

**STATE OF CALIFORNIA
PARTICIPATING ADDENDUM NO. 7-15-70-23**

Copiers, Printers and Related Devices
Nevada NASPO ValuePoint Master Agreement 3091
Canon U.S.A., Inc.

This Participating Addendum Number 7-15-70-23 is entered into between the State of California, Department of General Services (hereafter referred to as "State" or "DGS") and Canon USA (hereafter referred to as "Contractor") under the lead State of Nevada NASPO ValuePoint Cooperative Purchasing Organization (NASPO ValuePoint) Master Agreement No. 3091.

1. Scope

- A. This Participating Addendum covers the purchase of Copiers, Printers and Related Devices under the Nevada NASPO ValuePoint Master Agreement Number 3091. The NASPO ValuePoint Master Agreement is hereby incorporated by reference and shall apply to the purchase of goods and services made under this Participating Addendum.
- B. This Participating Addendum is available for use by all State Departments and California political subdivisions/local governments. A political subdivision/local government is defined as any city, county, city and county, district, or other local governmental body or corporation, including the California State Universities (CSU) and University of California (UC) systems, K-12 schools and community colleges empowered to expend public funds.
- C. Each political subdivision/local government is to make its own determination whether this Participating Addendum and the NASPO ValuePoint Master Agreement are consistent with its procurement policies and regulations.

2. Term

- A. The term of this Participating Addendum shall begin upon signature approval by the State and will end December 31, 2019, or upon termination by the State, whichever occurs first.
- B. Lead State amendments to extend the Master Agreement term date are not automatically incorporated into this Participating Addendum. Extension(s) to the term of this Participating Addendum will be through a written amendment upon mutual agreement between the State and the Contractor.

3. Mandatory Statewide Contracts

Product and service categories that are available on mandatory California statewide contracts for information technology (IT) copiers, printers and related devices cannot be purchased from this Participating Addendum by State Departments without an exemption. State Departments are responsible for obtaining an exemption from DGS prior to issuing a purchase order.

This restriction is not applicable to political subdivisions/local governments.

4. Terms and Conditions

Terms and conditions listed below are hereby incorporated by reference and made a part of this Participating Addendum as if attached herein and shall apply to the purchase of goods or services made under this Participating Addendum. These include:

- A. General Provisions – Information Technology, GSPD401IT, effective 11/27/2013 (“General Conditions”), subject to the modifications set forth in Section 4.B below. The twelve page document can be viewed at:
http://www.documents.dgs.ca.gov/pd/poliproc/gspd401IT13_1127.pdf
- 1) Terms in the General Conditions stated as being applicable to “Contractor” shall be deemed to be references to each applicable Authorized Dealer under a purchase order to the extent consistent with their responsibilities and activities as contemplated by this Participating Addendum, and reference to “this Contract” shall be deemed to be references to each purchase order.
 - 2) For the purpose of this Participating Addendum, the parties agree to the following modifications to the General Provisions:
 - i. With respect to Section 9, “Assignment,” consent shall not be required for assignments of rights to payment, provided that Contractor and the applicable Authorized Dealer remain responsible for their obligations this Participating Addendum and the applicable purchase order.
 - ii. With respect to Section 13, “Transportation Costs and Other Fees or Expenses,” if special rigging is required for delivery and installation, the Authorized Dealer may require additional charges therefor but only if approved by the Ordering Agency.
 - iii. With respect to Section 14, “Delivery,” Contractor shall make commercially reasonable efforts to meet the specific delivery dates designated in any purchase orders.
 - iv. With respect to Section 18, “Warranty,” the only product warranty terms are those as provided by the respective manufacturer. In the case of Canon or Océ brand manufactured equipment, Canon USA’s standard limited warranty statements packaged with the products govern; and provided further that to the extent Contractor offers Software, the warranty coverage for such Software shall be governed by the warranty terms provided by the Software developer of such Software in the applicable end user license agreements included with the Software.
 - v. With respect to Section 22, “Termination for Convenience of the State,” such termination is subject to Section 17 of this Participating Addendum.
 - vi. With respect to Section 23.b., “Termination for Default,” the parties agree that the cure period in case of breach shall be thirty (30) days.
 - vii. With respect to Section 26, “Limitation of Liability,” the exceptions set forth in subsection 26.d.(ii) shall not apply.
 - viii. For the avoidance of doubt, the parties acknowledge and agree that no result of Contractor’s services under the Participating Addendum shall be deemed “work for hire” resulting in Work Product.

