



Department of General Services
Procurement Division
707 Third Street, 2nd Floor
West Sacramento, CA 95605-2811

State of California **CONTRACT USER INSTRUCTIONS**

**** MANDATORY****

CONTRACT NUMBER:	1-17-70-06B, Supplement 2
DESCRIPTION:	Multi-Functional Copiers (Canon)
CONTRACTOR(S):	Ray Morgan Company
CONTRACT TERM:	5/23/2017 through 5/22/2020
STATE CONTRACT ADMINISTRATOR:	Erica Seghesio-Groves (916) 376-3802 Erica.SeghesioGroves@dgs.ca.gov

The contract user instructions, products, and pricing are included herein. All purchase documents issued under this contract incorporate the contract terms and applicable California General Provisions: http://www.documents.dgs.ca.gov/pd/contracts/forms/rfp/Exhibit%2011_27_ITGeneral_Provisions.pdf (GSPD-401IT, rev 09/05/2014)

Cal eProcure link: www.caleprocure.ca.gov

ORDER PLACEMENT/CONTACT INFORMATION		
U.S. Mail	Phone/Fax/Email	Ray Morgan Company Contractor Contract Manager
Ray Morgan Company 1580 Vineyard Road Roseville, CA 95678	Phone: (866) 754-7677 Fax: (530) 781-1549 Email: State@raymorgan.com	Contact: Dave Perez Phone: (916) 577-1665 Fax: (530) 781-1549 Email: dperez@raymorgan.com
Contractor Website: state.raymorgan.com		

Signature on File

Erica Seghesio-Groves, Contract Administrator

Date: **10/20/2017**

Contract (Mandatory) 1-17-70-06B, Supplement 2
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All changes to most recent Supplement are in ***bold red italic***.

SUMMARY OF CHANGES		
Supplement No.	Description/Articles	Supplement Date
<i>2</i>	<p><i>Subject contract for Multi-Functional Copiers is hereby modified to reflect the following changes:</i></p> <ul style="list-style-type: none"> • <i>Article 21. Delivery Schedules has been updated to cover deliveries outside of the normal working hours of 8:00 a.m. – 5:00 p.m. (PT), Monday – Friday, State holidays excluded.</i> • <i>Attachment A, Contract Pricing:</i> <ul style="list-style-type: none"> ➤ <i>All Categories, added hourly rate for deliveries outside of the normal working hours of 8:00 a.m. – 5:00 p.m. (PT), Monday – Friday, State holidays excluded.</i> 	<i>10/20/2017</i>
1	<p>Subject contract for Multi-Functional Copiers is hereby modified to reflect the following changes:</p> <ul style="list-style-type: none"> • Attachment A, Contract Pricing: <ul style="list-style-type: none"> ➤ All Categories, added Power Protection Devices under Upgrade, Accessory, and Build-Out Items. ➤ Category 4A, revision to Maintenance Plan Overage Charges on Contract Line Item 4A-16. ➤ Category 4B, added Contract Line Item 4B-25, Paper Deck Uni-E-1. 	8/17/2017

All other terms and conditions remain the same.

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1. SCOPE

The State's contract with Ray Morgan Company (contractor) provides Multi-Functional Copiers at contracted pricing to the State of California and local governmental agencies in accordance with the requirements of Contract # 1-17-70-06B. The contractor shall supply the entire portfolio of products as identified in the contract and will be the primary point of contact for data collection, reporting, and distribution of Multi-Functional Copiers to the State.

The contract term is for three (3) years and includes two (2) one-year extension options or portion thereof. The terms, conditions, and prices for the contract extension option shall be by mutual agreement between the contractor and the State. If a mutual agreement cannot be met the contract may be terminated at the end of the current contract term.

2. CONTRACT USAGE/RULES

A. State Departments

- The use of this contract is mandatory for all State of California departments.
- Ordering departments must adhere to all applicable State laws, regulations, policies, best practices, and purchasing authority requirements, e.g. California Codes, Code of Regulations, State Administrative Manual, Management Memos, and State Contracting Manual Volume 2 and 3, as applicable.
- Prior to placing orders against this contract, departments must have been granted IT purchasing authority by the Department of General Services, Procurement Division (DGS/PD) for the use of this statewide contract. The department's current purchasing authority number must be entered in the appropriate location on each purchase document. Departments that have not been granted purchasing authority by DGS/PD for the use of the State's statewide contracts may access the Purchasing Authority Application at <http://www.dgs.ca.gov/pd/Programs/Delegated.aspx> or may contact DGS/PD's Purchasing Authority Management Section by e-mail at pams@dgs.ca.gov.
- Departments must have a Department of General Services (DGS) agency billing code prior to placing orders against this contract. Ordering departments may contact their Purchasing Authority contact or their department's fiscal office to obtain this information.

