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	Buyer Name Amy Monroe Richardson (FAC-OMPS)		

Vendor Representative:

Gina Dickman
 Phone: 502-214-3858
 E-mail: gina.dickman@sarcom.com



Terms and Conditions

Scope of Contract

The Office of Material and Procurement Services issues this Master Agreement for:

**The purchase, delivery, and warranty of Laser Printers for the
 Kentucky Education Technology System (KETS)**

Initial Contract Period

The contract shall be for the period beginning with the date of award through June 30, 2007.

Optional Renewal Period

This contract may be extended at the completion of the initial contract period for five (5) additional one-year periods. This extension must have the written approval of the vendor and the Office of Material and Procurement Services. The Commonwealth of Kentucky reserves the right to renegotiate any terms and/or conditions as may be necessary to meet requirements for the extended period. The vendor will be advised of any proposed revisions prior to the renewal periods. In the event proposed revisions cannot be agreed upon, either party shall have the right to withdraw without prejudice from either exercising the option or continuing the contract in an extended period.

Agencies To Be Served

This contract shall be for use by the Commonwealth of Kentucky for the following:

**KENTUCKY DEPARTMENT OF EDUCATION (KDE)
 LOCAL SCHOOLS AND SCHOOL DISTRICTS
 WORKFORCE DEVELOPMENT**

Delivery of equipment shall be made only as authorized by receipt of an official

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purchase order as set forth in the contract provisions.

Requirements Priced Contract

This is a requirements based Master Agreement for the equipment as specified for the period given. The contract established from this bid has no guarantee of any specific quantity, and the state is obligated only to buy that quantity which is needed by its agencies.

Reporting Based on Quantity

The contractor is required to furnish the Commonwealth with quarterly reports of how many units of Laser printers were sold per local school, school district and Kentucky Department of Education. Reports shall also include the level of the printer purchased. These reports shall be provided electronically.

Basis of Shipments

Delivery shall be FOB Destination. The vendor shall be fully responsible for all shipments and freight charges involved in delivery to the ordering agency.

Deliverables

All deliveries of equipment must include:

- Standard components as defined in Section 40
- Cabling, both power and signal¹
- Drivers
- Initial Supplies
- Technical equipment manuals²
- Operator Manuals

Delivery Time

The vendor shall maintain or have available an inventory sufficient to make shipment within 30 calendar days from the receipt of the purchase order. Those that do not supply within 45-calendar days of receipt of purchase order are subject to shipping penalties,

¹ USB cable is required for all printers that specify USB as connectivity.

² May be available online.

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contract suspension or termination. The 45-day clock starts on either (1) the day electronic or paper mail receipt of the district's purchase order by the vendor or (2) the date on the district's registered mail return receipt, whichever is sooner. Delivery time(s) in excess of 45-calendar days after receipt of order may result in penalties, suspension or termination of contract.

Penalties

Delivery penalties will be applied at a rate of 5% for each seven (7) day calendar week for those products not delivered within 45 calendar days of receipt of purchase order.

Penalty Waiver

The vendor shall not be penalized if within the desired 30-day delivery period, they have supplied the DMPS, Office of Education Technology (OET), and the customer with a written notice indicating the particular model ordered is not available in inventory anymore and a newer different model will be shipped in its place. In this case, the vendor shall submit the new model to OET for evaluation testing, and notify DMPS proposing the new model upgrade before the 30 day from the date the purchase order was received. The new model shall not be shipped to the customer until which time the DMPS has approved it for the KETS contract. The vendor shall not use this penalty waiver to notify customers falsely with intentions to stall and send the same unit originally ordered. This conduct shall result in termination of contract. Once the vendor receives notification their new model is now available for sales; the 30-day clock starts again.

Printer Configuration

Vendor shall deliver all printers with the exact configuration as specified in Section 40. However, the Commonwealth realizes the probability for human error to occur. Therefore, we expect a 95% annual accuracy for correct hardware configurations. There shall be a complaint desk at KDE and on our Web site so our customers can quickly document vendors that are failing to meet the requirements of the bid. The Commonwealth will generate reports, which identify vendors that have failed to successfully deliver correct configuration of equipment for more than 5% of units shipped annually. Vendor's contracts can be suspended or terminated based upon these complaints and/or poor performance identified from the results of these reports.

