

**CALIFORNIA PARTICIPATING ADDENDUM NO. 7-12-70-22
WESTERN STATES CONTRACTING ALLIANCE (WSCA)/NATIONAL
ASSOCIATION OF STATE PROCUREMENT OFFICIALS (NASPO)
MAILING EQUIPMENT, SUPPLIES AND MAINTENANCE
BELL AND HOWELL, LLC.
MASTER PRICE AGREEMENT
CONTRACT # ADSPO11-00000411-1**

This Participating Addendum Contract Number 7-12-70-22 is entered into between the State of California, Department of General Services (hereafter referred to as "STATE" or "DGS") and Bell and Howell, LLC. (hereafter referred to as "CONTRACTOR") under the lead State of Arizona Western States Contracting Alliance (WSCA) and National Association of State Procurement Officials (NASPO) Master Price Agreement Number ADSPO11-00000411-1.

1. Scope

- A. This Participating Addendum (PA) covers the purchase of Mailing Equipment, Supplies and Maintenance under the WSCA/NASPO Master Price Agreement No. ADSPO11-00000411-1. The Master Price Agreement, the CONTRACTOR'S Proposal and Price Lists listed below are hereby incorporated by reference and shall apply to the purchase of goods or services made under this PA:
- 1) WSCA/NASPO Master Price Agreement Number # ADSPO11-00000411-1
 - 2) CONTRACTOR's response to WSCA/NASPO Solicitation Number # ADSPO11-00000411
 - 3) CONTRACTOR's pricing posted on its California specific website which shall be accessible from a link at BidSync at <http://www.bidsync.com/> and the DGS Leveraged Procurement Agreement website at: <http://www.dgs.ca.gov/pd/Programs/Leveraged.aspx>.
- B. This Master Price Agreement is available for use by all State Agencies and will include all California political subdivisions/local governments. A 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 should make its own determination whether the WSCA/NASPO program is consistent with its procurement policies and regulations.

2. Contract Term

- A. The term of this Participating Addendum shall begin upon signature approval by the STATE and will end October 12, 2013, or upon termination by the STATE, whichever occurs first.
- B. Lead State amendments to extend the term date are **NOT** automatically incorporated into this Participating Addendum.

3. Mandatory Statewide Contracts

Products and services provided under this Participating Addendum are **NOT** available on mandatory statewide contracts and are **NOT** subject to the STATE's requirements for exemption to purchase a mandatory statewide contract good or service.

4. Terms and Conditions

- A. Terms and conditions listed below are hereby incorporated by reference and made a part of this PA as if attached herein and shall apply to the purchase of goods or services made under this Participating Addendum. These include:
 - 1) STATE Information Technology (IT) General Provisions – GSPD401IT, effective 06/08/10. The ten (10) page document can be viewed at:
<http://www.documents.dgs.ca.gov/pd/modellang/GPIT060810.pdf>
 - 2) STATE Information Technology (IT) Purchase Special Provisions, effective 02/08/07. The two (2) page document can be viewed at:
<http://www.documents.dgs.ca.gov/pd/modellang/Purchasespecial020807.pdf>
 - 3) STATE Information Technology (IT) Maintenance Special Provisions, effective 1/21/03. The five (5) page document can be viewed at:
<http://www.documents.dgs.ca.gov/pd/modellang/maintenancespecial12103.pdf>
 - 4) STATE Information Technology (IT) Software License Special Provisions, effective 1/21/2003. The five (3) page document can be viewed at:
<http://www.documents.dgs.ca.gov/pd/modellang/softwarespecial012103.pdf>
 - 5) American Recovery and Reinvestment Act (ARRA) Supplemental Terms and Conditions
The supplemental terms and conditions for contracts using ARRA funds apply to the Requesting Agency. If or when CONTRACTOR, as a vendor, is notified by Requesting Agency that a specific purchase or purchases are being made with ARRA funds, CONTRACTOR agrees to comply with the data element and reporting requirements that are legally required of providers of goods and related services. CONTRACTOR as it relates to purchases under this contract is not a subcontractor or subgrantee, but simply a provider of goods and related services. The ARRA supplemental terms and conditions can be viewed at:
<http://www.documents.dgs.ca.gov/pd/poliproc/ARRATand%20C081009final.pdf>

5. Order of Precedence

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

- 1) Information Technology (IT) General Provisions – GSPD401IT (Effective 06/08/10)
- 2) California Participation Addendum Contract No. 7-12-70-22
- 3) WSCA/NASPO Master Price Agreement Number # ADSPO11-00000411-1

6. Exclusions to Lead State Master Price Agreement:

STATE specifically excludes the following provisions from the Lead State Master Price Agreement # ADSPO11-00000411-1:

A. Standard Contract Terms & Conditions, NASPO & WSCA

- 1) Comprehensive Financial Options That Should be Included:

B. Special Terms and Conditions

- 1) Paragraph 4.6.3 – Comprehensive Financial Options That Should be Included:

C. Statement of Work

- 1) Paragraph 2.4 – Included products, services and support. Exclude items not listed in Section 7. Available Product and Services below, and additional categories or groups not included in original Price Lists.
- 2) Paragraph 2.6.7 Software purchases or subscriptions. Delete last sentence that states: “All Software Terms and Conditions will be negotiated and agreed to by either the end user of the Participating Entity as defined in the PA.”
- 3) Paragraph 2.7 Services – Disallow the services for the following unevaluated costs:
 - a) Assembly, Production Equipment only
 - b) Software Installation/Integration
 - c) Design, Production Equipment Only
 - d) Lease/Rental Finance Options
- 4) Paragraph 2.7.1.2 – Annual Maintenance Agreements – Disallow services for the following costs not listed in Price Lists:
 - a) Four (4) hour on-site response
 - b) Twenty-four hour a day (24/7) maintenance response
- 5) Paragraph 2.7.4. – Installation/Integration – Disallow purchase of services not evaluated or included in Price Lists.
 - a. Installation & Integration costs
 - b. Special “rigging”
- 6) Paragraph 2.7.5. – Software and Software Maintenance - Disallow services for software installation for integration costs not evaluated.

7. Available Products & Services

A. The following product and service offerings are allowed under this Participating Addendum:

- 1) Inserter Production
- 2) High Volume Folder-Inserter
- 3) Production Folder-Inserter
- 4) Pre-Sorting Equipment
- 5) Software License and Subscription

8. Restricted Products & Services

A. The following product and service offerings are restricted under this Participating Addendum:

- 1) Statement of Work
 - a) Paragraph 2.7.2. – Legacy Maintenance is subject to advertising exemptions and non-competitive bid approval as applicable in the State of California, State Contract Manual. Local governmental agency restrictions on purchases of goods and services may apply.

9. Disallowed Products & Services

A. The following product and service offerings are disallowed under this Participating Addendum. This restriction does not apply to local government entities.

- 1) Leasing and Rental Options.
- 2) Products:
 - a) Remanufactured Equipment
 - b) Production Volume Mailing Systems
 - c) Low Volume Envelope Mail Labeler
 - d) Medium Volume Mail Labeler
 - e) High Volume Mail Labeler
 - f) Production Envelope Mail Labeler
 - g) Production Tabbers
 - h) Check Printing/Imprinting
 - i) Pressure Sealing Production
 - j) Bursting Equipment
 - k) Extractors
- 3) Services:
 - a) Leasing of equipment
 - b) Rental of equipment other than postage meters
 - c) Financing Options

- d) Design costs for production equipment and installation
- e) Design costs for Assembly Installation, Production only
- f) Legacy Maintenance
- g) Four (4) hour on-site maintenance response
- h) Twenty-four (24/7) hour maintenance response
- i) Special 'rigging'
- j) Integration of Software not paid for by CONTRACTOR

10. Equipment Additions/Deletions

- A. Upon the STATE's approval, CONTRACTOR may add or delete contract equipment introduced or removed from the market by the manufacturer provided the equipment is within existing awarded categories under the WSCA/NASPO Master Price Agreement.
- B. CONTRACTOR shall submit a written notice of equipment additions/deletions for the STATE's approval prior to updating the dedicated contract website for California.
- C. CONTRACTOR shall not add new categories or groups of equipment or services under this PA that were not originally included in the Lead State Master Price Agreement.

11. Price List

- A. The price list posted to the dedicated contract website for California shall include the following:
 - 1) Manufacturer Suggested Retail Price (MSRP) as originally awarded
 - 2) Discount from MSRP as originally awarded
 - 3) Original Pricing after application of discount
 - 4) Current MSRP
 - 5) Current discount from MSRP
 - 6) Current pricing after application of discount
- B. Discounts from MSRP may be increased, but not decreased, during the contract term.
- C. CONTRACTOR shall submit a written notice of MSRP and pricing increases for the STATE's approval prior to updating the dedicated contract website for California.
- D. CONTRACTOR price lists shall contain the manufacturer model number applicable to the products available for purchase.