B. Local Governmental Agencies

- Local governmental agency use of this contract is optional.
- Local government agencies are defined as "any city, county, city and county, district or other 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 for the acquisition of products, per Public Contract Code Chapter 2, Paragraph 10298 (a) (b). While the State makes this contract available to local governmental agencies, each local governmental agency should determine whether this contract is consistent with its procurement policies and regulations.
- Local governmental agencies shall have the same rights and privileges as the State under the terms of this contract. Any agencies desiring to participate shall be required to adhere to the same responsibilities as do State agencies and have no authority to amend, modify or change any condition of the contract.
- Local governmental agencies must have a DGS agency billing code prior to placing orders against this contract. DGS agency billing codes may be obtained by emailing the DGS billing code contact with the following information:

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- Local governmental agency
- Contact name
- Telephone number
- Mailing address
- Facsimile number and e-mail address

DGS Billing Code Contact: 916-375-4400

- C. Unless otherwise specified within this document, the term “ordering agencies” will refer to all State departments and/or local governmental agencies eligible to utilize this contract. Ordering and/or usage instructions exclusive to State departments or local governmental agencies shall be identified within each article.

3. DGS ADMINISTRATIVE FEES

A. State Departments

The DGS will bill each State department an administrative fee for use of this statewide contract. The administrative fee should NOT be included in the order total, nor remitted before an invoice is received from DGS.

Current fees are available online in the Price Book & Directory of Services located at:
<http://www.dgs.ca.gov/ofs/home.aspx> (Go to Price Book and click on “Purchasing” under Procurement Division.)

B. Local Governmental Agencies

For all local government agency transactions issued against the contract, the Contractor is required to remit the DGS/PD an Incentive Fee of an amount equal to 1% of the total purchase order amount excluding taxes and freight. This Incentive Fee shall not be included in the agency’s purchase price, nor invoiced or charged to the purchasing entity. All prices quoted to local governmental agency customers shall reflect State contract pricing, including any and all applicable discounts, and shall include no other add-on fees.

4. SB/DVBE OFF-RAMP PROVISION

The Multi-Functional Statewide Contract 1-17-70-06B is **mandatory** for use by all State of California departments except when the “SB/DVBE Off-Ramp” provision is utilized. The SB/DVBE Off-Ramp provision allows a State department to, at its option, purchase contract items from a certified Small Business (SB), including a “microbusiness” (MB), or a Disabled Veteran Business Enterprise (DVBE) in accordance with the rules outlined within this document.

State departments are encouraged to verify the SB/DVBE participation percentages for each order against this contract before opting to utilize the SB/DVBE Off-Ramp provision. The participation percentages may vary per individual order and may be significantly greater than the percentages listed in Article 43, Small Business/Disabled Veteran Business Enterprise Participation

Note: The rules outlined herein are exclusive to the Multi-Functional Copiers Statewide Contract 1-17-70-06B and do not affect any other contract. Departments may not use the SB/DVBE Off-ramp provision to buy outside of the mandatory statewide contract if the rules cannot be applied. In these situations, the purchase must be made through the mandatory statewide contract.

A. SB/DVBE Offramp Provision Usage Rules

In order to utilize the SB/DVBE Off-ramp provision, departments must comply with the following usage rules:

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Requirement	Description / Procedure
Purchasing Authority	Departments must have approved Purchasing Authority Category for SB/DVBE Option per GC section 14838.5(a) granted by the DGS/PD in order to utilize the SB/DVBE Off-Ramp provision as identified within the statewide contract..
Transaction Limits	Transactions must be less than \$250,000 excluding sales and use tax, finance charges, postage, and handling charges.
Supplier Certifications	SB/DVBE Offramp purchases must be made to a supplier with a current California SB or DVBE certification. State departments can verify certifications at the following website: www.caleprocure.ca.gov
Price Quotations	<p>Departments must obtain price quotations from California-certified SB, MB, or DVBE supplier(s) as follows:</p> <ul style="list-style-type: none"> ➤ For purchases between <u>\$0 and under \$5,000</u>, departments must obtain at least one (1) phone quote or written quote. ➤ For purchases between <u>\$5,000 and under \$250,000</u>, departments must obtain at least two (2) price quotations. Refer to SCM Volume 3, Chap.4. <p><u>Note:</u> Quotes must be obtained from suppliers of the same certification type (SB or DVBE).</p>
Evaluation	<p>State departments must document in the procurement file that the products being purchased are:</p> <ol style="list-style-type: none"> 1) <u>The same brand and model</u> as the products available from the statewide contract including product description, functional requirements, and manufacturer warranties as provided in the statewide contract; <u>and</u> 2) <u>Equal to or less expensive</u> than the pricing offered from the statewide contract for the equivalent products based on the total order value before taxes.
Identifying Off Ramp purchases	<p>Departments electing to exercise the Off Ramp provision by conducting a SB/DVBE Option purchase <u>must</u>, when executing the resulting purchase document, enter "OFF RAMP" in the box titled "Leveraged Procurement Agreement No." on the STD.65.</p> <p>Refer to the following example for identifying Off Ramp purchases.</p>