Service Warranty Options

All printers shall ship with the standard manufacturer provided warranty. Warranty periods to begin at time of delivery of the equipment. Extended warranty shall be offered as an option. The type of extended warranty (i.e., exchange, onsite) offered as an option is to be left to the discretion of the vendor. **It is the responsibility of the vendor to register all extended warranties.**

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Under any warranty period, manufacturer shall provide limited warranty maintenance for items purchased through this contract. Limited warranty maintenance does not extend to the product that has been damaged or rendered defective:

- A result of accident, misuse, or abuse.
- A result of an act of God.
- By operation outside the usage parameters stated in the products user manual.
- By modification of the product.
- A result of service by anyone other than (manufacturer) or a (manufacturer) authorized service provider.
- Expendable parts, such as toner cartridges, inkjet cartridges, etc. are not covered.

This warranty shall meet the following criteria:

Coverage of the entire state of Kentucky;

Must have a Toll Free phone number for all calls and a call tracking system;

All labor including installation of parts, connection of all power and signal cables, and all involved with making the printer fully functional and establishing connectivity with workstation, or local area network, per type of printer purchased;

New, unused components for replacement parts are preferred; however, all parts must be "like new" if refurbished parts are used, and offer the same warranty as new parts;

All technicians shall be certified professionals by printer manufacturer before providing warranty services;

Printer fully operational within 48 working hours;

The cost is the same throughout the state. For example, you can not charge additional costs for servicing Paintsville versus Lexington;

There shall be no charge for any shipping and handling of parts.

The vendor shall be held solely accountable for all services conducted under the terms and conditions specified in this warranty.

Service calls taken by any technical support center(s) shall be quickly turned over to second and third levels of support for quick resolution rather than attempts to resolve issues at that point. All support personnel shall be certified by manufacturer of equipment.

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The vendor shall maintain accurate records indicating a minimum of the following:

- Total units sold with warranty per District
- Total units sold without warranty per District
- Number of service calls by District made in complete compliance to specifications outlined in this Section
- Number of service calls not resulting in complete equipment functionality within 48 hours of initial service call.
- Detailed data regarding customer's name, address, phone number, date of service, date service complete, and reasons this service call was not complete within 48 hours shall be required.

The Commonwealth reserves the right to request that the vendor shall prepare and present this information quarterly.

There shall be a complaint desk at KDE and on our Web site so our customers can quickly document vendors that are failing to meet the service requirements of the contract. Quarterly reports will be generated which will assist us in identifying vendors whom have not successfully met service response times. The vendor shall meet service specifications for a minimum of 95% of total annual service calls. The vendor is allowed this 5% failure rate based on total service calls they receive annually due to vehicle break down, parts that get lost, addresses being difficult to find, etc. Vendor's contracts can be suspended or terminated based upon failing at more than 5% of service calls or by customer complaints and/or the results of these reports.

90-Day Service Evaluation

The Commonwealth shall evaluate onsite warranty service by conducting multiple response time and quality assurance tests during the initial 90-day period of the contracts. This initial period will be a probationary contract with continuance dependent upon successful completion of the warranty service evaluation.

The vendor shall respond to various onsite service requests in any or all 8 regions throughout the entire state of Kentucky by close of business the following day for all service requests. Technician will be certified by manufacturer to provide service on equipment requesting service. If more than one (1) technician is responding to an onsite service request at least one (1) technician shall be certified by the manufacturer. Evaluation can occur on any day, Monday through Friday, at any time between 9:00 am and 5:00 pm Eastern Time, during the initial 90-day probationary period. Evaluation will also include testing call backs from service center, e-mail response times, time of delivery for parts, replacement and fix times, and skill level of your onsite and telephonic

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support staff.

If the vendor fails the support evaluation at any time during this initial 90-day probationary period, they shall be terminated from the KETS approved vendor list.

Warranty of New Equipment

The awarded contractor warrants that all equipment supplied hereunder for the term of this Master Agreement shall be new, in current production, and of identical quality as originally submitted.

