

MULTIFUNCTIONING DEVICES (MFD)/MANAGED PRINT SOLUTION
P&M-2016-006943T

THIS CONTRACT is entered into by and between the State of Montana, Department of Administration, Print and Mail Services, (State), whose address and phone number are 920 Front Street, Helena, MT 59601, 406-444-3053 and 360 Office Solutions, Corp., (Contractor), whose address and phone number are 821 N Last Chance Gulch, Helena, MT 59601 and 406-449-3012.

1. EFFECTIVE DATE, DURATION, AND RENEWAL

1.1 Contract Term. The Contract's initial term is upon contract execution, through June 30, 2020, unless terminated earlier as provided in this Contract. In no event is this Contract binding on State unless State's authorized representative has signed it. The legal counsel signature approving legal content of the Contract and the procurement officer signature approving the form of the Contract do not constitute an authorized signature.

1.2 Contract Renewal. State may renew this Contract under its then-existing terms and conditions (subject to potential cost adjustments described below in section 2) in one-year intervals, or any interval that is advantageous to State. This Contract, including any renewals, may not exceed a total of seven years.

2. COST ADJUSTMENTS

2.1 Cost Increase by Mutual Agreement. After the Contract's initial term and if State agrees to a renewal, the parties may agree upon a cost increase. State is not obligated to agree upon a renewal or a cost increase. Any cost increases must be based on demonstrated industry-wide or regional increases in Contractor's costs. Publications such as the Federal Bureau of Labor Statistics and the Consumer Price Index (CPI) for all Urban Consumers may be used to determine the increased value.

3. SERVICES

3.1 Scope of Services. Contractor shall provide State Multifunctioning Devices (MFD) and a Managed Print Solution per P&M-RFP2016-P006943T and Contractor's response to P&M-RFP2016-P006943T.

3.2 Contractor Requirements. Contractor shall work closely with the State's Program Manager and be responsible for all facets of the management of the State's MFDs, including, but not limited to, installation, support, services metering, consumable supplies (including toner), billing, equipment moves, removals, short-term rentals, and loaners.

- a) Contractor shall streamline the equipment procurement, IT setup, and maintenance request response processes for state agencies. Contractor shall provide to each respective agency (audit findings, personal consultations) upon request. State shall sign a Schedule A (Lease Agreement document) confirming placement of machine at an agency and return it to the Contractor within 3 business days.
- b) Contractor shall ensure that state agencies are continually satisfied with the printing/copying environment provided. Contractor shall provide support and maintenance, a preventative maintenance processes, maintenance schedules, and manage down equipment, replacement of consumable supplies, and any other customer service support services required by the State.
- c) Contractor shall control, monitor, manage, and reduce overall print costs for the State. Contractor shall provide reporting capabilities with data on the devices being leased.
- d) Contractor shall assist the State in decreasing our environmental footprint. Contractor shall provide the State training to ensure that the devices being leased are being utilized efficiently and effectively.

- e) Contractor shall move equipment within a building at no additional cost to the State. If the equipment needs to be relocated outside the original building it was initially installed, the State will be billed at a rate of \$100.00 per man hour to complete the relocation. Contractor shall report new physical location to lease holder via a Schedule A.
- f) Contractor shall work in cooperation with the State to market the Multifunctional Device and Managed Print Solution program. This may include with the State's approval: brochures, flyers, catalogs, web sites, email, on sight visit, vendor trade shows, State agency presentations, vehicle wraps, business cards, State phonebooks or any other means that would be advantages to the State of Montana.
- g) Quarterly reports shall be provided to the State's program manager. Reports shall include usage trend for color and black clicks; lease charges; MDF locations; program expansion or reduction trends; environmental impact +/-; recommendations for expansion of program; service history or any additional information that the State deems necessary to facilitate the MFD managed print program.
- h) All MFDs must be equipped to provide a high level of security protection to the State's network and individual users. Contractor must comply with the State of Montana IT Policies and Standards. Prior to access, the Contractor must complete and sign any applicable IT security agreements as required by the State. Network access will be conditioned upon final approval by the State.
- i) Contractor shall provide a fair market value for the corresponding MFD at end of 36 month lease term to the responsible agency. Upon the State's acceptance of provided fair market value price, the State may purchase the MFD and shall become sole owner of purchased MFDs. Contractor shall upon the States approval, continue the contracted click rate for as long as the MFD remains serviceable. Contractor may increase the current contracted click rate upon end of lease annually. The State will accept rate increases of 3% or less annually.
- j) All costs related to end of lease agreement shall be per the RFP response. This includes hard drive wiping, destruction or retention by the State, and equipment relocation. If the State requires the retention of hard drives in leased MFDs, it will be the sole responsibility of the leasing agency to pay all cost associated with the replacement of hard drives. Cost for hard drives will be based on current market rates. The State will not incur any addition cost at end of the lease unless buyout option is accepted; all costs associated with removal of end of lease equipment will be Contractor's sole responsibility.
- k) Contractor shall provide approximately 12 copiers to be placed for the House and Senate in the Capitol complex during legislative sessions for a period of approximately six months (November 1st through May 15th). The costs and lease agreements for these machines shall be per the RFP response.
- l) Contractor shall, once annually, update model year offerings. Click charges must remain same, base pricing for new model may change only upon mutual agreement between State and Contractor.

