

REQUEST FOR BOARD ACTION

ITEM NO. 1a.

DATE OF MEETING: February 21, 2011

REQUESTED BY: Erik Harvey, Director, ITS Department

SHORT TITLE: Resolution Authorizing Contract for 60 Month Cost Per Copy Management Program with COECO Office Systems

BACKGROUND: On December 12, 2005 Pender County entered into a 60 month contract with COECO Office Systems to provide the County with a Cost Per Copy Program with a multi-function copier and printer solution based on a fixed rate per copy countywide. This contract expired December 31, 2010. The Pender County Information Technology Services (ITS) Department went through the Request for Proposal (RFP) process and formed an Evaluation Committee consisting of representatives from all County Departments to increase efficiency within said county departments, manage the ongoing copy/print costs, review received bids, and score and select a vendor.

Pender County provided bid specifications for a Cost Per Copy Program (CPCP) proposal to service all copier and printer needs countywide. The bid required an on-site inspection to visit each copier and printer located in each department and to talk with staff that uses that uses the equipment to determine their departmental needs. The objective is to have one master vendor provide an "all in exclusive" Cost Per Copy Program that charges the County per click/impression. This is a cost savings alternative to more expensive lease and maintenance contract agreements heretofore negotiated individually by each department.

Of the three (3) firms that picked up and received proposals, they all made site visits and submitted bids on time. On December 17, 2010, the County received bids from COECO, Copy Pro, and Toshiba. The Evaluation Committee opened the following bids and based on the lowest proposed cost per click for both black & white and color clicks and a score card system they selected and recommended COECO.

Vendor	B&W Clicks	Color Clicks
COECO	0.0265	0.0598
Copy Pro	0.0353	0.08
Toshiba	0.029	0.089

The Evaluation Committee not only select COECO Office Systems based on the lowest proposed cost per click for both black & white and color clicks, but used a score card system to address the vendor's customer service, response time, technician proximity, training, implementation, service plan, ability to follow instructions and address security needs, faxing options, document management system, and the best overall proposal.

Each department will be responsible to pay for their click volume. One master bill will come each month, including a departmental breakdown per machine (copier and printer) to the ITS Department where it will then be coded for payment from the following line item:

General Fund - Contracted Services Copiers: 660-404560

SPECIFIC ACTION REQUESTED: To consider a resolution to authorizing a Contract and Purchase Order with COECO Office Systems to manage, maintain, and support all departmental copier and printer needs based on a set rate per click as follows:

Vendor	B&W Clicks	Color Clicks
COECO	0.0265	0.0598

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.

RB
Initial

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED by the Pender County Board of Commissioners, that a contract to provide 60 month Cost Per Copy Management Program for all departments of Pender County Government, as attached, is approved and awarded to COECO Office Systems according to the following schedule. The Chairman and County Manager are authorized to execute agreement and all documents necessary to implement this resolution.

Vendor	B&W Clicks	Color Clicks
COECO	0.0265	0.0598

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Brown ___ Tate ___ Blanchard ___ Rivenbark ___ Ward ___ Williams ___

George R. Brown, Chairman 02/21/11 Date

ATTEST 02/21/11
Date

COECO Financial Services

APPLICATION NO.

CONTRACT NO.

Copy Management Plan

The words **you** and **your** refer to the customer. The words **Owner, we, us** and **our** refer to **COECO Financial Services**. Every attempt has been made to eliminate confusing language and create a simple, easy-to-read document.

CUSTOMER INFORMATION

FULL LEGAL NAME County of Pender			STREET ADDRESS 805 South Walker Street	
CITY Burgaw	STATE NC	ZIP 28425	PHONE 910.259.1260	FAX 910.259.1530
BILLING NAME (IF DIFFERENT FROM ABOVE)			BILLING STREET ADDRESS	
CITY	STATE	ZIP	E-MAIL eharvey@pendercountync.gov	
EQUIPMENT LOCATION (IF DIFFERENT FROM ABOVE) Same				

SUPPLIER INFORMATION



Address: Rocky Mount Fayetteville Greenville Greensboro
 Wilmington Raleigh Myrtle Beach Virginia Beach, VA

