

PARTICIPATING ADDENDUM
(hereinafter "Addendum")
For
NASPO VALUEPOINT COPIERS, PRINTERS & RELATED DEVICES 14-19
MASTER AGREEMENT
(hereinafter "Master Agreement")
Between
Xerox Corporation
(hereinafter "Contractor")
and
State of Hawaii
(hereinafter "Participating State")

State of Hawaii, State Procurement Office (SPO) Price List Contract No. 15-10.

This Addendum will add the State of Hawaii as a Participating State to purchase from the NASPO ValuePoint Master Agreement Number 3091 with Xerox Corporation.

1. **Scope:**

This Addendum covers NASPO ValuePoint (formerly WSCA-NASPO) Copiers, Printers & Related Devices 14-19 led by the State of Nevada for use by state agencies and other entities located in the Participating State authorized by the state's statutes to utilize state contracts. Notwithstanding the above, the Termination for Non-appropriation provision in the NASPO ValuePoint Master Agreement #3091 will not apply to private, non-profit users of the Addendum.

2. **Participation:**

All jurisdictions located within the State of Hawaii, which have obtained prior written approval of its respective Chief Procurement Officer, will be allowed to purchase from the Master Agreement. Private nonprofit health or human services organizations with current purchase of service contracts governed by Hawaii Revised Statutes (HRS) chapter 103F are eligible to participate in the SPO price/vendor list contracts upon mutual agreement between the Contractor and the nonprofit. (Each such participating jurisdiction and participating nonprofit is hereinafter referred to as a "Participating Entity.") Issues of interpretation and eligibility for participation are to be determined solely by the Administrator of the SPO.

3. **Changes:**

A. **Usage Reports:** Contractor shall submit a quarterly State of Hawaii gross sales report to the Participating State contact person listed in Paragraph 5, below, (or as amended), in accordance with the following schedule:

<u>Quarter Ending</u>	<u>Report Due</u>
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

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The quarterly report shall be subtotaled by each Participating Entity. The quarterly report shall also include any adjustments from prior periods.

- B. The validity of this Addendum, any of its terms or provisions, as well as the rights and duties of the parties to this Addendum, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Addendum shall be brought in a court of competent jurisdiction in Honolulu, Hawaii.
- C. Inspection of Facilities. Pursuant to HRS §103D-316, the Participating State, at reasonable times, may inspect the part of the plant or place of business of the Contractor or any subcontractor that is related to the performance of the Master Agreement and this Addendum.
- D. Campaign Contributions. The Contractor is notified of the applicability of HRS §11-355, which prohibits campaign contributions from Contractor during the term of the Addendum if the Contractor is paid with funds appropriated by the Hawaii State Legislature.
- E. Purchase under this Master Agreement is not mandatory. This Addendum is secondary and non-exclusive.
- F. The State of Hawaii's purchasing card (pCard) is required to be used by Participating State's executive departments/agencies, (excluding the Department of Education, the Hawaii Health Systems Corporation, the Office of Hawaiian Affairs, and the University of Hawaii) for orders totaling less than \$2,500. For purchases of \$2,500 or more, agencies may use the pCard, subject to its credit limit, or issue a purchase order.

Contractor shall forward original invoice(s) directly to the ordering agency. General excise tax shall not be applied to the delivery charge.

Pursuant to HRS §103-10, Participating State and any agency of the Participating State or any county, shall have thirty (30) calendar days after receipt of invoice or satisfactory delivery of goods to make payment. Any interest for delinquent payment shall be as allowed by HRS §103-10.

- G. Pursuant to HRS §103D-310(c), if Contractor is doing business in the Participating State, Contractor is required to comply with all laws governing entities doing business in the Participating State, including the following HRS chapters.
 - 1. Chapter 237, General Excise Tax Law;
 - 2. Chapter 383, Hawaii Employment Security Law;
 - 3. Chapter 386, Workers' Compensation;
 - 4. Chapter 392, Temporary Disability Insurance;
 - 5. Chapter 393, Prepaid Health Care Act; and
 - 6. Certificate of Good Standing for entities doing business in the State.