3.3 Background Checks. The State requires that all contracted personnel working in State owned facilities have a background investigation initiated or completed prior to employment. This investigation may include, but is not limited to:

- Fingerprint I.D. check
- Active past employer reference check
- Past residence history
- Security Training (Department of Justice building access requirement)

Files shall be maintained regarding these investigations with Department of Administration (DOA), State Human Resources Division (SHRD). The State will review these background investigations with the DOA, SHRD, and the Department of Justice (DOJ), to ensure compliance and appropriateness of hire. The DOJ shall first approve background check before any Contractor employee may begin work on site.

The State may require personnel to complete a background check every six months or whenever it is in the best interests of the State.

The following factors may be used in determining acceptability of hire:

- no felony convictions
- type of prior criminal conviction for misdemeanor offenses
- time elapsed between prior convictions and the present
- employment history
- patterns of residency
- any other reasonably relevant information

Contractor acknowledges that failure of the Contractor to promptly reassign or otherwise establish an acceptable security clearance for any of its employees shall be grounds for termination of this contract for cause according to the agreement between the Contractor and the State.

The Contractor will be given a reasonable opportunity to rebut an unfavorable security report for any of its employees. The DOA shall have the final discretion for the determination of acceptability.

If Contractor chooses to sub-out any portion of this contract, Contractor will have ultimate responsibility to ensure that subcontractor has cleared the background check as defined in this Section.

4. WARRANTIES

4.1 Warranty for Services. Contractor warrants that it performs all services using reasonable care and skill and according to its current description (including any completion criteria) contained in this Contract. State agrees to provide timely written notice of any failure to comply with this warranty so that Contractor can take corrective action.

4.2 Warranty for Software. Upon initial installation of the software Contractor warrants that: (i) the unmodified software will provide the features and functions, and will otherwise conform to all published documentation including on Contractor's website, and (ii) the media upon which the software is furnished will be free from defects in materials and workmanship under normal use and service.

4.2 Warranty for Hardware. Contractor warrants that hardware provided is free from defects in materials and workmanship and conforms to the specifications. The warranty period for provided hardware is a fixed period commencing on the date specified in a statement of work or applicable Contract. If the hardware does not function as warranted during the warranty period and Contractor is unable to either: i) make it do so; or ii) replace it with one that is at least functionally equivalent, State may return it to Contractor for a full refund.

The parties agree that the warranties set forth above do not require uninterrupted or error-free operation of hardware or services unless otherwise stated in the specifications.

These warranties are State's exclusive warranties and replace all other warranties or conditions, express or implied, including, but not limited to, the implied warranties or conditions of merchantability and fitness for a particular purpose.

5. CONSIDERATION/PAYMENT

5.1 Payment Schedule. All payments and considerations shall be made according to the Lease Agreement between the State and US Bank (lease holder). The costs of the machines are per Attachment A. The per click charge is per Attachment B.

5.2 Recurring Rebate. Contractor shall add a recurring rebate (up to 15.9%) based off of the total monthly billed amount (base lease, optional accessories if applicable and click charge, or purchased MFD's) from the Contractor to cover contract administration fee. This shall be a pass-through cost from the Contractor to the individual agencies. All rebates are due from the Contractor to the State quarterly.

6. COOPERATIVE PURCHASING

Under Montana law, public procurement units, as defined in 18-4-401, MCA, have the option of cooperatively purchasing with State of Montana. Public procurement units are defined as local or state public procurement units of this or any other state, including an agency of the United States, or a tribal procurement unit. Unless the bidder/offeror objects, in writing, to State Procurement Bureau prior to the award of this Contract, the prices, terms, and conditions of this Contract will be offered to these public procurement units. However, State Procurement Bureau makes no guarantee of any public procurement unit participation in this Contract.

7. NON-EXCLUSIVE CONTRACT

The intent of this Contract is to provide State agencies with an expedited means of procuring supplies and/or services. This Contract is for the convenience of State agencies and is considered by State to be a "Non-exclusive" use contract. Therefore, agencies may obtain this product/service from sources other than the Contract holder(s) as long as they comply with Title 18, MCA, and their delegation agreement. State does not guarantee any usage.

8. PREVAILING WAGE REQUIREMENTS

8.1 Montana Resident Preference. The nature of the work performed, or services provided, under this Contract meets the statutory definition of a "public works contract" in 18-2-401, MCA. Unless superseded by federal law, Montana law requires that contractors and subcontractors give preference to the employment of Montana residents for any public works contract in excess of \$25,000 for construction or nonconstruction services. Contractor shall abide by the requirements set out in 18-2-401 through 18-2-432, MCA, and all administrative rules adopted under these statutes.

The Commissioner of the Montana Department of Labor and Industry has established the resident requirements in accordance with 18-2-403 and 18-2-409, MCA. Any and all questions concerning prevailing wage and Montana resident issues should be directed to the Montana Department of Labor and Industry.

8.2 Standard Prevailing Rate of Wages. In addition, unless superseded by federal law, all employees working on a public works contract must be paid prevailing wage rates in accordance with 18-2-401 through 18-2-432, MCA, and all associated administrative rules. Montana law requires that all public works contracts, as defined in 18-2-401, MCA, in which the total cost of the contract is greater than \$25,000, contain a provision stating for each job classification the standard prevailing wage rate, including fringe benefits, travel, per diem, and zone pay that the contractors, subcontractors, and employers shall pay during the public works contract. The standard prevailing rate of wages paid to workers under this Contract must be adjusted 12 months after the date of the award of the public works contract per 18-2-417, MCA. The amount of the adjustment must be a 3% increase. The adjustment must be made and applied every 12 months for the term of the Contract. This adjustment is the sole responsibility of Contractor and no cost adjustment in this Contract will be allowed to fulfill this requirement.