- ix. The terms and conditions governing the Software under this Participating Addendum are contained in the applicable developer's Software end user license agreements, and in any applicable Software maintenance and support agreements included with the purchase of the Software license or separately purchased by Ordering Agencies.
- x. With respect to Section 46, "Examination and Audit," the State's audits rights shall apply only to those records reasonably necessary to support Contractor's or Authorized Dealers' invoices and charges to the State and Ordering Agencies for products and services purchased or leased under this Participating Addendum.

5. Order of Precedence

In the event of any inconsistency between the articles, attachments, or provisions which constitute this agreement, the following descending order of precedence shall apply:

- A. California Participating Addendum Number 7-15-70-23
- B. Nevada NASPO ValuePoint Master Agreement Number 3091, subject to the changes set forth below:
 - i. With respect to 3.7.4 of the Master Agreement, Contractor can provide the State with specific options to enhance data security in addition to the 3-pass overwrite that will be performed by Contractor at no additional charge as required under 3.7.4.3. Some of these options are at an additional cost, including hard drive removal under Section 5.4.6 of the Master Agreement. The Ordering Agency is responsible for choosing what, if any, options it wants Contractor to provide beyond the included end-of-term 3-pass overwrite, including whatever erasure standards may be required by applicable law.
 - ii. The notification requirements of Section 5.4.7.2 of the Master Agreement, "Special Promotions," shall apply exclusively to Contractor in the event Contractor provides special promotion or pricing as a supplement to the applicable Attachment I Price Schedule.
- C. Canon Service Level Agreement (Exhibit B)

6. Available Products and Services

This Participating Addendum includes the following Groups:

- Group A – Convenience Copiers
- Group B – Production Copiers
- Group C – Wide Format
- Group D – Printers

7. Disallowed Products and Services

Contractor-supplied leasing agreements and rental options are not allowed. This restriction is not applicable to political subdivisions/local governments.

8. Price List

- A. Contractor shall submit a Product and Service Schedule (PSS) identifying all products and services offered under this Participating Addendum for the State's approval.
- B. The PSS shall include the following:
 - 1) Manufacturer Part Number or Item Number
 - 2) List Price
 - 3) Minimum Discount off List Price
 - 4) Contract Price
- C. Contractor shall maintain a website dedicated to this Participating Addendum which contains the State-approved PSS.
- D. Contractor shall submit a written notice of price increases/decreases and a revised PSS for the State's approval prior to updating the Contractor's dedicated website for this Participating Addendum.
- E. State-approved PSS will be posted on the State's eProcurement website.

9. Equipment Additions/Deletions

- A. Contractor may add or delete equipment introduced or removed from the market by the manufacturer under the following conditions:
 - 1) Equipment is within existing awarded groups under the NASPO ValuePoint Master Agreement;
 - 2) Contractor has obtained prior approval from the Nevada NASPO ValuePoint Contract Administrator; and
 - 3) Contractor receives written approval from the California State Contract Administrator.
- B. Contractor shall submit a written notice of equipment additions/deletions and a revised PSS for the State's approval prior to updating the Contractor's dedicated website for this Participating Addendum.
- C. Contractor shall not add new categories or groups of equipment or services under this Participating Addendum that were not originally included in the NASPO ValuePoint Master Agreement.
- D. Notwithstanding the provisions of this Section 9, Contractor retain discretion to remove discontinued equipment models from the list of equipment offered under this Participating Addendum in accordance with the NASPO ValuePoint Master Agreement.