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The Hawaii Compliance Express (HCE) is utilized for verification of compliance. The SPO will conduct periodic checks to confirm Contractor's compliance on HCE throughout the term of the Addendum.

- H. Effective Date and Contract Period. This Addendum is effective upon the date of execution by the Participating State and shall continue for the term set forth in the Master Agreement.
- I. Attachment O, Model Service Level Agreement (SLA) is attached and made a part of this Participating Addendum.

4. Lease Agreements:

Leasing is authorized by this Addendum. The State of Hawaii approved the terms and conditions included in the Master Agreement for equipment and related software lease agreements.

5. Primary Contact:

The primary contact individuals for this Addendum are as follows (or their named successors):

Participating State

Name: Stanton Mato
Address: State Procurement Office
1151 Punchbowl Street, Room 416
Honolulu, HI 96813
Telephone: (808) 586-0566
Fax: (808) 586-0570
E-Mail: stanton.d.mato@hawaii.gov

Contractor

Name: Annie Van Gilder
Address: 6120 E. Roland Street, Mesa, AZ 85215
Telephone: (480) 588-8313
Fax:
E-Mail: annie.vangilder@xerox.com

6. Authorized Dealers:

Authorized Dealers are not allowed under this Addendum.

7. Purchase Order and Payment Instructions:

All purchase orders issued by Participating Entities under this Addendum shall include the Participating State contract number: SPO Price List Contract No. 15-10 and the NASPO ValuePoint Master Agreement Number 3091.

- Purchase Orders and Payments shall be made to Xerox Corporation.

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8. Participating Entity as Individual Customer:

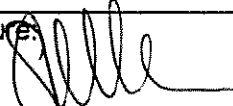

Each Participating Entity shall be treated as an individual customer. Except to the extent modified by this Addendum, each Participating Entity will be responsible to follow the terms and conditions of the Master Agreement; and will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement. Each Participating Entity will be responsible for its own charges, fees, and liabilities. Each Participating Entity will have the same rights to any indemnity or to recover any costs allowed in the Master Agreement for their purchases. The Contractor will apply the charges to each Participating Entity individually.

9. Entire Contract:

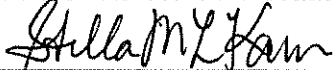
This Addendum and the Master Agreement set forth the entire agreement, and all the conditions, understandings, promises, warranties and representations among the parties with respect to this Addendum and the Master Agreement, and supersedes any prior communications, representations or agreements whether, oral or written, with respect to the subject matter hereof.

Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Master Agreement, that are included in any purchase order or otherwise shall be void. The terms and conditions of this Addendum and the Master Agreement shall govern in the case of any such inconsistent, contrary, or additional terms.

IN VIEW OF THE ABOVE, the parties execute this Addendum by their signatures, on the dates below.

Participating State: STATE OF HAWAII	Contractor: Xerox Corporation
Signature: 	Signature: 
Name: SARAH ALLEN	Name: David Farrell
Title: Administrator, SPO	Title: Finance Director
Date: 6/23/15	Date: 6/16/15

APPROVED AS TO FORM:



Deputy Attorney General

Attachment O

MODEL SERVICE LEVEL AGREEMENT (SLA)

The purpose of this model Service Level Agreement (SLA) is to provide the Participating Entities and Awarded Vendors with an example of a guarantee of service levels with penalties for failure to perform. This model SLA utilizes a scorecard method for the Customer level SLA and flat rate penalties for the Participating Entity. Awarded Vendors are to negotiate their own SLA with each Participating Entity at time of initiating the Participating Addendum. All parties are cautioned to utilize measurements that are reportable and measurable.

1. Customer Level SLA

1.1 Purpose

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

1.2 Customer Service Level Agreement

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

Performance Criteria	Target Level
Average Uptime	96% or Better
Average On-Site Response Time	4 Hours or Less
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.

1.3 Calculation of Service Level Points

Once per quarter, Vendor will produce reporting to be measured against the Service Level Agreement and points will be assigned according to the following chart. These points will be added to produce a total Service Level score. This score will be used to determine the subsequent penalty according to the following schedule where the penalty can be up to 4% of the previous quarter's service and supplies billing (expressed as a negative %).