QTY.	ITEM DESCRIPTION	MODEL NO.	SERIAL NO.	STARTING METER
1	See "Exhibit A"			

TERM AND PAYMENT SCHEDULE

No. of Months	Minimum Monthly Payment	B&W Copies Included	Additional B&W Copies Billed Monthly at	Color Copies Included	Additional Color Copies Billed Monthly at	Security Deposit
60	\$ 0 <i>(plus applicable taxes)</i>	0 <i>(copies per month)</i>	\$.0265 <i>(plus applicable taxes)</i>	0 <i>(copies per month)</i>	\$.0598 <i>(plus applicable taxes)</i>	\$ _____ <i>(plus applicable taxes)</i>

_____ by initialing here, you agree that neither service nor supplies are included in this Agreement.

THIS IS A NONCANCELABLE / IRREVOCABLE AGREEMENT, THIS AGREEMENT CANNOT BE CANCELED OR TERMINATED.

OWNER ACCEPTANCE

COECO Financial Services			
DATED	OWNER	SIGNATURE	TITLE

CUSTOMER ACCEPTANCE

County of Pender		X	
DATED	CUSTOMER	SIGNATURE	TITLE

FEDERAL TAX I.D. #	PRINT NAME
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CONTINUING GUARANTY

As additional inducement for us to enter into the Agreement, the undersigned ("you") unconditionally, jointly and severally, personally guarantees that the customer will make all payments and meet all obligations required under this Agreement and any supplements fully and promptly. You agree that we may make other arrangements including compromise or settlement with the customer and you waive all defenses and notice of those changes and will remain responsible for the payment and obligations of this Agreement. We do not have to notify you if the customer is in default. If the customer defaults, you will immediately pay in accordance with the default provision of the Agreement all sums due under the terms of the Agreement and will perform all the obligations of the Agreement. If it is necessary for us to proceed legally to enforce this guaranty, you expressly consent to the jurisdiction of the court set out in paragraph 14 and agree to pay all costs, including attorneys fees incurred in enforcement of this guaranty. It is not necessary for us to proceed first against customer before enforcing this guaranty. By signing this guaranty, you authorize us to obtain credit bureau reports for credit and collection purposes.

X			
PRINT NAME OF GUARANTOR	SIGNATURE	DATED	

ACCEPTANCE OF DELIVERY

You certify that all the equipment listed above has been furnished, that delivery and installation has been fully completed and satisfactory. Further, all conditions and terms of this Agreement have been reviewed and acknowledged. Upon your signing below, your promises herein will be irrevocable and unconditional in all respects.

County of Pender		X	
DATE OF DELIVERY	CUSTOMER	SIGNATURE	TITLE

1. AGREEMENT: You agree to rent from us the personal property described under "ITEM DESCRIPTION" and as modified by supplements to this Master Agreement from time to time signed by you and us (such property and any upgrades, replacements, repairs and additions referred to as "Equipment") for business purposes only. You agree to all of the terms and conditions contained in this Agreement and any supplement, which together are a complete statement of our Agreement regarding the listed equipment ("Agreement") and supersedes any purchase order or outstanding invoice. This Agreement may be modified only by written agreement and not by course of performance. This Agreement becomes valid upon execution by us and will begin on the rent commencement date and will continue from the first day of the following month for the number of consecutive months shown. You also agree to pay to Owner interim rent for the use of the equipment prior to the due date of the first payment. Interim rent shall be in an amount equal to 1/30th of the monthly rental, multiplied by the number of days elapsing between the date on which the equipment is accepted by Customer and the date we sign this Agreement. The term will be extended automatically for successive 12 month terms unless you send us written notice between ninety (90) and one hundred fifty (150) days before the end of any term of your intent to return the equipment AND complete the return within 30 days of the end of term. If any provision of this Agreement is declared unenforceable in any jurisdiction, the other provisions herein shall remain in full force and effect in that jurisdiction and all others. You authorize us to insert or correct missing information on this Agreement including your proper legal name, serial numbers and any other numbers describing the Equipment. You agree to provide updated annual and/or quarterly financial statements to us upon request.