STATE OF CALIFORNIA - GENERAL SERVICES PROCUREMENT DIVISION			
PURCHASING AUTHORITY PURCHASE ORDER			
STD. 65 (REV. 7/2003)			
CONTRACT REGISTRATION NUMBER		AGENCY ORDER NUMBER	AMENDMENT NO.
CP1234567		I2-HQ-0092	
SUPPLIER: The numbers identified above MUST be shown on Invoice & Packing Slip.		DATE	PAGE OF PAGE
		01/10/2012	1 1
S H I P T O	Department of General Services 707 3rd Street, 2nd Floor West Sacramento, CA 95605 Attn: Jane Doe (916) 375-1111	B I L L T O	AGENCY BILLING CODE 99999 PURCHASING AUTHORITY NUMBER 9G-0113-DGS-HQ1 LEVERAGED PROCUREMENT AGREEMENT NO. OFF RAMP

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B. Off Ramp Documentation

Requirement	Description / Procedure
Off Ramp Documentation	<p>The procurement file must be documented to support the contract award and the action taken including the following documents:</p> <ul style="list-style-type: none"> • Copy of Statewide Contract User Instructions in support of executing a SB/DVBE purchase outside of the mandatory contact. • Statewide contract pricing sheet, highlighting the equivalent products being purchased and used for evaluation. • SB or DVBE price quotes obtained. • SB or DVBE certification verification. <p>Refer to SCM Volume 3 for additional documentation requirements.</p>

5. EXEMPT PURCHASES

State of California departments must obtain an approved exemption from the DGS/PD Contract Administrator (CA) prior to purchasing multi-functional copiers outside of the mandatory contract for Multi-Functional Copiers.

Please refer to <http://www.dgs.ca.gov/pd/Programs/Leveraged/contracts/exemptionprocess.aspx> for information and the required justification forms regarding the exemption process.

These special exemption purchases must be documented within the individual procurement file and will be acquired under the department-approved IT purchasing authority guidelines stated in the SCM Volume 3.

6. PROBLEM RESOLUTION/SUPPLIER PERFORMANCE

Ordering agencies and/or contractors shall inform the State CA of any technical or contractual difficulties encountered during contract performance in a timely manner. This includes and is not limited to informal disputes, supplier performance, outstanding deliveries, etc.

For contractor performance issues, ordering agencies must submit a completed [Supplier Performance Report](#) via email or facsimile to the State CA identified in Article 29, Contract Administration. The ordering agency should include all relevant information and/or documentation (i.e. Purchase documents).

7. CONTRACT ITEMS

A. Core Items

Core contract items include color and monochrome Multi-Functional Copiers, Upgrade, Accessory and Build-Out Items, Additional Software Products, Maintenance, and Value Added Services. Multi-Functional Copiers are offered in the following categories:

Category 1 – Low Volume (Ledger)	A. Color
	B. Monochrome
Category 2 – Medium Volume (Ledger)	A. Color
	B. Monochrome
Category 3 – Medium – High Volume (Ledger)	A. Color
	B. Monochrome
Category 4 – High Volume (Ledger)	A. Color
	B. Monochrome

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Core items and pricing are listed in Attachment A, Contract Pricing.

B. Non-Core Items

Multi-Functional Copiers not listed in in Attachment A, Contract Pricing are available as non-core contract items but must meet the following requirements:

- Must be offered in Contractor’s catalog
- Must be by the same OEM as the core Multi-Functional Copiers
- Must meet or exceed the minimum requirements and be categorized in the same core copier categories as specified in Attachment B, Technical Specifications
- Must be offered at the same discounts offered in each core copier category
- Must be approved by DGS/PD CA prior to order execution

Upgrade Accessory and Build-Out Items and Additional Software Products for non-core copiers are offered as a core item if available in Attachment A, Contract Pricing or will be offered as a non-core item at the same core discounts offered for Upgrade, Accessory and Build-Out Items and Additional Software Products, respectively.

Maintenance and Value Added Services for non-core copiers shall be offered at the core contract prices listed in Attachment A, Contract Pricing in the corresponding category of the non-core machine being purchased.

C. Discounts Off List Price

All non-core items shall be offered at the following discounts off list price:

Multi-Functional Copiers

Category	1A Color	1B Mono	2A Color	2B Mono	3A Color	3B Mono	4A Color	4B Mono
Discount	81%	82%	85%	83%	87%	85%	86%	85%

Upgrade, Accessory and Build-Out Items

Category	1A Color	1B Mono	2A Color	2B Mono	3A Color	3B Mono	4A Color	4B Mono
Discount	65%	65%	65%	65%	65%	65%	65%	65%

Additional Software Products

Category	1A Color	1B Mono	2A Color	2B Mono	3A Color	3B Mono	4A Color	4B Mono
Discount	90%	90%	90%	90%	90%	90%	90%	90%

8. SPECIFICATIONS

The minimum specification requirements and Core product specifications are listed on Attachment B, Technical Specifications.

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9. CUSTOMER SERVICE

The Contractor will have a customer service unit that supports this contract. The customer service unit will provide office and personnel resources for responding to inquiries, including telephone and email coverage weekdays during the hours of 7:00 a.m. - 5:00 p.m., PT.