The Commonwealth may, at their own discretion, sample the quality of equipment being purchased by the customers at any time during the contract term. If during the sampling process, equipment purchased under this contract is less than the quality originally submitted for bid or different from what we have in our Demonstration Lab, the Master Agreement may be terminated.

Hardware Installation Option

Purchaser may choose installation at time of purchase. The Commonwealth requires the bidder to price installation charges separately from unit price. When installation is purchased, the vendor shall be responsible for unpacking, uncrating, mechanically and electronically installing all hardware and associated hardware options connected with the order. The vendor shall make connection of all power and signal cabling and in all other respects making the equipment ready for operational use.

The Commonwealth and/or purchaser, at its own expense, shall prepare the site prior to the scheduled delivery date.

The vendor is not responsible for disaster recovery (e.g., application software, reloading data, reloading and configuring print drivers).

The vendor shall immediately remove all cardboard boxes and packaging material from Purchasers facility. Vendors are not allowed to use purchasers loading dock, internal trashcans, external trashcans or hallways for trash. Trash shall be completely removed from the premises.

Additions or Deletion of Items

Models discontinued by the manufacturer may be deleted and a new model added provided it is in line with the original pricing and meets or exceeds the KETS Architectural Standards in effect at that time.

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The Office of Material and Procurement Services reserves the right to add to any contract additional or new items without re-bids. ONLY THE OFFICE OF MATERIAL AND PROCUREMENT SERVICES MAY ISSUE AUTHORIZATION FOR SUCH ADD-ON. The Office of Material and Procurement Services shall determine if any item usage warrants such an addition to a contract.

Should an addition be in agreement with the Office of Material and Procurement Services and the contractor, the Office of Material and Procurement Services shall issue a Modification to the Master Agreement. Until such time as the vendor receives the Modification, the vendor shall not accept any order from any agency for items not on the Master Agreement.

Items Other Than Contract Items

The vendor may accept orders only for items listed on contract. Any vendor that is found to accept and ship items other than those listed on their contract, against their Master Agreement number, risk cancellation of contract. Such shall not only be grounds for cancellation, but also removal of the vendor from the bid list.

Post Contract Meetings and Agreements

The resulting contract shall constitute the entire agreement between the state and the vendor. Unless contractually provided, those authorized to use this contract shall not be required to enter into or sign further agreements, company orders or other documents to complete or initiate the terms of a contract. Any such documents so obtained shall be non-binding on the state and be cause for breach of contract.

Cancellation Clause

The established contract shall be non-cancelable during its life except for mal-performance, non-performance, and substitution of commodity or other failure to comply on the part of the vendor. Contract cancellation requests or notices must be issued in writing within thirty (30) days advanced notifications. In event of such action being necessitated, the contract shall be null and void upon receipt of a properly signed Modification from the Division of Material and Procurement Services canceling the Master Agreement.

Purchase Orders

All purchase orders to the contractor shall be mailed to the order address stated on the Master Agreement, regardless of any differences stated by the sales representative or

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stated on the invoice.

Invoices

Invoices for items ordered, delivered and accepted by state agencies shall be submitted by the vendor directly to the agency receiving delivery, unless otherwise stated on the contract. All invoices shall show the Master Agreement number. Prices charged cannot exceed the contract price. The Commonwealth of Kentucky is only responsible for payment when the purchaser is a state agency.

Commonwealth may periodically request review of invoices of KETS delivered equipment. When requested, a KETS vendor shall provide actual purchase invoices from the manufacturer for each level of Laser printer and optional components delivered over a specified period of time. The invoices will be used by the Commonwealth in calculating the percent of price over cost being applied to the schools of Kentucky.

Payment

Initial invoice period shall commence upon date accepted by the ordering agency. After equipment has been received and invoices submitted to the using agency, it shall be the responsibility of the using agency to make payment. Any questions concerning payment should be addressed to the ship-to agency listed on the agency purchase order. Do not submit invoices, past due statements, etc. to the Division of Material and Procurement Services or to the Kentucky Department of Education.

New Technology Availability

If the Contractor updates the technology on which the KETS product line award is based, the Commonwealth shall be entitled to the updated technology at OET. The price of the new equipment cannot exceed the original award of this contract.