10. Authorized Dealers

- A. State-approved Canon USA authorized dealers ("Authorized Dealers") will be posted on the State's eProcurement website. Authorized Dealers may accept orders for the sale of equipment and the performance of services under this Agreement and, with respect to such orders, shall have sole responsibility for fulfilling such orders. Charges for all orders will be invoiced individually by each Authorized Dealer and order payments will be made by the Ordering Agency directly to the Authorized Dealers. In the event of any disputes between an Authorized Dealer and the State or Ordering Agency, Canon USA shall investigate, shall consult with the Ordering Agency or State as appropriate, and shall use commercially reasonable efforts to resolve the dispute. Nothing contained in this Agreement shall relieve Contractor of its responsibilities and obligations hereunder. Contractor agrees to be fully responsible to the State for the acts and omissions of its Authorized Dealers and of persons either directly or indirectly employed by the Contractor. Contractor's obligation to pay its authorized dealers is an independent obligation from the State's obligation to make payments to the Contractor.
- B. As the prime contractor, contractor is responsible for reports and fees required by the terms and conditions of the NASPO ValuePoint Master Agreement and State Participating Addendum.
- C. Subject to the approval of the State, Authorized Dealers may be added on a quarterly basis during the term of the contract. Contractors shall notify the State of any deleted Authorized Dealers or changes to current Authorized Dealers contact information at any time during the contract term.
- D. Contractor shall submit an Authorized Dealer list identifying the company name, address, contact name, phone number and email of Authorized Dealers to the State's Contract Administrator for the State's approval prior to updating its California specific contract website.

11. Ordering Agency Responsibilities

- A. State department and political subdivision/local government use of this Participating Addendum is optional.
- B. A User Instructions guide will be prepared and administered by the State Contract Administrator.
- C. Ordering agencies must follow the Contractor Selection and Request for Offer (RFO) process outlined within the User Instructions guide prior to executing orders against this Participating Addendum. This section does not apply to political subdivision/local government use of this Participating Addendum.

12. Contractor Responsibilities

Contractor or the Authorized Dealer must respond to the ordering agency's RFO to be eligible to receive a Purchase Order under this Participating Addendum.

13. Invoicing

The State Participating Addendum Number and Ordering Agency Purchase Order Number shall appear on each purchase order and invoice for all purchases placed under this Participating Addendum.

14. Usage Reporting

- A. Contractor shall submit usage reports on a quarterly basis to the State Contract Administrator for all California entity purchases using the report template attached hereto as Attachment A.
- B. The report is due even when there is no activity.
- C. The report shall be an Excel spreadsheet transmitted electronically to the DGS mailbox at PDWSCA@dgs.ca.gov.
- D. Any report that does not follow the required format or that excludes information will be deemed incomplete. Contractor will be responsible for submitting corrected reports within five business days of the date of written notification from the State.
- E. Tax must not be included in the report, even if it is on the purchase order.
- E. Reports are due each quarter as follows:

Reporting Period	Due Date
JAN 1 to MARCH 30	APR 30
APR 1 to JUNE 30	JUL 31
JULY 1 to SEPT 30	OCT 31
OCT 1 to DEC 30	JAN 31

- G. Failure to meet reporting requirements and submit the reports on a timely basis shall constitute grounds for suspension of this contract.
- H. Amendments for term extensions may be approved only if all due reports have been submitted to the State.

15. Administrative Fee

- A. Contractor shall submit a check, payable to the State of California, remitted to the Department of General Services, Procurement Division for the calculated amount equal to one percent (0.01) of the sales for the quarterly period.

B. Contractor must include the Participating Addendum Number on the check. Those checks submitted to the State without the Participating Addendum Number will be returned to Contractor for additional identifying information.

C. Administrative fee checks shall be submitted to:

State of California
Department of General Services, Procurement Division
Attention: Master Unit 2
707 3rd Street, 2nd Floor, MS 2-202
West Sacramento, CA 95605

D. The administrative fee shall not be included as a separately charged adjustment to Contractor's NASPO ValuePoint Master Agreement pricing.

E. The administrative fee shall not be invoiced or charged as a separate line item to the ordering agency.

F. Payment of the administrative fee is due irrespective of payment status on orders or service contracts from a purchasing entity.

G. Administrative fee checks are due for each quarter as follows:

Reporting Period	Due Date
JAN 1 to MARCH 30	APR 30
APR 1 to JUNE 30	JUL 31
JULY 1 to SEPT 30	OCT 31
OCT 1 to DEC 30	JAN 31

H. Failure to meet administrative fee requirements and submit fees on a timely basis shall constitute grounds for suspension of this contract.

16. Contract Management

A. The primary Contractor Contract Manager for this Participating Addendum shall be as follows:

Contractor: Canon USA
Name: Mike Hurley, Contract Admin.
Phone: (631) 330-3613
Fax: (631) 330-5459
E-Mail: isgbidadmin@cusa.canon.com
Address: 1 Canon Park
Melville, NY 11747

B. Should Contractor Contract Manager information change, the Contractor will provide written notice with the updated information to the State Contract Administrator no later than ten business days after the change.