8.3 Notice of Wages and Benefits. Furthermore, 18-2-406, MCA, requires that all contractors, subcontractors, and employers who are performing work or providing services under a public works contract

post in a prominent and accessible site on the project staging area or work area, no later than the first day of work and continuing for the entire duration of the contract, a legible statement of all wages and fringe benefits to be paid to the employees in compliance with 18-2-423, MCA.

8.4 Wage Rates, Pay Schedule, and Records. 18-2-423, MCA, requires that employees receiving an hourly wage must be paid on a weekly basis. Each contractor, subcontractor, and employer shall maintain payroll records in a manner readily capable of being certified for submission under 18-2-423, MCA, for not less than three years after the contractor's, subcontractor's, or employer's completion of work on the public works contract. All contractors and employers shall classify each employee who performs labor on a public works project according to the applicable standard prevailing rate of wages for such craft, classification, or type of employee established by the Commissioner of the Montana Department of Labor and Industry, and shall pay each such employee a rate of wages not less than the standard prevailing rate as specified in the Montana Prevailing Wages Rates for NonConstruction Services 2016.

9. ACCESS AND RETENTION OF RECORDS

9.1 Access to Records. Contractor shall provide State, Legislative Auditor, or their authorized agents access to any records necessary to determine Contract compliance. State may terminate this Contract under section 21, Contract Termination, without incurring liability, for Contractor's refusal to allow access as required by this section. (18-1-118, MCA.)

9.2 Retention Period. Contractor shall create and retain all records supporting the Multifunctioning Devices (MFD)/Managed Print Solution for a period of eight years after either the completion date of this Contract or termination of the Contract.

10. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

Contractor may not assign, transfer, or subcontract any portion of this Contract without State's prior written consent. (18-4-141, MCA) Contractor is responsible to State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by Contractor. No contractual relationships exist between any subcontractor and State under this Contract.

11. HOLD HARMLESS/INDEMNIFICATION

Contractor agrees to protect, defend, and save State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of State, under this Contract.

12. LIMITATION OF LIABILITY

Contractor's liability for Contract damages is limited to direct damages and further to no more than twice the Contract amount. Contractor shall not be liable for special, incidental, consequential, punitive, or indirect damages. Damages caused by injury to persons or tangible property, or related to intellectual property indemnification, are not subject to a cap on the amount of damages.

13. REQUIRED INSURANCE

13.1 General Requirements. Contractor shall maintain for the duration of this Contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by Contractor, agents,

employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

13.2 Primary Insurance. Contractor's insurance coverage shall be primary insurance with respect to State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by State, its officers, officials, employees, or volunteers shall be excess of Contractor's insurance and shall not contribute with it.

13.3 Specific Requirements for Commercial General Liability. Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of \$1,000,000 per occurrence and \$2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors.

State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for liability arising out of activities performed by or on behalf of Contractor, including the insured's general supervision of Contractor, products, and completed operations, and the premises owned, leased, occupied, or used.

13.4 Specific Requirements for Automobile Liability. Contractor shall purchase and maintain coverage with split limits of \$500,000 per person (personal injury), \$1,000,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors.

State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for automobiles leased, owned, or borrowed by Contractor.

13.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by State. At the request of State either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects State, its officers, officials, employees, or volunteers; or (2) at the expense of Contractor, Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

13.6 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages has been received by State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135. *The certificates must name the State of Montana as certificate holder and Contractor shall provide copies of additional insured endorsements required by Contractor's commercial general liability and automobile liability policies.* Contractor must notify State immediately of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. State reserves the right to require complete copies of insurance policies at all times.

13.7 Specific Requirements for Cyber/Data Information Security Insurance. The Contractor shall purchase and maintain cyber/information security insurance coverage with combined single limits for each wrongful act of \$2,000,000 per occurrence to cover the unauthorized acquisition of personal acquisition such as social security numbers, credit card numbers, financial account information, or other information that uniquely identifies an individual and may be of a sensitive nature in accordance with §2-6-501, MCA through §2-6-504, MCA. If the Contractor maintains higher limits than the minimums shown above, the State requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the State. Such insurance must cover, at a minimum, privacy notification costs, credit monitoring, forensics investigations, legal fees/costs, regulatory fines and penalties, and third party liability settlements or judgements as may be caused by any act, omission, or negligence of the Contractor's officers, agents, representatives, assigns or subcontractors. Note: If occurrence coverage is unavailable or cost-prohibitive, the State will accept 'claims made' coverage provided the following conditions are met: 1) the retroactive date must

be shown, and must be before the date of the contract or the beginning of contract work; 2) insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of the contract of work; and 3) if coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of three (3) years after completion of work.

14. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Contractor shall comply with the provisions of the Montana Workers' Compensation Act while performing work for State of Montana in accordance with 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither Contractor nor its employees are State employees. This insurance/exemption must be valid for the entire Contract term and any renewal. Upon expiration, a renewal document must be sent to State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135.

15. COMPLIANCE WITH LAWS

Contractor shall, in performance of work under this Contract, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Contractor is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. Any subletting or subcontracting by Contractor subjects subcontractors to the same provisions. In accordance with 49-3-207, MCA, and Executive Order No. 04-2016 Contractor agrees that the hiring of persons to perform this Contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status by the persons performing this Contract.