Distribution of Literature

Upon request, the contractor shall furnish schools and other public bodies with descriptive literature, technical data, catalog of peripherals, and service information for items awarded.

Demonstration Lab

There shall be maintained by the OET in Frankfort, KY, a Demonstration Lab where all printers and components covered by KETS are evaluated and demonstrated. The Demonstration Lab is located in the OET building at 15 Fountain Place, Frankfort, KY

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40601. This enables potential customers to have hands on access to the equipment prior to making a purchase decision.

Accordingly, once you are awarded the contract you must maintain, at no charge to the Commonwealth, one (1) demonstration unit from each type of printer awarded. It is to be understood vendors are continually and solely responsible for upgrading the Demonstration Lab with new models of printers as upgrades are approved for the full duration of this contract. The OET tests all new evaluation equipment against evolving KETS standards. If the new equipment meets or exceeds KETS standards, OET recommends to the Division of Material and Procurement Services that it be added to the KETS contract.

The following equipment³ shall remain at the Demonstration Lab:

Quantity	Description
1	<i>Level 4 Monochrome Laser Printer meeting or exceeding Level 4 specifications.</i>
1	<i>Level 3 Color Laser Printer meeting or exceeding Level 3 specifications.</i>
1	<i>Level 3 Multifunction Laser Printer meeting or exceeding Level 3 specifications</i>
3	<i>Sets Power and signal cables excluding network patch cord</i>
1	<i>Set Technical documentation for each level of printer</i>

Example: Model A is the Level 1 Laser printer on KETS for vendor X. Vendor X proposes to upgrade Level 1 printer with model B. Vendor X delivers one (1) unit of model B to OET for evaluation. Once OET has approved model B, vendor is notified and is requested to pick up the one (1) unit of model A. The unit of model B remains at OET in the Demonstration Lab.

Example #2: Model A is Level 1. Model B is Level 2 Laser printer on KETS for vendor X. Vendor X proposes model C to replace model B for Level 2. Vendor X delivers one (1) unit of model C for evaluation, and OET approves model C as the new Level 2 printer. Vendor X proposes model B to be the new Level 1 printer. The unit of all models B and C (total of 2 units) remain at OET and Vendor X is requested to pick up the unit of model A. Vendor X must request the DMPS to upgrade both levels of printers and receive approvals from DMPS before being considered official KETS printers.

Delivery of Evaluation Units

The vendor shall deliver all evaluation units to the OET facility loading dock off Mero Street, located on the East side of the OET facility. The vendor shall be fully responsible for delivering all evaluation models and new technology upgrades

³ OET reserves the right to request any product on contract.

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continually to the Demonstration Lab for the duration of this term contract at the address provided below:

Office of Education Technology
15 Fountain Place
Frankfort, KY 40601

Labels

The vendor shall provide an external label (3" X 5" in size) on all evaluation equipment. The label shall be semi-permanently fixed to the main printing unit on the largest painted side of each unit. Each label shall be typed with a minimum of 1/4" high lettering and contain the following information:

- Type and Level of unit e.g. (Monochrome Level 1)
- Vendor name
- Print Speed e.g. (16 ppm, or 370 cps)
- Amount of Memory installed e.g. (8MB)
- Unit Serial Number/Model Number/Name
- Toll Free Service Number

The vendor shall be responsible for unpacking, uncrating, installing all evaluation equipment, including the connection of all necessary cabling, connection with power, network ready (depending on the type of printer), and in all other respects making the equipment ready for operational use. The vendor shall provide the OET with a minimum of three (3) days advance notice before bringing new evaluation equipment into the OET building.

The vendor shall remove all outdated evaluation equipment from the Evaluation Lab at the OET building within three (3) days of notification. All equipment left at the OET building after three (3) days of being notified may be moved to a non-secure storage facility outside the OET building.

Even though we have strict sign-in/out procedures, door sensors, motion detectors and video cameras on the demonstration equipment, the vendor is financially responsible for any accidental damage or incident beyond our control (e.g. theft, natural disaster, accidental dropping by a school district inspecting the printer prior to purchase) to these printers while they are here. Our state government insurance does not cover these types of items.

ALL PROVISIONS OF SOLICITATION, S-06040015, SHALL BE PART OF THIS CONTRACT.