The customer service unit shall be staffed with individuals that:

- Are trained in the requirements of this contract;
- Have the authority to take administrative action to correct problems that may occur; and
- Are designated for training and general customer service follow-up.

The Contractor's customer service unit shall respond to all customer inquiries within one (1) business day of initial contact.

Contact	Phone	Email
Service and Supplies Unit	(866) 754-7677	Service@raymorgan.com Supplies@raymorgan.com
Danny Moore, CSR Manager	(530) 801-6867	dmoore@raymorgan.com

10. ELECTRONIC CATALOG/CONTRACT WEBSITE CONTENTS

An Electronic Catalog / Contract Website specific to the Statewide Contract for Multi-Functional Copiers are available and contain the following data elements at minimum:

- Detailed line item descriptions of Core Multi-Functional Copiers, Upgrade, Accessory and Build-Out Items, Additional Software Products, and Value Added Services
- Warranty/Maintenance/PPM information
- State-specific contract current pricing
- SB/DVBE participation information
- Contractor's customer service contact information

11. PRODUCT SUBSTITUTIONS/DISCONTINUED ITEMS

Products and configurations meeting or exceeding the category requirements shall be available throughout the duration of the contract term. The contract provides for technology refresh as models are discontinued or cease production and must be approved by the CA. These changes will be made in the form of a contract supplement, and will not be effective until the supplement's release.

The Contractor shall not substitute products or configurations or modify catalog information without written approval from the DGS/PD CA.

The Contractor will maintain the contract discount throughout the original term of the contract and any extension(s), including upon approved substitution.

If no substitute product is available that meets or exceeds the specifications due to fundamental technology or market change, the State may alter the configuration requirements to meet the updated marketplace standards. Obsolescence of a configuration may be determined at the discretion of the State.

12. PROMOTIONAL PRICING

During special pricing promotions, the Contractor shall offer State and local agency purchasers the promotional pricing or the discount percentage off list, whichever is lower.

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The Contractor shall notify the CA of all promotional pricing changes. Notification shall include at a minimum:

- Promotion start and end dates.
- Models, products, and services included in the promotion.
- Promotional pricing.

Promotional pricing shall not be cause for a permanent change in pricing. Promotional pricing shall not be cause for Contractor Refresh.

Promotional items shall come with all benefits of the statewide contract terms and conditions and shall include all provisions such as warranty and delivery.

13. NON-CORE QUOTES

The Contractor shall identify non-core items on a quote for ordering agencies. Quotes that include non-core items require DGS/PD CA approval before purchase order execution. Contractor shall not accept orders that include non-core items without written approval by DGS/PD CA. Approval by email is acceptable.

14. PURCHASE EXECUTION

A. State Departments

1) Std. 65 Purchase Documents

State departments not transacting in FISCAL must use the Purchasing Authority Purchase Order (Std. 65) for purchase execution. An electronic version of the Std. 65 is available at the Office of State Publishing web site: <http://www.dgs.ca.gov/pd/Forms.aspx> (select Standard Forms).

All Purchasing Authority Purchase Orders (Std. 65) must contain the following:

- Agency Order Number (Purchase Order Number)
- Ordering Agency Name
- Agency Billing Code
- Purchasing Authority Number
- Leveraged Procurement Number (Contract Number)
- Supplier Information (Contact Name, Address, Phone Number, Fax Number, E-mail)
- Line Item number
- Quantity
- Unit of Measure
- Commodity Code Number
- Product Description
- Unit Price
- Extension Price
- Subcontractor Identification (if applicable)
- Attached written approval for non-core items by DGS/PD CA (if applicable)

2) FISCAL Purchase Documents

State departments transacting in FISCAL will follow the FISCAL procurement and contracting procedures.

3) Blanket Orders

The use of blanket orders against this statewide contract is not allowed.

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B. Local Governmental Agencies

Local governmental agencies may use their own purchase document for purchase execution. The purchase documents must include the same data elements as listed above (Exception: Purchasing Authority Number is used by State departments only).

15. MINIMUM ORDER

The minimum order is one (1) copier; however ordering agencies may purchase upgrade, accessory and build-out items, additional software products, maintenance and value added services available on contract separately for a copier that was purchased against the contract during the contract period.

16. ORDERING PROCEDURE

Ordering Methods:

Ordering agencies are to submit appropriate purchase documents directly to the contractor(s) via one of the following ordering methods:

- U.S. Mail
- Facsimile
- Email

The Contractor's Order Placement Information is as follows:

ORDER PLACEMENT INFORMATION		
U.S. Mail	Facsimile	Email
Ray Morgan Company 1580 Vineyard Road Roseville, CA 95678	(530) 781-1549	State@raymorgan.com

Note: When using any of the ordering methods specified above, all State departments must conform to proper State procedures.

17. ORDER ACCEPTANCE

The Contractor shall accept orders from any State department or local governmental agency. The Contractor shall not accept purchase documents for this contract that:

- Are incomplete;
- Are submitted without CA approval of non-core items
- Contain non-contract items; or
- Contain non-contract terms and conditions.