16. DISABILITY ACCOMMODATIONS

State does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals who need aids, alternative document formats, or services for effective communications or other disability related accommodations in the programs and services offered are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

17. TECHNOLOGY ACCESS FOR BLIND OR VISUALLY IMPAIRED

Contractor acknowledges that no state funds may be expended for the purchase of information technology equipment and software for use by employees, program participants, or members of the public unless it provides blind or visually impaired individuals with access, including interactive use of the equipment and services, that is equivalent to that provided to individuals who are not blind or visually impaired. (18-5-603, MCA) Contact the State Procurement Bureau at (406) 444-2575 for more information concerning nonvisual access standards.

18. REGISTRATION WITH THE SECRETARY OF STATE

Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://sos.mt.gov>.

19. PATENT AND COPYRIGHT PROTECTION

19.1 Third-Party Claim. If a third party makes a claim against State that the products furnished under this Contract infringe upon or violate any patent or copyright, State shall promptly notify Contractor. Contractor shall defend such claim in State's name or its own name, as appropriate, but at Contractor's expense. Contractor shall indemnify State against all costs, damages, attorney fees, and all other costs and expenses of litigation that accrue as a result of such claim. If State reasonably concludes that its interests are not being properly protected, or if principles of governmental or public law are involved, it may enter any action.

19.2 Product Subject of Claim. If any product furnished is likely to or does become the subject of a claim of infringement of a patent or copyright, then Contractor may, at its option, procure for State the right to continue using the alleged infringing product, or modify the product so that it becomes non-infringing. If none of the above options can be accomplished, or if the use of such product by State shall be prevented by injunction, State will determine whether the Contract has been breached.

20. CONTRACT OVERSIGHT

20.1 CIO Oversight. The Chief Information Officer (CIO) for the State of Montana, or designee, may perform contract oversight activities. Such activities may include the identification, analysis, resolution, and prevention of deficiencies that may occur within the performance of contract obligations. The CIO may require the issuance of a right to assurance or may issue a stop work order.

20.2 Right to Assurance. If State, in good faith, has reason to believe that Contractor does not intend to, is unable to, or has refused to perform or continue performing all material obligations under this Contract, State may demand in writing that Contractor give a written assurance of intent to perform. Contractor's failure to provide written assurance within the number of days specified in the demand (in no event less than five business days may, at State's option, be the basis for terminating this Contract and pursuing the rights and remedies available under this Contract or law.

20.3 Stop Work Order. State may, at any time, by written order to Contractor require Contractor to stop any or all parts of the work required by this Contract for the period of days indicated by State after the order is delivered to Contractor. The order must be specifically identified as a stop work order issued under this clause. Upon receipt of the order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, Contractor shall resume work. The State Project Manager shall make the necessary adjustment in the delivery schedule or contract price, or both, and this Contract shall be amended in writing accordingly.

21. CONTRACT TERMINATION

21.1 Termination for Cause with Notice to Cure Requirement. State may terminate this Contract in whole or in part for Contractor's failure to materially perform any of the services, duties, terms, or conditions contained in this Contract after giving Contractor written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 30 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

21.2 Termination for Cause with Notice to Cure Requirement. Contractor may terminate this Contract for State's failure to perform any of its duties under this Contract after giving State written notice of the

failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 30 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

21.3 Reduction of Funding. State must by law terminate this Contract if funds are not appropriated or otherwise made available to support State's continuation of performance of this Contract in a subsequent fiscal period. (18-4-313(4), MCA) If state or federal government funds are not appropriated or otherwise made available through the state budgeting process to support continued performance of this Contract (whether at an initial contract payment level or any contract increases to that initial level) in subsequent fiscal periods, State shall terminate this Contract as required by law. State shall provide Contractor the date State's termination shall take effect. State shall not be liable to Contractor for any payment that would have been payable had the Contract not been terminated under this provision. As stated above, State shall be liable to Contractor only for the payment, or prorated portion of that payment, owed to Contractor up to the date State's termination takes effect. This is Contractor's sole remedy. State shall not be liable to Contractor for any other payments or damages arising from termination under this section, including but not limited to general, special, or consequential damages such as lost profits or revenues.

21.4 Noncompliance with Department of Administration Requirements. The Department of Administration, under the provisions of 2-17-514, MCA, retains the right to cancel or modify any contract, project, or activity that is not in compliance with the Department's Plan for Information Technology, State Strategic Plan for Information Technology, or any Statewide IT policy or standard in effect as of the date of contract execution. In the event of such termination, State will pay for products and services delivered to date and any applicable termination fee specified in the statement of work or work order. Any modifications to this Contract must be mutually agreed to by the parties.

22. EVENT OF BREACH – REMEDIES

22.1 Event of Breach by Contractor. Any one or more of the following Contractor acts or omissions constitute an event of material breach under this Contract:

- Products or services furnished fail to conform to any requirement;
- Failure to submit any report required by this Contract;
- Failure to perform any of the other terms and conditions of this Contract, including but not limited to beginning work under this Contract without prior State approval or breaching section 27.1, Technical or Contractual Problems, obligations; or
- Voluntary or involuntary bankruptcy or receivership.

22.2 Event of Breach by State. State's failure to perform any material terms or conditions of this Contract constitutes an event of breach.

22.3 Actions in Event of Breach. Upon Contractor's material breach, State may:

- Terminate this Contract under Section 21.1, Termination for Cause and pursue any of its remedies under this Contract, at law, or in equity; or
- Treat this Contract as materially breached and pursue any of its remedies under this Contract, at law, or in equity.