2. RENT: Rent will be payable in installments, each in the amount of the basic rental payment shown plus any applicable sales tax, use tax, or property tax. We will have the right to apply all sums, received from you, to any amounts due and owed to us under the terms of this Agreement. If for any reason, your check is returned for nonpayment, a \$35.00 bad check charge will be assessed.

3. OWNERSHIP OF EQUIPMENT: We are the Owner of the equipment and have sole title to the equipment (excluding software). You agree to keep the equipment free and clear of all liens and claims.

4. WARRANTY DISCLAIMER: WE MAKE NO WARRANTY EXPRESS OR IMPLIED, INCLUDING THAT THE EQUIPMENT IS FIT FOR A PARTICULAR PURPOSE OR THAT THE EQUIPMENT IS MERCHANTABILITY. YOU AGREE THAT YOU HAVE SELECTED EACH ITEM OF EQUIPMENT BASED UPON YOUR OWN JUDGMENT AND DISCLAIM ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY US. Notwithstanding any other terms and conditions of the Agreement, you agree that as to software only: a) We have not had, do not have, nor will have any title to such software, b) You have executed or will execute a separate software license agreement and we are not a party to and have no responsibilities whatsoever in regard to such license agreement, c) You have selected such software and WE MAKE NO WARRANTIES OF MERCHANTABILITY, DATA ACCURACY, SYSTEM INTEGRATION OR FITNESS FOR USE AND TAKE ABSOLUTELY NO RESPONSIBILITY FOR THE FUNCTION OR NATURE OF SUCH SOFTWARE.

5. LOCATION OF EQUIPMENT: You will keep and use the equipment only at your address shown above and you agree not to move it unless we agree to it. At the end of the Agreement's term, you will return the Equipment to a location we specify at your expense, in retail resaleable condition, full working order, and in complete repair.

6. LOSS OR DAMAGE: You are responsible for the risk of loss or for any destruction of or damage to the Equipment. No such loss or damage relieves you from the payment obligations under this Agreement. You agree to promptly notify us in writing of any loss or damage and you will then pay to us the present value of the total of all unpaid rental payments for the full rental term plus the estimated fair market value of the Equipment at the end of the originally scheduled term, all discounted at four percent (4%) per year. Any proceeds of insurance will be paid to us and credited, at our option, against any loss or damage. You authorize us to sign on your behalf and appoint us as your attorney in fact to execute in your name any insurance drafts or checks issued due to loss or damage to the Equipment.

7. COLLATERAL PROTECTION AND INSURANCE: You are responsible for installing and keeping the Equipment in good working order. Except for ordinary wear and tear, you are responsible for protecting the Equipment from damage and loss of any kind. If the Equipment is damaged or lost, you agree to continue to pay the amounts due and to become due hereunder without setoff or defense. During the term of this Agreement, you agree that you will (1) insure the equipment against all loss or damage naming us as loss payee; (2) obtain liability and third party property damage insurance naming us as an additional insured; and (3) deliver satisfactory evidence of such coverage with carriers, policy forms and amounts acceptable to us. All policies must provide that we be given thirty (30) days written notice of any material change or cancellation. If you do not provide evidence of acceptable insurance, we have the right, but no obligation, (a) to obtain insurance covering our interest (and only our interest) in the Equipment for the lease term, and renewals. Any insurance we obtain will not insure you against third party or liability claims and may be cancelled by us at any time. In that event you will be required to pay us an additional amount each month for the insurance premium and an administrative fee. The cost may be more than the cost of obtaining your own insurance. You agree that we, or one of our affiliates, may make a profit in connection with the insurance we obtain. You agree to cooperate with us, our insurer and our agent in the placement of coverage and with claims or, (b) we may waive the insurance requirement and charge you a monthly property damage surcharge in the amount of .0035 of the original equipment cost to cover our credit risk, administrative costs and other costs and on which we may make a profit. If you later provide evidence that you have obtained acceptable insurance, we will cancel the insurance we obtained or cease charging the surcharge.

8. INDEMNITY: We are not responsible for any loss or injuries caused by the installation or use of the equipment. You agree to hold us harmless and reimburse us for loss and to defend us against any claim for losses or injury caused by the Equipment.