The Contractor must not refuse to accept orders from any State department or local governmental agency for any other reason without written authorization from the CA.

18. ORDER ACKNOWLEDGEMENT

The Contractor will provide ordering agencies with an order receipt acknowledgement, via e-mail or facsimile, within one (1) business day after receipt of an order. The acknowledgement shall include the following information:

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- Ordering Agency Name
- Agency Order Number (Purchase Order Number)
- Description of items ordered
- Purchase Order Total Cost
- Anticipated Delivery Date
- Identification of any Out of Stock/Discontinued Items

19. OUT OF STOCK REMEDY

Upon receipt of order acknowledgment identifying out of stock items, the ordering agencies shall have the following options:

- Request back order; or
- Cancel the item from the order with no penalty.

Contractor will provide notification to the ordering agencies regarding out-of-stock items which have been back ordered.

Under no circumstance is the Contractor permitted to make substitutions with non-contract items or unauthorized products.

20. DISCONTINUED ITEM REMEDY

Upon receipt of order acknowledgment identifying discontinued items, the ordering agencies shall have the following options:

- Amend purchase document to reflect State-approved substitute item (per Article 11, Product Substitutions/Discontinued Items)
- Cancel the item from the order.

Under no circumstance is the Contractor permitted to make substitutions with non-contract items or unauthorized products without approval from the CA.

21. DELIVERY SCHEDULES Delivery for orders placed against this contract shall be in accordance with the following:

A. Locations

Deliveries are to be made (statewide) to the location specified on the individual purchase order, which may include, but not limited to inside buildings, high-rise office buildings, and receiving docks.

Locations that require copiers to be delivered via stairwell may be charged a fee at the amount listed in Attachment A, Contract Pricing.

B. Schedule

Delivery of ordered product shall be completed in full within thirty (30) calendar days after receipt of an order (ARO). Since receiving hours for each ordering agency will vary by facility, it will be the Contractor's responsibility to check with each facility for their specific delivery hours before delivery occurs. The Contractor must notify the ordering agency within 12 hours of scheduled delivery time, if delivery cannot be made within the time frame specified on the Order Acknowledgement.

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Deliveries are to be made during normal working hours, 8:00 a.m. – 5:00 p.m. (PT), Monday – Friday, State holidays excluded. Contractor shall provide “off” hour delivery at an hourly rate listed in Attachment A, Contract Pricing, for locations that require delivery outside of the normal working hours.

Contractor is requested to make deliveries in Los Angeles County, Orange County, San Bernardino Metropolitan Area, and San Diego Metropolitan Area during off-peak hours. Off-peak hours are Monday through Friday, 10:00 AM to 4:00 PM.

C. Security Requirements

Deliveries may be made to locations inside secure institutional grounds (such as the California State Prisons) that require prior clearances to be made for delivery drivers. Since security clearance procedures for each facility may vary, it will be the Contractor's responsibility for contacting the secure location for security clearance procedures, hours of operation for deliveries and service, dress code, and other rules of delivery.

22. FREE ON BOARD (F.O.B.) DESTINATION

All prices are F.O.B. destination; freight prepaid by the contractor, to the ordering organization's receiving point. Responsibility and liability for loss or damage for all orders will remain with the contractor until final inspection and acceptance, when all responsibility will pass to the ordering organization, except the responsibility for latent defects, fraud, and the warranty obligations.

23. PALLETS

Unless otherwise specified on the ordering agency's purchase order document, standard commercially available pallet sizes should be used. All pallets shall be of sturdy construction and adequate condition to assure delivery of the goods without damage to the goods or safety hazards.

Exchange pallets may be available; however, the State assumes no responsibility for the availability to exchange pallets. Delivery drivers shall not remove more pallets from the location than delivering at time of delivery.

24. PACKING INFORMATION

Packing requirements shall be in accordance with the General Provisions, paragraph 12 entitled Packing and Shipment (General Provisions - Information Technology, Rev. 09/05/2014).

25. HAZARDOUS MATERIALS DOCUMENTATION

For products that contain hazardous chemicals, as defined by California Code of Regulations, Title 8, Section 339, the Contractor must provide a Material Safety Data Sheet (MSDS), via facsimile or email, to the ordering agency upon written request.

26. INSTALLATION

Contractor shall provide installation as a value added service for every copier order. Installation includes unpackaging, setting in place, connection to the network/computer as applicable, testing to verify operational capability, and removal of dunnage.

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The Contractor shall affix a label or decal to the device at the time of installation showing:

- Model
- Serial number
- Installation date.
- Name, address, phone number and email of the local representative responsible for servicing the device.

Contractor is offering installation at no cost to ordering agencies.

27. TRAINING

Installation shall include basic training of copier features and functions and shall be performed at a time and date that is scheduled between the Contractor and ordering agency.

28. INSPECTION AND ACCEPTANCE

Inspection and acceptance shall be in accordance with the General Provisions, paragraph 16 entitled Inspection, Acceptance and Rejection (General Provisions - Information Technology, Rev. 09/05/2014).