Upon State's material breach, Contractor may:

- Terminate this Contract under section 21.2, Termination for Cause with Notice to Cure, and pursue any of its remedies under this Contract, at law, or in equity; or
- Treat this Contract as materially breached and, except as the remedy is limited in this Contract, pursue any of its remedies under this Contract, at law, or in equity.

23. FORCE MAJEURE

Neither party is responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party uses its best efforts to remedy such failure or delays. A party affected by a force majeure condition shall provide written notice to the other party within a reasonable time of the onset of the condition. In no event, however, shall the notice be provided later than five working days after the onset. If the notice is not provided within the five-day period, then a party may not claim a force majeure event. A force majeure condition suspends a party's obligations under this Contract, unless the parties mutually agree that the obligation is excused because of the condition.

24. WAIVER OF BREACH

Either party's failure to enforce any contract provisions after any event of breach is not a waiver of its right to enforce the provisions and exercise appropriate remedies if the breach occurs again. Neither party may assert the defense of waiver in these situations.

25. CONFORMANCE WITH CONTRACT

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the Contract shall be granted without the State Procurement Bureau's prior written consent. Product or services provided that do not conform to the Contract terms, conditions, and specifications may be rejected and returned at Contractor's expense.

26. LIAISONS AND SERVICE OF NOTICES

26.1 Contract Liaisons. All project management and coordination on State's behalf must be through a single point of contact designated as State's liaison. Contractor shall designate a liaison that will provide the single point of contact for management and coordination of Contractor's work. All work performed under this Contract must be coordinated between State's liaison and Contractor's liaison.

Ryan Betcher is State's Contract Manager
920 Front St.
Helena, MT 59601
406-444-1833
rbetcher@mt.gov

Craig Bartholomew is Contractor's liaison in
regards to contractual and financial matters.
3676 Pierce Parkway; PO Box 30598
Billings, MT 59107-0598
406.248.7881
Cell: 406.861.3658
craigb@360-os.com

Ralph Kuney is Contractor's liaison in
regards to the Scope of Work.
821 N. Last Chance Gulch
Helena, MT 59601
406-449-3012
ralphk@360-os.com

26.2 Notifications. State's liaison and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints must first be directed to the liaison. Notice may be provided by personal service, mail, or facsimile. If notice is provided by personal service or facsimile, the notice is effective upon receipt; if notice is provided by mail, the notice is effective within three business days of mailing. A signed and dated acknowledgement of the notice is required of both parties.

26.3 Identification/Substitution of Personnel. The personnel identified or described in Contractor's proposal shall perform the services provided for State under this Contract. Contractor agrees that any personnel substituted during the term of this Contract must be able to conduct the required work to industry

standards and be equally or better qualified than the personnel originally assigned. State reserves the right to approve Contractor personnel assigned to work under this Contract and any changes or substitutions to such personnel. State's approval of a substitution will not be unreasonably withheld. This approval or disapproval shall not relieve Contractor to perform and be responsible for its obligations under this Contract. State reserves the right to require Contractor personnel replacement. If Contractor personnel become unavailable, Contractor shall provide an equally qualified replacement in time to avoid delays to the work plan.

27. MEETINGS

27.1 Technical or Contractual Problems. Contractor shall meet with State's personnel, or designated representatives, to resolve technical or contractual problems occurring during the Contract term or to discuss the progress made by Contractor and State in the performance of their respective obligations, at no additional cost to the State. State may request the meetings as problems arise and will be coordinated by State. State shall provide Contractor a minimum of three full working days' notice of meeting date, time, and location. Face-to-face meetings are desired; however, at Contractor's option and expense, a conference call meeting may be substituted. Contractor's consistent failure to participate in problem resolution meetings, Contractor missing or rescheduling two consecutive meetings, or Contractor's failure to make a good faith effort to resolve problems may result in termination of the Contract.

27.2 Progress Meetings. During the term of this Contract, State's Project Manager shall plan and schedule progress meetings with Contractor to discuss Contractor's and State's progress in the performance of their respective obligations. These progress meetings will include State's Project Manager, Contractor's Project Manager, and any other additional personnel involved in the performance of this Contract as required. At each meeting, Contractor shall provide State with a written status report that identifies any problem or circumstance encountered by Contractor, or of which Contractor gained knowledge during the period since the last such status report, which may prevent Contractor from completing any of its obligations or may generate charges in excess of those previously agreed to by the parties. This may include the failure or inadequacy of State to perform its obligation under this Contract. Contractor shall identify the amount of excess charges, if any, and the cause of any identified problem or circumstance and the steps taken to remedy the same.

27.3 Failure to Notify. If Contractor fails to specify in writing any problem or circumstance that materially affects the costs of its delivery of services or products, including a material breach by State, about which Contractor knew or reasonably should have known with respect to the period during the term covered by Contractor's status report, Contractor shall not be entitled to rely upon such problem or circumstance as a purported justification for an increase in the price for the agreed upon scope.

27.4 State's Failure or Delay. For a problem or circumstance identified in Contractor's status report in which Contractor claims was the result of State's failure or delay in discharging any State obligation, State shall review same and determine if such problem or circumstance was in fact the result of such failure or delay. If State agrees as to the cause of such problem or circumstance, then the parties shall extend any deadlines or due dates affected thereby, and provide for any additional charges by Contractor. This is Contractor's sole remedy. If State does not agree as to the cause of such problem or circumstance, the parties shall each attempt to resolve the problem or circumstance in a manner satisfactory to both parties.