C. The State Contract Administrator for this Participating Addendum shall be as follows:

Name: Cynthia Okoroike
Phone: (916) 375-4389
Fax: (916) 375-4663
E-Mail: cyntha.okoroike@dgs.ca.gov
Address: State of California
Department of General Services
Procurement Division
707 Third Street, 2nd Floor, MS 2-202
West Sacramento, CA 95605

D. Should State Contract Administrator information change, the State will provide written notice with the updated information to the Contractor Contract Manager no later than ten business days after the change.

17. Termination of Agreement

The State may terminate this Participating Addendum at any time upon 30 days prior written notice to the Contractor. Upon termination or other expiration of this Participating Addendum, each party will assist the other party in orderly termination of the Participating Addendum and the transfer of all assets, tangible and intangible, as may facilitate the orderly, nondisrupted business continuation of each party. This provision shall not relieve the Contractor, Authorized Dealers and the Ordering Agency, as applicable, of the obligation to perform under any purchase order or other similar ordering document for the stated terms thereof if executed prior to the termination becoming effective.

18. Amendment

No amendment or variation of the terms of this Participating Addendum shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Participating Addendum is binding on any of the parties.

19. Agreement

- A. This Participating Addendum and the Master Agreement together with its exhibits and/or amendments, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with or contrary to the terms and conditions of this Participating Addendum and the Master Agreement, together with its exhibits and/or amendments, shall not be added to or incorporated into this Participating Addendum or the Master Agreement and its exhibits and/or amendments, by any subsequent purchase order or otherwise, and any such attempts to incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Master Agreement and its exhibits and/or amendments shall prevail and govern in the case of any such inconsistent or additional terms.
- B. By signing below Contractor agrees to offer the same products/and or services as on the Nevada NASPO ValuePoint Master Agreement Number 3091, at prices equal to or lower than the prices on that contract.
- C. IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

STATE OF CALIFORNIA

By: _____

Name: Jim Butler

Title: Deputy Director

Date: September 25, 2015

Canon U.S.A., Inc.

By: _____

Name: Junichi Yoshitake

Title: SENIOR VICE PRESIDENT & G.M., BISG

Date: SEPTEMBER 23, 2015

EXHIBIT B**SERVICE LEVEL AGREEMENT (SLA)****1. Customer Level SLA****1.1 Purpose**

The purpose of this addendum is to define service levels; as well as provide the Customer with a defined replacement process for equipment performing below expectations.

1.2 Response Time - Fleet

Vendor agrees to maintain the following service levels defined below as targets:

Group	Performance Criteria	Quarterly Uptime
A/B	Average Uptime under 105ppm multifunctional devices (within servicing territory for each dealer) Includes	95% or better over the 4 fixed quarterly intervals per year, for devices within Servicing Territory. (Excludes devices with rated speeds of 105ppm or greater)
A/B	Average Uptime Production Equipment 105ppm or greater (within servicing territory for each dealer)	80% or better on all production equipment over the 4 fixed quarterly intervals per year on production level equipment within Canon's Servicing Territory.
C	Wide Format Devices PW900 CW650 PW340 CW900 PW500	95% or better over the 4 fixed quarterly intervals per year, for devices within Servicing Territory.
D	Printers (Color and Black & White) imageCLASS Models MF models imageRUNNER LBP models have the same uptime as category A/B under 105ppm	See Exchange /Carry-In Policy Attached
F	Scanners	See Exchange /Carry-In Policy Attached
	Average On-Site Response Time	6 Hours or Less - over 6 fixed quarterly intervals

		per year, for devices within a servicing territory. Except exchange models if applicable.
	First Time Fix	80% of all service calls or better

These service levels will be measured on a quarterly basis between Vendor and the State.

Servicing Territory – 50 miles within the Authorized Servicer

Production Equipment - units with rated speeds 105 pages per min or faster and/or graphic production color units (excludes imageRUNNER color units).

Multifunctional Devices – Black and White units with rated speeds below 105 pages per minute and business color units (imageRUNNER color units are included in this classification).