29. CONTRACT ADMINISTRATION

Both the State and the contractor have assigned contract administrators as the single points of contact for problem resolution and related contract issues.

Administrator Information	DGS/PD (State Contract Administrator)	Ray Morgan Company (Contractor)
Contact Name:	Erica Seghesio-Groves	Dave Perez
Telephone:	(916) 376-3802	(916) 577-1665
Facsimile:	(916) 375-4613	(530) 781-1054
Email:	Erica.SeghesioGroves@dgs.ca.gov	dperez@raymorgan.com
Address:	DGS/Procurement Division Attn: Erica Seghesio-Groves 707 Third Street, 2 nd Floor, MS 201 West Sacramento, CA 95605	Ray Morgan Company Attn: Dave Perez 1580 Vineyard Road Roseville, CA 95678

30. CREDIT POLICY

The Contractor shall offer credit/refund for the following items:

- Items shipped in error
- Defective or freight-damaged items

In all cases, the ordering agency shall have the option of taking an exchange or receiving a credit, or receiving a refund.

The Contractor will be responsible for the credit or replacement of all products, including those covered by manufacturer warranties. Contractor cannot require the ordering agency to deal directly with the manufacturer.

31. INVOICING

Invoices shall be submitted to the ordering agencies within seven (7) calendar days from date of delivery. Ordering agencies may require separate invoicing, as specified by each ordering organization. Invoices will contain the following information:

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- Contractor's name, address and telephone number
- Leveraged Procurement Number (Contract Number)
- Agency Order Number (Purchase Order Number)
- Item and commodity code number
- Quantity purchased
- Contract price and extension
- State sales and/or use tax
- Prompt payment discounts/cash discounts (if applicable)
- Totals for each order

32. TAX ON MAINTENANCE AGREEMENTS

Maintenance services provided through this contract are inclusive of maintenance, warranty, and consumable supply items. Departments that purchase maintenance agreements are responsible for paying the applicable sales tax on the consumables. The local sales tax rate is applied to 34% of the monthly service cost, per the following example.

Monthly Service Cost	% of Taxable Consumables		Local Tax Rate	Sales Tax Due	
\$132.00	X	34%	X	7.75%	\$3.48

33. PAYMENT

A. Terms

Payment terms for this contract are net forty-five (45) days. Payment will be made in accordance with the provisions of the California Prompt Payment Act, Government Code Section 927, et seq. Unless expressly exempted by statute, the Act requires State departments to pay properly submitted, undisputed invoices not more than forty- five (45) days after the date of acceptance of goods, performance of services, or receipt of an undisputed invoice, whichever is later.

B. CAL-Card Use

State departments may use the CAL-Card for the payment of invoices. Use of the CAL-Card requires the execution of Purchasing Authority Purchase Order (Std. 65) as referenced in Article14, Purchase Execution and must include all required documentation applicable to the purchase.

The CAL-Card is a payment mechanism, not a procurement approach and, therefore, does not relieve departments from adhering to all procurement laws, regulations, policies, procedures, and best practices, including those discussed in the State Contracting Manual (SCM) Volume 1 and Volume 2. This includes but is not limited to the application of all sales and use tax laws, rules and policies as applicable to the purchase.

C. State Financial Marketplace

The State reserves the right to select the form of payment for all procurements, be it either an outright purchase with payment rendered directly by the State, or a financing/lease-purchase or operating lease via the State Financial Marketplace (GS \$Mart and/or Lease \$Mart). If payment is via the financial marketplace, the Supplier will invoice the State and the State will approve the invoice and the selected Lender/Lessor for all product listed on the State's procurement document will pay the supplier on behalf of the State.

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D. Payee Data Record

Each State accounting office must have a copy of the Payee Data Record (Std. 204) in order to process payments. State departments should forward a copy of the Std. 204 to their accounting office(s). Without the Std. 204, payment may be unnecessarily delayed. State departments may contact the contractor for copies of the Payee Data Record.

34. CAL-CARD INVOICING

All CAL-Card invoices are to be processed separately from other payment methods and include the elements identified in Article 31, Invoicing. CAL-Card invoices shall be submitted to the CAL-Card account holder. The total invoice amount for each CAL-Card order must reflect a zero balance due or credit, if applicable, and state "paid by CAL-Card".

For additional information regarding DGS/PD's CAL-Card program, see the following website: <http://www.dgs.ca.gov/pd/Programs/CALCard.aspx>

35. CALIFORNIA SELLER'S PERMIT

The California seller permit number for the contractor is listed below. State departments can verify that permits are currently valid at the following website: www.boe.ca.gov. State departments must adhere to the file documentation required identified in the State Contracting Manual Volume 2 and Volume 3, as applicable.

Contractor Name	Seller Permit #
Ray Morgan Company	29-049188

36. ACCESSIBILITY COMPLIANCE/ VOLUNTARY PRODUCT ACCESSIBILITY TEMPLATE (VPAT)

Contract products are compliant with requirements for accessibility based on Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d) are determined to be relevant for this procurement.