28. TRANSITION ASSISTANCE

If this Contract is not renewed at the end of this term, if the Contract is otherwise terminated before project completion, or if particular work on a project is terminated for any reason, Contractor shall provide transition assistance for a reasonable, mutually agreed period of time after the expiration or termination of this Contract or particular work under this Contract. The purpose of this assistance is to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to State or its designees. The parties agree that such transition assistance is governed by the terms and conditions of this Contract, except for those terms or conditions that do not reasonably apply to such transition assistance. State shall pay Contractor for any resources utilized in performing such transition assistance at the most current Contract rates. If State terminates a project or this Contract for cause, then

State may offset the cost of paying Contractor for the additional resources Contractor utilized in providing transition assistance with any damages State may have sustained as a result of Contractor's breach.

29. CHOICE OF LAW AND VENUE

Montana law governs this Contract. The parties agree that any litigation concerning this bid, proposal, or this Contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

30. TAX EXEMPTION

State of Montana is exempt from Federal Excise Taxes (#81-0302402) except as otherwise provided by the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119].

31. AUTHORITY

This Contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

32. SEVERABILITY

A declaration by any court or any other binding legal source that any provision of the Contract is illegal and void shall not affect the legality and enforceability of any other provision of the Contract, unless the provisions are mutually and materially dependent.

33. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT

33.1 Contract. This Contract consists of thirteen numbered pages, any Attachments as required, Solicitation # P&M-RFP2016-P006943T, as amended, Contractor's response, as amended, and any Lease agreements. In the case of dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same.

33.2 Entire Agreement. These documents are the entire agreement of the parties. They supersede all prior agreements, representations, and understandings. Any amendment or modification must be in a written agreement signed by the parties.

34. WAIVER

State's waiver of any Contractor obligation or responsibility in a specific situation is not a waiver in a future similar situation or is not a waiver of any other Contractor obligation or responsibility.

35. EXECUTION

The parties through their authorized agents have executed this Contract on the dates set out below.

STATE OF MONTANA
General Services Division,
Print and Mail Services Bureau
920 Front Street, PO Box 299132
Helena, MT 59620-0132

360 OFFICE SOLUTIONS, CORP.
821 N. Last Chance Gulch
Helena, MT 59601

FEDERAL ID # 81-0216183

BY: Steve Baiamonte, Administrator
(Name/Title)

BY: _____
(Name/Title)

(Signature)

(Signature)

DATE: _____

DATE: _____

BY: Shelia Hogan, Director
Department of Administration

(Signature)

Approved as to Legal Content:

Legal Counsel (Date)

Approved as to Form:

Procurement Officer (Date)
State Procurement Bureau

Chief Information Officer Approval:

Contractor is notified that, under the provisions of 2-17-514, MCA, the Department of Administration retains the right to cancel or modify any contract, project, or activity that is not in compliance with the Agency's Plan for Information Technology, the State Strategic Plan for Information Technology, or any statewide IT policy or standard.

Chief Information Officer (Date)
Department of Administration

ATTACHMENT A – Lease Rates (before State Reoccurring Rebate)

Model	Item No.	State of Montana Price	State of Montana 36 Month Lease
MACHINE 1			
ECOSYS FS-C8520MFP	1102MZ2US0	\$1,672.77	\$46.38
ECOSYS FS-C8525MFP	1102MY2US0	\$1,529.26	\$42.36
PF-470	1203NP2US0	\$195.16	\$5.41
PF-471	1203NN2US0	\$290.37	\$8.04
DF-470	1205JS0UN0	\$279.47	\$7.74
AK-470	1703NS0UN0	\$60.00	\$1.66
FAX System(U)	1505JR2US0	\$234.40	\$6.49
IB-50	1505JV0UN0	\$278.95	\$7.73
Copier Stand	855D200598	\$203.83	\$5.65
CF-4G	855D200615	\$33.68	\$0.93
SD-144-1G(A)	855D200296	\$410.53	\$11.37
Card Reader Holder(B)	1709AD0UN0	\$55.79	\$1.55
ECOSYS FS-6525MFP	1102MX2US0	\$916.00	\$25.37
ECOSYS FS-6530MFP	1102MW2US0	\$1,150.22	\$31.86
PF-470	1203NP2US0	\$206.00	\$5.71
PF-471	1203NN2US0	\$306.50	\$8.49
DF-470	1205JS0UN0	\$295.00	\$8.17
AK-470	1703NS0UN0	\$63.33	\$1.75
FAX System(U)	1505JR2US0	\$238.94	\$6.62
IB-50	1505JV0UN0	\$294.44	\$8.16
Stand Riser	855D200599	\$116.67	\$3.23
SD-144-1G(A)	855D200296	\$433.33	\$12.00
CF-4G	855D200615	\$35.56	\$0.98
Copier Stand	855D200598	\$207.78	\$5.76
Card Reader Holder(B)	1709AD0UN0	\$58.89	\$1.63
TASKalfa 2551ci	1102NP2US0	\$1,804.00	\$49.97
DP-773	1203PH6US0	\$340.00	\$9.42
DP-772	1203P26US0	\$540.00	\$14.96
DP-770(B)	1203NV6US1	\$425.50	\$11.79
PF-791	1203PJ7US0	\$386.50	\$10.71
PF-810	1203PC7US0	\$414.00	\$11.47
DF-791*	1203PG2US0	\$750.00	\$20.78
DF-770(D)*	1203NC2US3	\$462.00	\$12.80
MT-730(B)	1203N00UN1	\$300.00	\$8.31
PH-7A	1203NK2US0	\$446.67	\$12.37
FAX System(W)B	1503N62US1	\$423.50	\$11.73
Internet FAX Kit (A)*	1703MC0UN0	\$110.00	\$3.05
Printed Document Guard Kit(B)	1503P40UN0	\$423.50	\$11.73
Data Security Kit (E)	855D200600	\$212.67	\$5.89
Scan extension kit(A)	1603P10UN0	\$400.00	\$11.08
Keyboard Holder (E)	1709AD0UN1	\$75.56	\$2.09
UG-34	855D200604	\$373.33	\$10.34