12. MSRP Increases

STATE may authorize Manufacturer Suggested Retail Price (MSRP) increases as allowed in the LEAD State Master Price Agreement, *Special Terms and Conditions, Paragraph 3.5 – Contract Term*. MSRP price increases to the California PA are subject to the United States Bureau of Labor Statistics, Western Region Consumer Price Index (CPI) for the previous calendar year. The change in price shall not exceed the percent change in the CPI index between the specified time period (current year versus previous year). CONTRACTOR must submit a written request for the cost increase to the DGS STATE Contract Administrator at least forty-five (45) days prior to the effective day for the change in MSRP pricing. CONTRACTOR shall describe the circumstances causing the price increase and shall include a full justification for the price change. Price increases less than two percent (2%) will not be approved by STATE. Price adjustment shall not be included in CONTRACTOR MSRP unless, and until, it is approved by the STATE.

13. Receiving Orders

A. PURCHASE OF EQUIPMENT: In order for CONTRACTOR to receive a Purchase Order (STD 65 – PURCHASE ORDER) for the purchase of equipment and associated goods and services under this PA, CONTRACTOR must respond to a Request for Offer from Requesting Agency's that shall include:

- 1) All relevant Requesting Agency contact information necessary for CONTRACTOR to respond to Request for Offer
- 2) A detailed specification or scope of work (SOW) for the goods and services required
- 3) The term for the point of sale maintenance purchased

B. CONTRACTS FOR SERVICES: State of California, Requesting Agency service contracts (STD 213 – STANDARD AGREEMENT) for postage meter rental, proprietary or legacy maintenance are subject to the advertising considerations and exemptions in the State Contract Manual (SCM). Local governmental agency restrictions on purchases of goods and services may apply.

14. Requesting Agency Responsibilities

A. CONTRACTOR SELECTION

- 1) State and local government agencies use of this Cooperative Agreement is optional.
- 2) A User Guide will be prepared and administered by the DGS STATE Contract Administrator. All Requesting Agencies must refer to the User Guide before utilizing the Contractor Selection process.
- 3) INITIAL PURCHASE OF GOODS AND SERVICES: Requesting Agencies electing to use this Cooperative Agreement for the initial purchase of mailing

equipment and associated goods and services must select a Contractor using the Best Value Request for Offer (RFO) process:

- a) Requesting Agency will develop an RFO utilizing the template located at: <http://www.documents.dgs.ca.gov/pd/poliproc/RFO12192011.pdf>
 - b) Include information in the RFO such as:
 - 1) All relevant Requesting Agency contact information necessary for Contractor to respond to Request for Offer
 - 2) A detailed Scope of Work (SOW) for the service or good required
 - 3) If applicable, the term of the proposed Service Contract.
 - c) Requesting Agency must solicit Offers from all contractors in the relevant award categories.
 - d) Contractors may offer greater discounts than that those published in their dedicated California pricing website.
 - e) Requesting Agency shall review all responsive offers and select a contractor based on best value.
 - f) Requesting Agency must document the results of the best value RFO process.
- 4) PURCHASE OF SERVICES ONLY: State of California agencies requesting Postal Meter Rental, proprietary or Legacy maintenance may process service contracts STD 213 – STANDARD AGREEMENTS subject to the advertising considerations and exemptions in the State Contract Manual (SCM). Individual local governmental agencies rules on competitive bidding may apply.

15. Subcontractors

- A. Nothing contained in this Agreement or otherwise, shall create any contractual relation between the STATE and any subcontractors, and no subcontract shall relieve CONTRACTOR of its responsibilities and obligations hereunder. CONTRACTOR agrees to be as fully responsible to the STATE for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the CONTRACTOR. CONTRACTOR's obligation to pay its subcontractors 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 WSCA/NASPO Master Price Agreement and STATE Participating Addendum.

- C. Subject to the approval of the STATE, subcontractors may be added or deleted at any time during the contract term.
- D. CONTRACTOR shall submit a subcontractor list identifying the name, address, phone number and email of authorized subcontractors to the STATE Contract Administrator for the STATE's approval prior to updating its California specific contract website.
- E. Any subcontract in excess of \$25,000, entered into as a result of this Agreement, shall contain all the provisions stipulated in this Agreement to be applicable to subcontractors.

16. Invoicing

The STATE Participating Addendum number and Requesting Agency Contract Number shall appear on every purchase order or service contract placed under this Participating Addendum.

17. Quarterly Usage Reporting

- A. CONTRACTOR shall submit quarterly reports to STATE for all California purchases or service contracts executed for the period using the report template attached hereto as Attachment A. Quarterly report shall be an Excel spreadsheet file transmitted electronically to the DGS WSCA mailbox at PD-WSCA@dgs.ca.gov.
- B. Tax must NOT be included in the quarterly report, even if it is on the purchase order or in a service contract.
- C. The quarterly report is due even when there is no activity. Any quarterly report that does not follow the required format or that excludes information will be deemed incomplete. Failure to submit quarterly reports on a timely basis shall constitute grounds for suspension of this contract. Quarterly reports are due by the end of the following months for each quarter. For example:

Quarter 1-JUL 1 to SEP 30	Due OCT 31
Quarter 2-OCT 1 1 to DEC 31	Due JAN 31
Quarter 3-JAN 1 to MAR 31	Due APR 30
Quarter 4-APR 1 to JUN 30	Due JUL 31

- D. New contracts, amendments for renewals of existing contracts will be approved ONLY if all due usage reports have been submitted to STATE.