37. WARRANTY

The Contractor must honor all manufacturers' warranties and guarantees for a period of ninety (90) days from the date of acceptance on all products offered as part of this contract. The Contractor shall bear all material and labor costs for repair of equipment defects and failure.

During the warranty period, the Contractor must:

- Honor all manufacturers' warranties and guarantees on all products offered through the contract.
- Continue to provide warranty service after contract termination until expiration of warranties for products that have been sold under the contract.
- Provide all labor, parts, and travel necessary to keep the products in good operating condition and preserve its operating efficiency in accordance with its technical specifications.
- Pay any necessary shipment and insurance costs.

The warranty services listed shall include all products, software and firmware maintenance costs and costs of labor, parts, travel, factory overhaul, rehabilitation, transportation and substitute product(s) as necessary. If it is necessary to remove any products from an authorized purchaser's location where On-site warranty is specified, the Contractor will provide substitute products at the time of removal.

Substitute products will be comparable to or better than the products removed. In instances where it is necessary for the Contractor to return the products to the factory, the Contractor will be responsible for all costs of the products from the time it leaves the authorized purchaser's site until it is returned to the site in good operating condition.

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Only new standard parts or parts equal in performance to new parts will be used in effecting repairs. Parts that have been replaced will become the property of the Contractor except in instances where the State chooses to keep the hard drives. Replacement parts installed will become the property of the authorized purchaser.

All operating system software and firmware will be considered an integral component of the equipment and the Contractor will respond to all requests for warranty service for any failure.

Warranty services during the warranty period will not include electrical work external to the products, the furnishing of supplies, or adding or removing accessories, attachments, or other devices not provided under this contract. Warranty services also will not include repair of damage resulting from transportation by the authorized purchaser between State or local sites or from accident, unless the accident is caused by negligent or intentional acts or omissions of Contractor or its agents.

38. QUALITY ASSURANCE GUARANTEES

The Contractor(s) shall represent and warrant that products provided shall be free from defects in material and workmanship, given normal use and care, over the period of the manufacturer warranty or for a minimum of ninety (90) days, whichever is greater. The terms of a resultant contract(s) will supersede any language to the contrary on purchase orders, invoices, or other sources.

39. EQUIPMENT REPLACEMENT DURING WARRANTY

If the product(s) provided fails to perform in accordance with technical specifications and functional descriptions contained or referenced in the awarded contract agreement and is subject to warranty response three (3) or more times during the ninety (90) day period, the Contractor(s) will upon the authorized purchaser's request, replace the product(s) at no cost. The replacement product(s) will be delivered no later than fifteen (15) working days after the authorized purchaser's request is received by the contractor. Replacement goods cannot be used, refurbished or recycled, and must be of equal or greater value.

40. MAINTENANCE

A. Purchase of Maintenance Agreement

Purchased of a maintenance agreement is non-mandatory. Maintenance service shall be offered on all copiers offered on contract. Maintenance shall include all labor, parts, supplies, and consumables with the exception of paper and staples, to ensure that the device will operate within the OEM's specifications. Qualified, trained technicians will perform all contracted maintenance. The maintenance agreement shall include the following:

- All manufacturer product warranties, including on-site coverage.
- Warranty and maintenance service after contract expiration until the expiration of the maintenance agreement, if applicable.

The following maintenance plan options shall be available for purchase for up to 5 years at the contract prices listed in Attachment A, Contract Pricing:

- Per Click Option – Ordering agencies will pay per click for color and monochrome respectively
- High Volume/Low Volume Plans - each copier category includes a specific amount of clicks per month for high and low volume plans as identified in Attachment A, Contract Pricing

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State and local agencies may elect to purchase the maintenance agreement at any time during the warranty period. State and local agencies may also purchase the Maintenance Agreement within thirty (30) days after the warranty expires. After thirty (30) days of the expiration of the warranty, the Contractor may charge a one-time flat fee to bring the device's performance level up to standard as listed in Attachment A, Contract Pricing.

B. Service Hours

The Contractor will provide corrective, preventative and maintenance service during normal working hours, 8:00 a.m. – 5:00 p.m. (PT), Monday – Friday, State holidays excluded. Contractor shall provide corrective services during "off" hours at an hourly rate listed in Attachment A, Contract Pricing

C. Unscheduled Service Calls

The Contractor must provide warranty and unscheduled service calls for equipment failure in accordance with the following Principal Period of Maintenance (PPM) times after notification from an authorized purchaser of a problem with any of the goods included on contract.

- Metropolitan Areas shall be 8x5x8 Next Business Day onsite – Eight (8) hours, typically 8:00 am to 5:00 pm, Pacific Time, five (5) days a week, Monday through Friday, eight (8) hour NBD onsite response time in metropolitan areas, excluding State holidays.
- Non-Metropolitan Areas shall be 8x5x2 (two (2) hour call back response time, excluding State holidays.) Remediation shall be underway within 48 hours.