IB-51	1505J50UN0	\$393.33	\$10.90
IB-50	1505JV0UN0	\$294.44	\$8.16
Card Reader Holder(E)**	1709AD0UN1	\$43.33	\$1.20
AK-740	1703PD0UN0	\$106.67	\$2.95
SH-10	1903JY0000	\$34.44	\$0.95
DT-730(B)	1902LC0UN2	\$30.00	\$0.83
Platen Cover Type (E)	1202H70UN0	\$78.89	\$2.19
Stand	855D200656	\$237.78	\$6.59
MACHINE 5 & 6			
TASKalfa 3501i (Machine 5)	1102NB2US0	\$1,664.05	\$46.14
TASKalfa 4501i	1102NA2US0	\$1,768.42	\$48.99
TASKalfa 5501i (Machine 6)	1102N92US0	\$2,655.19	\$73.61
PLATEN COVER TYPE(E)	1202H70UN0	\$83.53	\$2.31
DP-770(B)	1203NV6US1	\$0.00	\$0.00
DP-772	1203P26US0	\$269.41	\$7.46
DF-770(C)	1203NC2US2	\$489.18	\$13.55
DF-790(C)	1203NB2US2	\$794.12	\$22.00
AK-731	1703P00UN0	\$112.94	\$3.13
PH-7A	1203NK2US0	\$212.82	\$5.90
BF-730	1203ND0UN0	\$476.47	\$13.20
MT-730(B)	1203N00UN1	\$317.65	\$8.80
JS-731	1203NM0UN0	\$60.35	\$1.67
JS-732	1203N80UN0	\$59.61	\$1.65
PF-770	1203NG7US0	\$450.53	\$12.48
PF-730(B)	1203NJ7US1	\$409.24	\$11.34
PF-740(B)	1203NF7US1	\$438.35	\$12.14
Banner Guide(A)	1202K90UN0	\$218.82	\$6.06
FAX System(W)	1503N62US1	\$415.45	\$11.51
MM-16-128	1503MB0UN0	\$141.18	\$3.91
Internet FAX Kit(A) AC	1603MC0UN0	\$116.47	\$3.23
Data Security Kit(E) AC	1603MS0UN0	\$225.18	\$6.24
Data Security Kit(F) AC	1603P30UN0	\$0.00	\$0.00
Printed Document Guard Kit(B)	1503P40UN0	\$448.41	\$12.42
Card Reader Holder (E)	1709AD0UN1	\$45.88	\$1.27
IB-50	1505JV0UN0	\$416.47	\$11.54
IB-51	1505J50UN0	\$311.76	\$8.64
UG-34 AC	1603NX0UN0	\$395.29	\$10.95
Scan extension kit(A) AC	1603P10UN0	\$423.53	\$11.73
Keyboard Holder (B)	1709AF0UN1	\$80.00	\$2.22
Stand	855D200605	\$233.26	\$6.46
TASKalfa 6501i	1102N82US0	\$4,478.22	\$124.05
TASKalfa 8001i	1102N72US0	\$5,688.89	\$157.58
DF-790(C)	1203NB2US2	\$794.12	\$22.00
PF-780	1203NL7US0	\$265.24	\$7.35
PH-7A	1203NK2US0	\$212.82	\$5.90
BF-730	1203ND0UN0	\$476.47	\$13.20