9. TAXES AND FEES: You agree to pay when due all taxes (including personal property tax, fines and penalties) and fees relating to this Agreement or the Equipment. If we pay any of the above for you, you agree to reimburse us and to pay us a processing fee for each payment we make on your behalf. In addition you agree to pay a UCC filing fee of \$35.00. We can charge you an amount not to exceed \$134.50 to reimburse us for originating, processing and documenting this Agreement. We reserve the right to charge a fee upon termination of this Agreement either by trade-up, buy-out or default. Any fee charged under this Agreement may include a portion to applicable taxes.

10. ASSIGNMENT: YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT. We may sell, assign, or transfer this Agreement without notice. You agree that if we sell, assign, or transfer this Agreement, the new Owner will have the same rights and benefits that we have now and will not have to perform any of our obligations. You agree that the rights of the new Owner will not be subject to any claims, defenses, or set offs that you may have against us.

11. DEFAULT AND REMEDIES: If you do not pay any rental payment or other sum due to us or other party when due or if you break any of your promises in the Agreement or any other Agreement with us, you will be in default. If any part of a payment is late, you agree to pay a late charge of 15% of the payment which is late or if less, the maximum charge allowed by law. If you are ever in default, we may retain your security deposit and at our option, we can terminate or cancel this Agreement and require that you pay (1) the unpaid balance of this Agreement (discounted at 4%); (2) the amount of any purchase option and if none is specified, 20% of the original Equipment cost which represents our anticipated residual value in the Equipment; (3) and return the Equipment to us to a location designated by us. We may recover interest on any unpaid balance at the rate of 8% per annum. We may also use any of the remedies available to us under Article 2A of the Uniform Commercial Code as enacted in the State of Owner or its Assignee or any other law. If we refer this Agreement to an attorney for collection, you agree to pay our reasonable attorney's fees and actual court costs. If we have to take possession of the Equipment, you agree to pay the cost of repossession. The net proceeds of the sale of any repossessed Equipment will be credited against what you owe us under this Agreement. YOU AGREE THAT WE WILL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR ANY DEFAULT BY US UNDER THIS AGREEMENT. You agree that any delay or failure to enforce our rights under this Agreement does not prevent us from enforcing any rights at a later time. It is further agreed that your rights and remedies are governed exclusively by this Agreement and you waive customer's rights under Article 2A (508-522) of the UCC.

12. UCC FILINGS: You grant us a security interest in the Equipment if this Agreement is deemed a secured transaction and you authorize us to record a UCC-1 financing statement or similar instrument, in order to show our interest in the Equipment.

13. SECURITY DEPOSIT: The security deposit is payable upon execution and non-interest bearing and is to secure your performance under this Agreement. Any security deposit made may be applied by us to satisfy any amount owed by you, in which event you will promptly restore the security deposit to its full amount as set forth above. If all conditions herein are fully complied with and provided you have not ever been in default of this Agreement per paragraph 11, the security deposit will be refunded to you after the return of the Equipment in accordance with paragraph 5.

14. CONSENT TO LAW, JURISDICTION, AND VENUE: This Agreement shall be deemed fully executed and performed in the state of Owner or its Assignee's principal place of business and shall be governed by and construed in accordance with its laws. If the Owner or its Assignee shall bring any judicial proceeding in relation to any matter arising under the Agreement, you irrevocably agree that any such matter may be adjudged or determined in any court or courts in the state of the Owner or its Assignee's principal place of business, or in any court or courts in your state of residence, or in any other court having jurisdiction over you or your assets, all at the sole election of the Owner. You hereby irrevocably submit generally and unconditionally to the jurisdiction of any such court so elected by Owner in relation to such matters. You waive trial by jury in any action between us and waive defense of inconvenient forum.

15. DELIVERY OF ORIGINALS: You agree to submit the original master rental documents with the security deposit to the Owner via overnight courier the same day of the facsimile transmission of the rental documents. Should we fail to receive these originals, you agree to be bound by the faxed copy of this Agreement with appropriate signatures. Customer waives the right to challenge in court the authenticity of a faxed copy of this Agreement and the faxed copy shall be considered the original and shall be the binding Agreement for the purposes of any enforcement action under paragraph 11.