Metropolitan Areas:

Counties

San Diego	Orange	Riverside	Los Angeles
San Francisco	Alameda	Sacramento	Santa Clara
San Bernardino	Yolo	Solano	Contra Costa
San Mateo			

Cities

Redding	Stockton	Bakersfield	Ventura
Tracy	San Quentin	Santa Rosa	Santa Barbara
Frontera	Fresno		

D. Service Log

A service log will be maintained for each machine. The service technician will fill in any "cause of breakdown" with concurrence from the user. Should the cause of a service call be determined to be operator error, misuse, or abuse by the user, the repair time and associated travel time shall not be a factor in determining satisfactory machine performance.

E. Loaner Equipment

If, during the warranty or maintenance agreement period, a copier takes more than two (2) business days to become fully operational, the Contractor will provide a loaner/replacement device that meets or exceeds the specification of the replaced product per Attachment B, Technical Specifications. All loaner/replacement equipment shall be provided at no cost to the State or local agency.

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41. RECYCLED CONTENT

State departments are required to report purchases in many product categories. The postconsumer-content percentages in products offered are identified in Attachment C, Postconsumer-Content Certification Workbook.

42. SUBCONTRACTORS

For work performed outside of Contractors geographical area of coverage, Contractor will utilize a network of subcontractors. The subcontractors to be used in the work performed under this contract are listed below. All subcontractors will be responsible for asset tagging, warranty/maintenance services, take-back program, delivery and installation in their specific area of coverage. Subcontractor participation coverage varies by geographic location.

Subcontractor Name	Certification Type	OSDS Certification #	Coverage by County
Signa Digital Solutions	SB	50395	San Diego
Cell Business Equipment	-----	----	Riverside, San Bernadino, Orange, Los Angeles
LDI	-----	----	Los Angeles, Ventura
Fruth Group	-----	----	Riverside, San Bernadino, Imperial

43. SMALL BUSINESS/DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION

The subcontractor’s small business (SB) and disabled veteran business enterprise (DVBE) certification participation percentages are listed below. Subcontractor participation varies by geographic location as identified in Article 42, Subcontractors. State departments can verify that the certifications are currently valid at the following website: www.caleprocure.ca.gov

Subcontractor Name	OSDS Certification #	SB Percentage Commitment (%)	DVBE Percentage Commitment (%)
Signa Digital Solutions	50395	2	0

State departments must identify subcontractors on individual purchase documents whenever subcontractors have been identified.

The Contractor has committed to SB participation at total statewide contract levels of 2%.

Individual orders may have no applicable participation or may have participation greater than that of the total contract commitment. Ordering agencies must verify the participation amount with the contractor. The exact participation percentage levels for each purchase order will be determined on an order-by-order basis in cooperation with the Contractor prior to submittal of a Purchasing Authority Purchase Order (STD 65).

Any irregularities or concerns regarding prime or SB sub-contractor responsibilities are to be immediately documented and reported to the State’s CA for further investigation. Information provided to the State’s CA includes, but is not limited to:

- Copy of executed purchase document
- Value-added service description
- Work performance issue or concern
- Department contact name, email, and phone number

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Departments may request from the Contractor a monthly report providing the SB/DVBE participation levels on purchase orders.

44. BIDDER DECLARATION/COMMERCIALY USEFUL FUNCTION (CUF)

The DGS/PD, as the awarding department, has assessed the prime Contractor and subcontractor certifications and CUF during the solicitation evaluation process. Consequently, when executing purchase documents pursuant to this contract, it is not necessary for State departments operating under statewide contract purchasing authority to request the completion of a Bidder Declaration document or perform additional CUF analysis. The department should make a notation of this within their procurement file.

45. TAKE BACK/DISPOSAL OF EQUIPMENT

This contract offers a Take Back service for similar equipment, including other OEM equipment. It is not mandatory that the ordering agency use the Take Back service offered. The equipment returned as part of the Take Back service shall be environmentally responsibly managed. To the greatest extent feasible, the equipment is to be refurbished for resale or recycled.

Take Back and DoD Compliant Data Wipe is offered as value added services at a fixed price per item as listed in Attachment A, Contract Pricing. DoD Compliant Data Wipe is available only on machines the Contractor is authorized to perform such a service on. Hard drive removal is the responsibility of the ordering agency.

For Take Back services, contact the following:

Contact Name/Address	Phone	Email
Ray Morgan Company 1580 Vineyard Road Roseville, CA 95678	(866) 754-7677	State@raymorgan.com

Before any Take Back can occur, ordering agencies must obtain approval for discarding their IT equipment from the DGS Surplus Property and Reutilization Program.

In accordance with the State Administrative Manual (SAM), Chapter 5900, Information Technology-Disposal of IT Equipment, each agency must explore the reutilization of surplus IT equipment prior to requesting approval for recycling or attempting to use the equipment as a credit toward the purchase of new equipment.

46. ATTACHMENTS

- Attachment A – Contract Pricing
- Attachment B – Technical Specification
- Attachment C – Postconsumer Content Certification Workbook