PF-770	1203NG7US0	\$450.53	\$12.48
PF-730(B)	1203NJ7US1	\$409.24	\$11.34
PF-740(B)	1203NF7US1	\$438.35	\$12.14
Banner Guide(A)	1202K90UN0	\$218.82	\$6.06
FAX System(W)	1503N62US1	\$423.50	\$11.73
MM-16-128	1503MB0UN0	\$141.18	\$3.91
Internet FAX Kit(A) AC	1603MC0UN0	\$116.47	\$3.23
Data Security Kit(E) AC	1603MS0UN0	\$225.18	\$6.24
Data Security Kit(F) AC	1603P30UN0	\$0.00	\$0.00
Printed Document Guard Kit(B)	1503P40UN0	\$448.41	\$12.42
Card Reader Holder (E)	1709AD0UN1	\$45.88	\$1.27
IB-50	1505JV0UN0	\$416.47	\$11.54
IB-51	1505J50UN0	\$311.76	\$8.64
UG-34 AC	1603NX0UN0	\$395.29	\$10.95
Keyboard Holder (C)	1709AF0UN2	\$80.00	\$2.22
MACHINE 2 & 3			
TASKalfa 3051ci (Machine 2)	1102L62US0	\$1,962.27	\$54.41
TASKalfa 3551ci	1102N62US0	\$2,549.05	\$70.61
TASKalfa 4551ci	1102N52US0	\$2,941.47	\$81.48
TASKalfa 5551ci (Machine 3)	1102N42US0	\$3,409.79	\$94.63
PLATEN COVER TYPE(E)	1202H70UN0	\$74.74	\$2.07
DP-770(B)	1203NV6US1	\$0.00	\$0.00
DP-772	1203P26US0	\$269.41	\$7.46
DF-770(C)	1203NC2US2	\$489.18	\$13.55
DF-790(C)	1203NB2US2	\$794.12	\$22.00
AK-731	1703P00UN0	\$112.94	\$3.13
PH-7A	1203NK2US0	\$212.82	\$5.90
BF-730	1203ND0UN0	\$476.47	\$13.20
MT-730(B)	1203N00UN1	\$317.65	\$8.80
JS-731	1203NM0UN0	\$60.35	\$1.67
JS-732	1203N80UN0	\$59.61	\$1.65
PF-770	1203NG7US0	\$450.53	\$12.48
PF-780(B)	1203NL7US1	\$265.24	\$7.35
PF-730(B)	1203NJ7US1	\$409.24	\$11.34
PF-740(B)	1203NF7US1	\$438.35	\$12.14
Banner Guide(A)	1202K90UN0	\$218.82	\$6.06
FAX System(W)	1503N62US1	\$415.45	\$11.51
MM-16-128	1503MB0UN0	\$141.18	\$3.91
Internet FAX Kit(A) AC	1603MC0UN0	\$116.47	\$3.23
Printing System(13)	1503N90KLO	\$3,220.00	\$89.19
Printing System Interface Kit(B)	1503N90KL1	\$529.41	\$14.66
Data Security Kit(E) AC	1603MS0UN0	\$225.18	\$6.24
Printed Document Guard Kit(B)	1503P40UN0	\$448.41	\$12.42
Card Reader Holder (E)	1709AD0UN1	\$45.88	\$1.27
IB-50	1505JV0UN0	\$416.47	\$11.54
IB-51	1505J50UN0	\$311.76	\$8.64
UG-34 AC	1603NX0UN0	\$395.29	\$10.95

Scan extension kit(A) AC	1603P10UN0	\$423.53	\$11.73
Keyboard Holder (B)	1709AF0UN1	\$80.00	\$2.22
DT-730	1902LC0UN1	\$31.76	\$0.88
Stand	855D200605	\$233.26	\$6.46
TASKalfa 6551ci	1102N32US0	\$6,444.44	\$178.51
TASKalfa 7551ci	1102N22US0	\$7,733.33	\$214.21
DF-790(B)	1203NB2US1	\$794.12	\$22.00
PH-7A	1203NK2US0	\$212.82	\$5.90
BF-730	1203ND0UN0	\$476.47	\$13.20
MT-730(B)	1203N00UN1	\$317.65	\$8.80
PF-770	1203NG7US0	\$450.53	\$12.48
PF-780	1203NL7US0	\$265.24	\$7.35
PF-730	1203NJ7US0	\$409.24	\$11.34
PF-740	1203NF7US0	\$438.35	\$12.14
Data Security(E)	1603MS0UN0	\$225.18	\$6.24
Fax System(V)	1505JT2US0	\$448.41	\$12.42
DT-730	1902LC0UN1	\$31.76	\$0.88
SH-12	1903NB0UN0	\$63.53	\$1.76
COPY TRAY(D)	1902LF0UN1	\$31.76	\$0.88
Keyboard Holder(A)	1709AF0UN0	\$80.00	\$2.22
IB-50	1505JV0UN0	\$416.47	\$11.54
IB-51	1505J50UN0	\$311.76	\$8.64
UG-34 AC	1603NX0UN0	\$395.29	\$10.95
IB-50	1505JV0UN0	\$311.76	\$8.64
DT-730	1902LC0UN1	\$31.76	\$0.88
SH-12	1903NB0UN0	\$63.53	\$1.76
UG-34	855D200604	\$395.29	\$10.95
Printing System (12)	1503NR0KL1	\$5,120.00	\$141.82
Printing System Interface Kit (A)	1503NR0KL2	\$529.41	\$14.66
MACHINE 4			
ECOSYS M3550idn	1102NM2US0	\$1,188.81	\$32.95
PF-320	1203NY7US0	\$88.58	\$2.45
ECOSYS M6535cidn	1102PCUS0	\$822.22	\$22.78
ECOSYS M6035cidn	1102PB2US0	\$932.89	\$25.84
PF-5100	1203PK0KL0	\$119.12	\$3.30
MS-5100 Stapler	1903R90UN0	\$104.82	\$2.90
SH-12	1903NB0UN0	\$31.76	\$0.88

ATTACHMENT B – PER CLICK CHARGE (before State Reoccurring Rebate)

TASKalfa C8520 (Machine 1)	0.0425	Color
	0.0077	B&W

TASKalfa 3501i (Machine 5)	0.0040	B&W
TASKalfa 5501i (Machine 6)	0.0040	B&W

TASKalfa 2551ci	0.0800	Color
	0.0125	B&W

TASKalfa 7551ci & 6551ci	0.0550	Color
	0.0070	B&W

TASKalfa 3051Ci (Machine 2)	0.0400	Color
	0.0051	B&W

TASKalfa 8001i & 6501i	0.0059	B&W
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Ecosys FS-6525 & 6530 MFP	0.0077	B&W
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TASKalfa 5551Ci (Machine 3)	0.0390	Color
	0.0049	B&W

ECOSYS M3550idn (Machine 4)	0.0045	B&W
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ECOSYS M6535cdin, M6035cdin	0.0900	Color
	0.0125	B&W