16. MAINTENANCE AND SUPPLIES: The charges established by this Agreement include payment for the use of the designated Equipment and accessories, maintenance by Supplier (during normal business hours); inspection, adjustment, parts replacement, drums and cleaning material required for the proper operation, as well as black toner and developer. Paper and staples must be separately purchased by you. If necessary, the service and supply portion of this Agreement may be assigned. We may charge you a Supply Freight Fee to cover our costs of shipping supplies to you.

17. OVERAGES AND COST ADJUSTMENTS: You agree to comply with any billing procedures designated by us, including notifying us of the meter reading at the end of each month. At the end of the first year of this Agreement and once each successive twelve month period, we may increase your payment, and the per copy charge over the copies included (Overage) by a maximum of 15% of the existing charge.

18. UPGRADE/DOWNGRADE PROVISION: AFTER INCEPTION OF THE AGREEMENT AND UPON YOUR REQUEST, WE MAY REVIEW YOUR COPY VOLUME AND PROPOSE OPTIONS FOR UPGRADING OR DOWNGRADING TO ACCOMMODATE YOUR NEEDS.

19. TRANSITION BILLING: In order to facilitate an orderly transition, including installation and training, and to provide a uniform billing cycle, the "Effective Date" of this Agreement will be the fifteenth (15th) day of the month following installation. You agree to pay a prorated amount for the period between the installation date and the Effective Date. This payment for the transition period will be based on the base minimum usage payment prorated on a 30 day calendar month and will be added to your first invoice.

20. CELL PHONE: By signing below you acknowledge, accept, and agree to the terms and conditions listed on the reverse side of this Agreement. By providing a telephone number for a cellular phone or other wireless device, you are expressly consenting to receiving communications (for NON-marketing or solicitation purposes) at that number, including, but not limited to, prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system from Owner and its affiliates and agents. This Express Consent applies to each such telephone number that you provide to us now or in the future and permits such calls. These calls and messages may incur access fees from your cellular provider.

FOR MUNICIPALITIES ONLY

21-A. CUSTOMER COVENANTS: You covenant and warrant that (1) it has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the payments scheduled to come due and to meet its other obligations under the Agreement and such funds have not been expended for other purposes; and (2) that there is no action, suit, proceeding or investigation pending, or threatened in any court or other tribunal or competent jurisdiction, state or federal or before any public board or body, which in any way would (a) restrain or enjoin the delivery of the Agreement or the ability of you to make its Base Payments (as set out above); (b) contest or affect the authority for the execution or delivery of, or the validity of, the Agreement; or (c) contest the existence and powers of you; nor is there any basis for any such action, suit, proceeding or investigation; and (3) That the equipment will be operated and controlled by you and will be used for essential government purposes and will be essential for the term of the Agreement. (4) You have not previously terminated a rental for non-appropriation, except as specifically described in a letter appended hereto.

21-B. SIGNATURES: Each signor (two if monthly payment exceeds \$1,200) warrants that he/she is fully conversant with the governing relevant legal and regulatory provisions and has full power and authorization to bind you. Signor(s) for you further warrant(s) its governing body has taken the necessary steps; including any legal bid requirements, under applicable law to arrange for acquisition of the Equipment; the approval and execution has been in accordance with all applicable open meeting laws; and that a resolution of the governing body of you authorizing execution of the Agreement has been duly adopted and remains in full force and effect.

21-C. NON APPROPRIATION: In the event you are in default under the Agreement because:

- 1. Funds are not appropriated for a fiscal period subsequent to the one in which the Agreement was entered into which are sufficient to satisfy all of your obligations under the Agreement during said fiscal period;
- 2. Such non-appropriation did not result from any act or failure to act of you;
- 3. You have exhausted all funds legally available for all payment due under the Agreement; and
- 4. There is no other legal procedure by which payment can be made to Owner.

