 333-164766) of Xerox Corporation of our report dated February 23, 2018 relating to the consolidated financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PRICEWATERHOUSECOOPERS LLP

PricewaterhouseCoopers LLP
Stamford, Connecticut
February 23, 2018

EXHIBIT 31(a)

CEO CERTIFICATIONS

I, Jeffrey Jacobson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Xerox Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 23, 2018

/S/ JEFFREY JACOBSON

Jeffrey Jacobson
Principal Executive Officer

EXHIBIT 31(b)

CFO CERTIFICATIONS

I, William F. Osbourn Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of Xerox Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 23, 2018

/S/ WILLIAM F. OSBOURN JR.

William F. Osbourn Jr.
Principal Financial Officer

EXHIBIT 32

CERTIFICATION OF CEO AND CFO PURSUANT TO 18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO § 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Form 10-K of Xerox Corporation, a New York corporation (the “Company”), for the year ended December 31, 2017, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Jeffrey Jacobson, Chief Executive Officer of the Company, and William F. Osbourn Jr., Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of his/her knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ JEFFREY JACOBSON

Jeffrey Jacobson
Chief Executive Officer

February 23, 2018

/S/ WILLIAM F. OSBOURN JR.

William F. Osbourn Jr.
Chief Financial Officer

February 23, 2018

This certification accompanies this Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of § 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by § 906 has been provided to Xerox Corporation and will be retained by Xerox Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

One, two, three ways to recycle with the Xerox® Green World Alliance®.

We support waste-free practices under the hierarchy of "reduce, reuse, recycle." We design products, packaging and supplies that make efficient use of resources, reuse materials where feasible and recycle what can't be reused. Our supplies recycling programs have kept millions of pounds of waste out of landfills. The Xerox Green World Alliance makes returning supplies a breeze.

1 Single (individual) returns

- On our web site, select an item by model or reorder number.
- Return items via UPS.
- Xerox pays return shipping for items on our Take Back list and all recycling costs.

2 Eco Box returns for over 4 items

- Order a kit of three boxes and bags—ships at no charge to you.
- Fill box with used supplies, seal and ship via UPS.
- Xerox pays for return shipping and all recycling costs.

3 Pallet returns for over 30 items

- Consolidate items on your own pallet.
- Complete bill of lading and schedule pickup with Ryder Logistics.
- Xerox pays for return shipping and all recycling costs.

xerox®

Xerox Green World Alliance
Supplies recycling process

Commonly asked questions

Where do I go for more detailed information?
- Vist the *Frequently Asked Questions* section at: **www.xerox.com/gwa**

Who do I contact for further assistance?
- Contact the Xerox Recycling Team via the Xerox Webmaster at: **www.xerox.com/webmaster**

Are all supplies accepted by Xerox?
- All Genuine Xerox Branded supplies are accepted by Xerox's authorized recycling partner Close the Loop®

What if an item is not on the "Take Back" list?
Use one of the following methods:

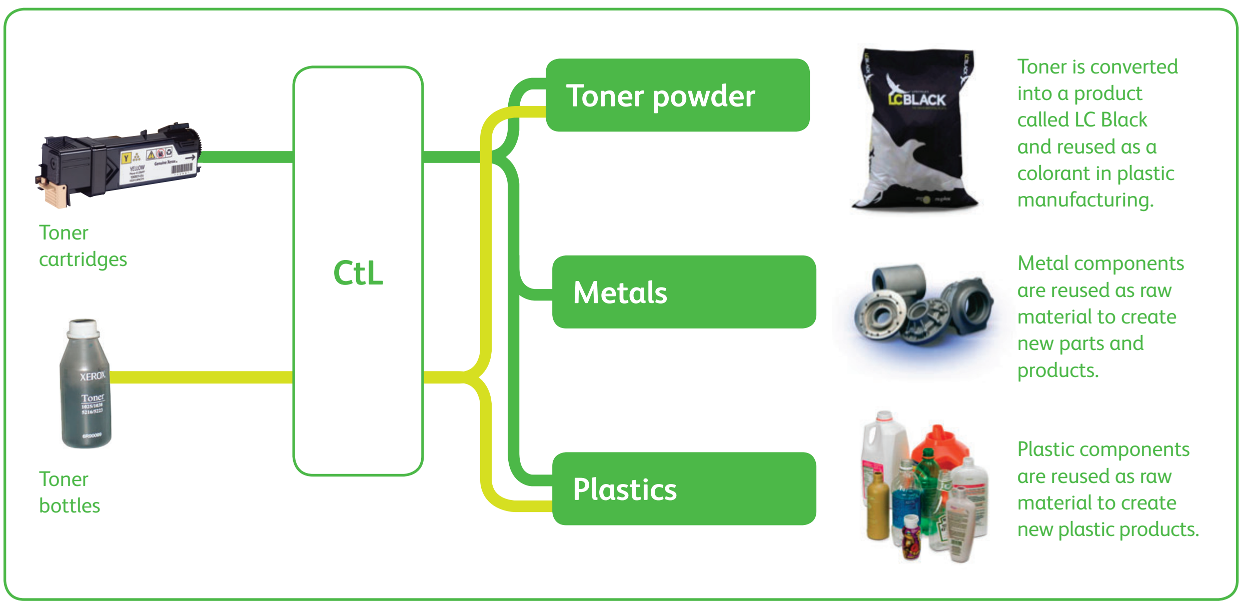
1. Recycle locally
2. Return the single item using a carrier of your choice to our Authorized Recycling Partner at the following address:

   Xerox Recycling
   2051 Meridian Place, Building 3
   Hebron, KY 41048

   We will pay for the resource recovery of used supply items via "zero waste" recycling. You only pay for the return shipping
3. Return used item in multiple quantities using the Xerox Eco Box or Pallet Returns Process.

What happens to the supplies I return to Xerox?
- Xerox's *Zero Waste to Landfill* approach means we work to:
  – Reduce waste generated by Xerox products by designing for the environment and utilizing extended life components
  – Reuse components via remanufacturing
  – Recycle components that cannot be reused

Close the Loop's recycling process



Resources for more information

The primary resource for recycling information is the Xerox Green World Alliance website. The site includes *Frequently Asked Questions*, the Xerox "Take Back" List and more:

www.xerox.com/gwa

At Xerox, sustainability is our way of doing business. We have aligned our goals for the environment, health and safety in five key areas. Learn more at:

www.xerox.com/environment

We take our responsibilities as a global corporate citizen seriously. You can read about our efforts and see a report on our recycling statistics at:

www.xerox.com/citizenship