	Target Level	Below Target 1	Below Target 2	Below Target 3	Below Target 4
Average Uptime	98% or Higher	97.9% - 96%	95.9% - 94%	94.9% - 94%	93.9% or lower
Possible Points	4	3	2	2	0
	Target Level	Below Target 1	Below Target 2	Below Target 3	Below Target 4
Average On-Site Response Time (in Hours)	4 or Less	4.1 - 5	5.1 - 6	6.1 - 7	7.1 or more
Possible Points	4	3	2	2	0
	Target Level	Below Target 1	Below Target 2	Below Target 3	Below Target 4
First Time Fix	80% or Higher	79.9% - 70%	69.9% - 60%	59.9% - 50%	Less than 50%
Possible Points	4	3	2	2	0

1.4 Penalty Level

	Target Level	Below Target 1	Below Target 2	Below Target 3	Below Target 4
Total Score	12 - 10	9 - 7	6 - 4	3 - 1	0
Penalty/Award as a percentage of quarterly service and supplies billings	0%	-2.5%	-3.0%	-3.5%	-4.0%

Vendor agrees that the penalty shall be awarded to the Customer as a credit provided, however, that the credit shall be applied solely against meter/impression charges reflected on subsequent invoices until the credit has been completely applied. If the Order associated with the SLA has expired or has been terminated, any remaining credit will be forfeited.

1.5 Equipment Performance

Vendor guarantees each machine specified within any maintenance agreement will perform to either a) the monthly copies between service calls as measured by machine on a quarterly basis by group and segment listed below and/or b) the monthly uptime as measured by machine on a quarterly basis by segment listed below.

Group	Devices	Segments	Quarterly Uptime
A	Copiers Black & White	All	95%
B	Copiers Color	All	95%
C	Wide Format Devices	All	95%

D	Printers (Color and Black & White)	All	95%
E	Digital Duplicators	All	95%
F	Scanners	All	95%

If any unit fails to maintain this level of performance between calls and or the monthly uptime, excluding service calls caused by operator error that system will be subject to replacement at the Customers discretion on a like-for-like basis with then current technology. 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 maintained by Xerox under a Xerox maintenance agreement. 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.

1.6 Additional Vendor Guarantees

- 1.6.1 **Training** – On-going training as requested by the Customer to be performed within two (2) weeks of requested date for on-site training and two (2) hours for phone/technical support. A penalty of \$50 per incident that does not meet the turnaround time specified above to be credited on the next service bill.
- 1.6.2 **Loaner Unit/Backup Production** – Vendor agrees to provide a loaner or to measure uptime on an individual unit basis, with the following accepted exclusive remedy:
- i. Vendor agrees the vast majority of on-site equipment repairs will be completed within 12 business hours. However, in the unlikely event that the repair time exceeds 24 consecutive working hours, Xerox agrees as Customer's exclusive remedy, to provide a loaner if available; or
 - ii. At the Customer's option, to issue a service credit, equal to 1/30" of the equipment's monthly maintenance component for each day the equipment is inoperable and is not available for Customer's use, beginning with the day of the Customer's initial service call. Such credit may be applied against future meter charges only. Under no circumstance will any credits reduce the Monthly Minimum Charge. If an order associated with the SLA has expired or has been terminated, any remaining credit will be forfeited.
- 1.6.3 **Invoicing** – Vendor shall maintain timely, accurate invoicing, less service run impressions, as defined below. Failure on the vendor's part to maintain

these levels as defined shall result in a \$50.00 per instance credit on the following invoice.

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. Failure to do so will result in a penalty of \$5.00 per work day beyond the 30 day 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. Failure to do so will result in a penalty of \$5.00 per work day beyond the 30 day 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. If errors are found, the Successful vendor must reimburse the State for the cost of the auditor as well as correcting any billing errors.
- 2.5 **Penalties** – All penalties under this, section two (2) of the Service Level Agreement, shall be payable to the State.