Then, provided that (a) you have given Owner written notice of the occurrence of paragraph 1 above thirty (30) days prior to such occurrence; (b) Owner has received a written opinion from your counsel verifying the same within ten (10) days thereafter upon receipt of the Equipment delivered to a location designated by Owner, at your expense, Owners remedies for such default shall be to terminate the Agreement at the end of the fiscal period during which notice is given; retain the advance payments, if any; and/or sell, dispose of, hold, use or rent the Equipment as Owner in its sole discretion may desire, without any duty to account to you.

County of Pender

X
SIGNATURE

TITLE

DATED

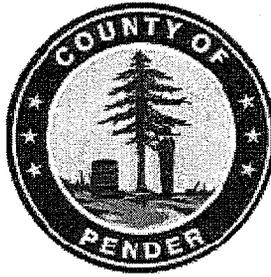
CUSTOMER

SIGNATURE

TITLE

24136 - 06/14/2010

Page 2 of 2



**Pender County
Cost Per Copy Program
Scope of Services**

This contract entered into this the _____ day of _____, 2011 and effective immediately by and between COECO Office Systems (hereinafter called "COECO") and Pender County Government (hereinafter called "County").

FREIGHT FOB TOTAL FREIGHT CHARGES MUST BE A PART OF THE COST PER COPY CHARGED TO THE COUNTY, SHIPPED PREPAID ONLY. Upon completion of the contractual period, COECO is required to provide a return carrier for the equipment at no additional charge to the County.

GENERAL: This CONTRACT IS SUBJECT TO THE PROVISION OF THE GENERAL CONTRACT TERMS AND CONDITIONS OF THE COPY MANAGEMENT PLAN AND ITS ADDENDUM. Terms and conditions include as part of published price: lists, catalogs, and/or other documents as part of the proposal. Responses are waived and will have no effect either on the proposal or any contract which may by COECO be grounds for rejection of that proposal.

AWARD OF CONTRACT: As provided by statute, this contract and its award are based on the lowest and best overall proposal (most advantageous to the County) as determined by consideration of:

- Cost
- Overall Customer Service
- Overall Service plan
- Technician proximity
- Training
- Implementation
- Security
- Faxing options
- County Alchemy Document Management System (DMS) support
- Conformity with the general specifications within the Cost Per Copy Program Request for Proposal submitted to COECO.
- Conformity with the terms and conditions of the Cost Per Copy Program Request for Proposal submitted to COECO.
- Suitability of the equipment for its intended use

- General reputation and performance capabilities of the COECO and equipment
- Service, particularly with regards to response time

OVERALL SCOPE: The Cost Per Copy Program shall commence _____, 2011 and terminate on _____, 2016. COECO shall FURNISH, DELIVER, INSTALL, INSTRUCT IN THE USE OF, AND MAINTAIN IN SATISFACTORY OPERATING CONDITION ALL COST PER COPY EQUIPMENT. This agreement shall include all operating supplies and parts (excluding paper) and all service requirements as necessary to meet the current and future volume demands generated by the County. The County shall compensate COECO based entirely on a PER COPY basis which shall represent the total compensation to COECO. This PER COPY rate shall be guaranteed not be inflated by COECO for the duration of this agreement, however, the rate may be decreased by COECO during this duration. There is no minimum or maximum in this agreement. The fixed rate for black and white clicks is .0265 and .0598 for color clicks. All equipment from COECO (Multi-function copiers and printers) shall be networked and fax capable.

DELIVERY REQUIREMENTS: All equipment shall be delivered, installed, and operating on a scheduled basis as existing lease expires.

PAYMENT TERMS: Net 30 days. NO PREPAYMENTS. Payouts will be in areas throughout the contract term. Detailed per machine billing from COECO will be based upon the actual meter reading per the PRECEDING billing period (month, quarter etc.). Meter readings will be received by faxing, mailing, or e-mailing from COECO. Meter readings will be performed on the LAST business day of each billing period. In the event of a holiday closing that will lap over into the succeeding month, the meter will be performed on the LAST business day prior to the holiday closing.

SUPPLIES/MAINTENANCE: All supplies and all parts (except paper) are to be provided by COECO. COECO also supplies all maintenance, labor, and parts for repair and upkeep of installed units. All of these items are to be included in the price per copy quoted herein. It is imperative that COECO maintain a high level of supplies and parts in inventory at all times in order to provide adequate, acceptable levels of service.