For All Multi-Function devices - B/W & Color

Average response time - Response time, as noted above, shall be calculated from the time the customer call is placed with our Dispatch department, until the time the Technician arrives at the individual location. Response times are calculated between 8:30am and 5:00pm, Monday through Friday, excluding Canon holidays. For the individual location which has multiple machines and active service calls, the Technician's arrival shall stop the response time calculation for all open service calls at that location.

For B/W units with rated speeds 105 pages per minute or faster and/or Graphic production color units (Excludes imageRUNNER color units)

Downtime is calculated from the time a service call is placed with our Dispatch department until the time the Technician completes the repair. Uptime criteria are calculated between 8:30am and 5:00pm, Monday through Friday, excluding Canon holidays, and exceptions outlined in the following sentence(s). Uptime requirements will not include preventative maintenance service calls, calls which could have been prevented by key operator functions outlined in unit's operation manual, calls created by user mishandling, units which are running outside the manufacturer's optimum performance volume, or units which need to be over-hauled as a result of reaching useful life, in the opinion of our Service department.

For Groups A and B - Downtime is calculated from the time a service call is placed with our Dispatch department until the time the Technician completes the repair. Uptime criteria is calculated between 8:30am and 5:00pm, Monday through Friday, excluding Canon holidays, and exceptions outlined below. Uptime requirements will not include preventative maintenance service calls, calls which could have been prevented by key operator functions outlined in unit's operation manual, calls created by user mishandling, units which are running outside the manufacturer's optimum performance volume, or units which need to be over-hauled as a result of reaching useful life, in the opinion of our Service department.

Loaner Unit/Backup Production – If any unit in Groups A and B is inoperable for a period in excess of 72 hours, Vendor shall provide the Customer with either:

- i) A loaner unit of similar speed and capabilities until such time as the unit(s) covered by this agreement are operable, or
- ii) Provide the Customer with off-site manned production capabilities to accomplish the work of the unit that is inoperable at the sole cost of the Vendor. Such costs shall be limited to cost of production (service and supplies), equipment, labor, power, transportation of jobs to and from the off-site production facility and facilities.

Prior to installing a substitute product, supplier will be allowed 90 days to remedy any quality or reliability issues. A designated factory authorized technician must certify each unit's ability to produce acceptable impressions with acceptable copies between calls or uptime. The guarantee will remain in effect for the term of the contract or up to five (5) years from the date of purchase/lease, provided the equipment has not been subjected to abuse or neglect and has been continuously covered by a Maintenance Contract. This replacement policy will remain in effect for the term of the contract and is subject to the Customer remaining current with supplier's payment requirements.

For groups D and F, The Exchange and Carry-Inn Product Limited Warranty would apply.

1.3 Additional Vendor Guarantees

1.3.1 Training – End-user training - Upon equipment installation shall be at no charge. Technical support training to include Network connectivity and print driver installation. Subsequent training shall be available on an ongoing basis during the contract at an additional charge. Scheduling of all training shall be mutually agreed upon during regular business hours.

1.3.2 Invoicing – Vendor shall maintain timely, accurate invoicing, less service run impressions, as defined below.

Measurable	Service Level
Timely Invoicing	Invoices will be submitted no later than the 25 th of the month immediately following the close of a billing period.
Accurate Invoicing	Invoices do not require any credits for miss-billing
Service Impressions	Vendor will credit all service run impressions within the same billing cycle

2. Reporting and Billing

2.1 Timely Reporting – Vendor shall produce reporting for the State within 30 days of the closing of the reporting period.

- 2.2 **Timely Payment of Administrative Fees** – Vendor shall produce payment for any State Specific Administrative Fee within 30 days of the closing of the reporting period.
- 2.3 **Accuracy of Reporting** – The State may request at any point proof of the reporting accuracy through the data set supporting the reporting. If the State has reason to believe that multiple and systemic reporting errors exist, that cannot be corrected to the State's satisfaction; the State may require an audit by a third party. If errors are found, the Successful vendor must reimburse the State for the cost of the auditor as well as correcting any administrative fee errors.
- 2.4 **Accuracy of Billing** – The State may request at any point proof of the billing accuracy through the data set supporting the billing. If the State has reason to believe that multiple and systemic billing errors exist, that cannot be corrected to the State's satisfaction; the State may require an audit by a third party.