18. Payment of Administrative Fee

- A. Each quarter CONTRACTOR shall submit a check, payable to the State of California, remitted to the WSCA Payment Processing Unit for the calculated amount equal to one percent (0.01) of the sales for the quarterly period. Include

this Participating Addendum Contract Number 7-12-70-22 on the check. Those checks submitted to the STATE without the Participating Addendum Contract Number will be returned to CONTRACTOR for additional identifying information. Submit checks to:

State of California
Department of General Services, Procurement Division
Attention: WSCA Payment Processing
707 3rd Street, MS 2-202
West Sacramento, CA 95605

- B. The administrative fee shall not be included as an adjustment to CONTRACTOR's WSCA/NASPO pricing and not invoiced or charged to the purchasing entity.
- C. Payment of the administrative fee is due irrespective of payment status on orders or service contracts from a purchasing entity. Failure to submit quarterly administrative fees on a timely basis shall constitute grounds for suspension of this contract. Payments are due by the end of the following months for each quarter. For example:

Quarter 1-JUL 1 to SEP 30	Due OCT 31
Quarter 2-OCT 1 1 to DEC 31	Due JAN 31
Quarter 3-JAN 1 to MAR 31	Due APR 30
Quarter 4-APR 1 to JUN 30	Due JUL 31

19. Termination of Contract

The STATE may terminate this contract at any time upon thirty (30) days prior written notice to the CONTRACTOR. Upon termination or other expiration of this contract, each party will assist the other party in orderly termination of the contract 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 of the obligation to perform under any purchase order or other similar ordering document executed prior to the termination becoming effective.

20. Amendment

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

21. American Recovery and Reinvestment Act (ARRA) Supplemental Terms and Conditions

The supplemental terms and conditions for contracts using ARRA funds apply to the Requesting Agency. If or when CONTRACTOR, as a vendor, is notified by

Requesting Agency that a specific purchase or purchases are being made with ARRA funds, CONTRACTOR agrees to comply with the data element and reporting requirements that are legally required of providers of goods and related services. CONTRACTOR as it relates to purchases under this contract is not a subcontractor or subgrantee, but simply a provider of goods and related services.

22. Contract Management

A. The primary CONTRACTOR contact for this Participating Addendum shall be as follows:

Contractor	
Name:	<u>BELL AND HOWELL, LLC.</u>
Address:	<u>3791 S Alston Ave.</u>
	<u>Durham, NC 27713</u>
Contact:	<u>MARJORIE MCDERMOTT</u>
E-Mail:	<u>Marjorie.mcdermott@bhemail.com</u>
Phone:	<u>(801) 930-5402</u>
Fax:	<u>(866) 593-1694</u>

B. Should CONTRACTOR's contact information change, CONTRACTOR must provide updated information no later than ten (10) business days after the date of such change to the STATE's Contract Administrator. CONTRACTOR is responsible for notifying the STATE's Contract Administrator in writing of any changes to a contact person, address, phone numbers, or any other information deemed important to the day-to-day operation of this contract.

C. The Contract Administrator for the State of California shall be as follows:

Department of General Services, Procurement Division
Multiple Award Program - WSCA
707 Third Street, 2nd Floor, MS # 202
West Sacramento, CA 95605

Contact: Stacy Jarvis
E-mail: stacy.jarvis@dgs.ca.gov
Phone: (916) 375-4378
Fax: (916) 375-4663

This Participating Addendum and the Master Price 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, contrary or in addition to the terms and conditions of this Participating Addendum and the Master Price Agreement, together with its exhibits and/or amendments, shall not be added to or incorporated into this Participating Addendum or the Master Price Agreement and its exhibits and/or amendments, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Master Price Agreement and its exhibits and/or amendments shall prevail and govern in the case of any such inconsistent or additional terms.

By Signing below CONTRACTOR agrees to offer the same products/and or services as on the Arizona WSCA/NASPO Master Price Agreement Number ADSPO11-00000411-1 at prices equal to or lower than the prices on that contract.

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: _____

BELL AND HOWELL, LLC.

By: Blake Eaddy
Name: Blake Eaddy
Title: Secretary
Date: 1 Feb 2013