NOTE: It is the intent to use 20oz# recycled paper stocks (min. 50% recycled) in all units as mandated by Executive order. Proposed units must operate trouble-free when using these stocks.

BACKUP UNIT: A minimum of one (1 backup) unit must be consistently available for immediate placement at any location where a unit is expected to be out of service for more than six (6) consecutive business hours (8:00 a.m. to 5:00 p.m.). Any/all backup units, as well as supplies and maintenance, are to be included in the cost per copy price quoted herein.

TRAINING REQUIREMENTS: Training for the "key operator" and other departmental personnel shall be provided within 24 hours after installation. On-going training is to be provided as needed.

SERVICE REQUEST: All maintenance requirements, including but not limited to, site visits, preventative visits, operating supplies (excluding paper), repair time, drums, etc., shall be included in this agreement. The service standard response time shall not exceed (6) hours from time of reporting of services needed to COECO by the Information Technology Services (ITS) Help Desk and/or appropriate personnel. COECO shall provide monthly or quarterly and/service reports on each machine showing response time, required maintenance, and required parts. Upon arrival at any site for service calls, the COECO service representative/technician must notify the ITS Help Desk of his/her arrival and when the service request has been completed.

OWNERSHIP OF EQUIPMENT: COECO shall maintain complete ownership of the equipment for the duration of the contract. Upon completion of the contract, COECO shall have no more than one business week to remove all of equipment. IF COECO fails to comply, the County shall forward the equipment to COECO on a "collect" basis by common or contact carrier. The County shall exercise reasonable and appropriate insurance guarding against fire, theft, vandalism, and other acts that a reasonable owner would normally maintain.

REPLACEMENT OF FAULTY MACHINE:

The County reserves the right to request upgrades to newer or more efficient models. Once a copier or printer has been distinguished as a faulty machine or after five service calls for the same problem within a three (3) week period, the machine shall be replaced at the discretion of the County point of contact with the same or a superior model.

CANCELLATION: The County anticipates the term of the contract to be _____, 2011 to _____, 2016; however, the County reserves the right to cancel the agreement at any time.

ENTIRETY OF AGREEMENT:

All notices to Pender County under this agreement shall be directed to:

Name: Erik Harvey, CGCIO
Title: Pender County Information Technology Services Director
Address: P.O. Box 1437, 805 S. Walker Street, Burgaw, NC 28425
Phone: 910.259.1260
Fax: 910.259.1437

Billing procedure should provide at least the following:

1. One master invoice per agency summarizing all billings for the total program population
2. Detailed backup for master invoice that identifies by machine number and location containing the following:
 - a. All models and accessories
 - b. Beginning and ending meter readings. Total copies made.
 - c. Ability to easily add machines to the duration of the contract

Pender County

Attest:

By: _____
George R. Brown, Chairman
Board of Commissioner

By: _____
Rick Benton
County Manager

COECO

Attest

By: _____
Gerald Ange
President

By: _____
Brad Pickelsimer
Sales Manager

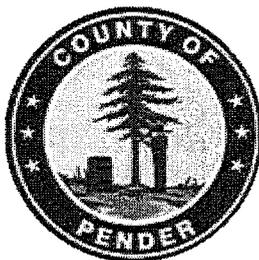
This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

By: _____
Signature

Name: Dave McCole

Title: Pender County Finance Director

Date: _____



**ADDENDUM
TO
COPY MANAGEMENT PLAN**

This Addendum to Rental Agreement ("Addendum") is attached to and made part of that certain Copy Management Plan ("the Agreement") between COECO Office Systems ("Owner") and County of Pender ("Customer") dated _____, 2011 (the "Agreement"). The words "YOU" and "YOUR" refer to the Customer and the words "WE", "US" and "OUR" refer to the Owner. Unless otherwise defined herein, capitalized terms shall have the definition set forth in the Agreement.

NOW, THEREFORE, for good and valuable consideration, intending to be legally bound and pursuant to the terms and conditions of the Agreement, it is hereby agreed as follows:

- A. Section "CONTINUING GUARANTY" of the Agreement is deleted in its entirety.

