	Contract Amendment		AZ DEPT. OF ADMINISTRATION STATE PROCUREMENT OFFICE 100 N. 15 TH AVE., STE. 201 Phoenix, AZ 85007
	CONTRACT NO.: ADSP016-169897	PAGE 1	
	AMENDMENT NO.: ONE (1)	OF 1	

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Mailing Equipment, Supplies and Maintenance

Pursuant to Master Agreement executed against NASPO Value Point Contract No ADSP016-00006328, Uniform Terms and conditions Paragraph 5, Contract Changes 5.1 Amendments, the above referenced contract shall be amended as follows:

1. The Zone 1 Allowable Charge Format is hereby amended to read as follows: "No Charge Allowed, except as set forth below*".

 The following is hereby added to the end of Section 3.19 [Line Item Specifications] "The Awarded Vendor/Contractor may charge the Purchasing Entity a mutually agreed upon cost for special rigging in the event a Purchasing Entity's building demographics require such rigging for Move Zone 1 relocations (100 yards or less or within the same building). The foregoing costs shall be agreed upon in writing by the Purchasing Entity prior to any equipment relocation in Zone 1"

2. Section 6 [NASPO ValuePoint Master Agreement Terms and Conditions], subsection 16 [Inspection and Acceptance], sub-subsection c is hereby deleted in its entirety and replaced with the following: "c. The warranty period shall begin upon installation unless Contractor's "D&A – Delivery and Acceptance" practice is employed. Contractor's D&A practice is only relevant for highly complex integrated products with acceptance parameters clearly stated in advance in a Statement of Work and mutually agreed upon by the Purchasing Entity and the Contractor." In addition, sub-subsection d is hereby amended by replacing "a Master Agreement" with "an Order" in the first line and replacing "Master Agreement" with "applicable Order" in the third line of said section. The last sentence in sub-subsection d is hereby deleted.

3. Section 6 [NASPO ValuePoint Master Agreement Terms and Conditions], subsection 20 [License of Pre-Existing Intellectual Property] is hereby amended by adding "To the limited extent necessary to enable Purchasing Entity to enjoy the use of the Product for the intended purpose and function for which it is sold," at the beginning of said section, and by adding "and" between "perform" and "display".

4. General Provisions, Section 21 [Insurance], subsection (b)(1) is hereby amended by deleting "independent contractors" in the first line.

5. General Provisions, Section 33 [Indemnification], subsection a is hereby amended by deleting and replacing the first sentence with the following: "Indemnification by the Contractor of the Lead State is

governed by Section 7.1M” In addition, the following is hereby added at the end of subsection a: “The parties further agree that NASPO, NASPO Cooperative Purchasing Organization LLC (doing business as NASPO ValuePoint), Participating Entities, and Purchasing Entities, its departments, agencies, boards and commissions shall be responsible for its own gross negligence. Each party to this contract is responsible for its own gross negligence.

6. Section 7.1 [State of Arizona Special terms and Conditions], Subsection K [Compensation] is hereby amended by deleting “Contract” in the fifth line of said section and replacing it with “Participating Addendum with the Lead State” so that the sentence reads as follows: “Should the Contractor fail to provide all required services or deliver work products, as agreed upon by State and the Contractor, the State shall be entitled to invoke applicable remedies, including but not limited to, withholding payment to the Contractor and declaring the Contractor in material breach of the Participating Addendum with the Lead State”. In addition, the following cure period language shall be added before the last sentence in said section 7.1: “Upon notification of failure to provide the required services under an Order, the Contractor will have fifteen (15) calendar days to cure the standard of performance issue(s). If after the cure period, the Product still has not met the standard of performance, the Purchasing Entity may, at its option: (a) declare Contractor to be in breach and terminate the Order; (b) demand replacement Product from Contractor at no additional cost to Purchasing Entity; or, (c) continue the cure period for an additional time period agreed upon by the Purchasing Entity and the Contractor.”

7. Section 7.1 [State of Arizona Special terms and Conditions], subsection 1.3.5 of Section M [Indemnity and Insurance] is hereby deleted in its entirety and replaced with the following:

1.3.5 Network Security (Cyber) and Privacy Liability

- Each Claim \$5,000,000
- Annual Aggregate \$5,000,000

a. Such insurance shall include, but not be limited to, coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs. This should also include breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, and funds transfer loss.

b. In the event that the Network Security and Privacy Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

c. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to vicarious liability of the insured arising out of the activities performed by or on behalf of the Contractor.

d. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

8. Section 7.1 [State of Arizona Special terms and Conditions], subsection 1.8 [Subcontractors] of Section M [Indemnity and Insurance] is hereby amended by adding “and independent contractors” after the word “contractor” in the third, fifth, sixth, and last line of said section.

9. Section 7.1 [State of Arizona Special terms and Conditions], section 2 of subsection P [Data Privacy/Security Incident Management] is hereby amended as follows:

2. Discovery of Security Breach

Contractor agrees to immediately notify the State CIO, the CISO and key personnel as identified by the State after Contractor has determined that a breach of security has occurred. The State agrees to provide contact information for the State CIO, the CISO and key personnel.

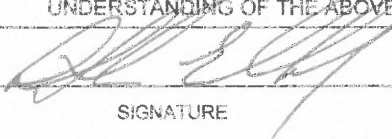

10. Section 7.2 [State of Arizona Uniform Terms and Conditions], subsection 3.7 [Property of the State] and 3.8 [Ownership of Intellectual Property] are hereby deleted in their entirety and replaced with the following:

“3.7. Property of the State. Any materials, including reports, computer programs and other deliverables, first created as a deliverable output under this Contract (“Materials Work Product”) are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State. Notwithstanding anything herein, Materials Work Product shall not include any pre-existing Contractor intellectual property, including any Contractor manuals, systems, software methodologies, techniques, operating procedures, processes or other tools that are designed, modified, updated or otherwise customized in connection with providing Products or performing services under this Contract.

3.8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets first created as a deliverable output or conceived pursuant to or as a result of this contract and any related subcontract (“State’s Intellectual Property”), shall be work made for hire and the State shall be considered the creator of such State’s Intellectual Property. Notwithstanding anything herein, State’s Intellectual Property shall not include any pre-existing Contractor intellectual property, including any Contractor manuals, systems, software methodologies, techniques, operating procedures, processes or other tools that are designed, modified, updated or otherwise customized in connection with providing Products or performing services under this Contract. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the State’s Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any of the State’s Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the State’s Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the State’s Intellectual Property in any entity other than the State. The State’s Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

11. All other terms, conditions and provisions remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.		THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS DATE BY THE STATE.	
	7/24/2017		7/29/17
SIGNATURE	DATE	SIGNATURE	DATE
Arthur E. Adams, Jr. Director, Government Contract Compliance Pitney Bowes Inc.		Christopher Lacey, Statewide Procurement Manager	