- B. Section 2 of the Agreement is modified in its entirety:
Sentence 1 of Section 2 is revised to read; "PAYMENT: We will invoice Pender County the first of each month. All invoices shall be NET 30 term. All payments will be made to COECO Office Systems."

Sentence 3 of Section 2 is deleted in its entirety.

- C. Section 5 of the Agreement is modified as follows:
Sentence 1 of section 5 is revised to read; "LOCATION OF EQUIPMENT: We shall deliver, install, and/or relocate all equipment to its assigned location according to Schedule A, or any locations Pender County deems necessary. At the end of the Agreements term, we will return all Equipment and cover all expenses accordingly."

- D. Section 7 of the Agreement is modified in its entirety:
"COLLATERAL PROTECTION AND INSURANCE: We are responsible for installing and keeping the Equipment in good working order. Each party shall maintain liability insurance in an amount not less than One Million Dollars (\$1,000,000.00) for a single occurrence and shall provide a copy of the declarations page to the other within ten (10) days of the execution of the contract. If a party does not object to the information provided within ten (10)

days of receipt, then its acceptance of the insurance as satisfying all obligations under this Agreement shall be conclusively established. County shall also provide to COECO a copy of its property and casualty insurance declarations page. County shall not be obligated to provide insurance beyond its standard property and casualty insurance, so long as it maintains coverage on all structures in which COECO equipment is located.”

E. Section 8 of the Agreement is modified in its entirety.

Section 8 is revised to read: INDEMNITY: “Each party agrees to hold harmless and defend the other from and against all laws, liability or claim of any kind, including expenses and reasonable attorneys’ fees, caused, or alleged to have been caused, by its actions or inactions or those of its’ employees, agents, or other individuals acting under its control, supervision or direction and arising under this Agreement.”

F. Section 16 of the Agreement is modified as follows:

Sentence 2 of Section 16 is revised to read; “Paper must be separately purchased by you.”

Sentence 4 of section 16 is deleted in its entirety.

G. Section 17 of the Agreement is modified in its entirety:

OVERAGES AND COST ADJUSTMENTS: “We agree to comply with Pender County’s billing procedures. We shall notify Pender County of all meter readings at the end of each month. We shall not increase Pender County’s payment or cost per copy charges at any time.”

Sentence 2 of Section 17 is deleted in its entirety.

H. Section 19 is revised to read; “This Agreement has been made in North Carolina and, except for local filing requirements, is governed by and construed in accordance with the laws of the State of North Carolina. YOU consent to and agree that non-exclusive jurisdiction, personal or otherwise, over YOU and the Equipment shall be with the Courts of the State of North Carolina or the U.S. District Court – Eastern District of North Carolina solely at OUR option with respect to any provision of this Agreement. YOU ALSO AGREE TO WAIVE YOUR RIGHT TO A TRIAL BY JURY.”

I. Section “FOR MUNICIPLAITIES ONLY” of the Agreement is deleted in its entirety.

J. Section 21-A, 21-B, 21-C of the Agreement is deleted in its entirety.

It is expressly agreed by the parties that this Addendum is supplemental to the Rental Agreement, which is by reference made a part hereof, and all the terms and conditions

and provisions thereof, unless specifically modified herein, are to apply to this Addendum and are made a part of this Addendum as though they were expressly rewritten.

In the event of any conflict, inconsistency or incongruity between the provisions of this Addendum and any of the provisions of the Rental Agreement, the provisions of this Addendum shall in all aspect govern control.

This Addendum has been executed and delivered in, and shall be construed in accordance with the laws of the State of North Carolina.

The terms hereof may not be terminated, amended, supplemented or modified orally, but only by an instrument duly authorized by each of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed by their authorized representatives as of the date first above written.

Pender County

Attest:

By: _____
George R. Brown, Chairman
Board of Commissioner

By: _____
Rick Benton
County Manager

COECO Office Systems

Attest

By: _____
Gerald Ange
President

By: _____
Brad Pickelsimer
Sales Manager

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

By: _____
Signature

Name: Dave McCole

Title: Pender County Finance Director

Date: _____