

BUSINESS MEETING ITEM COVER SHEET

DEPARTMENT Clerk and Recorder

DIVISION Elections

TITLE Contract with Bell & Howell for election equipment

DOCUMENT TYPE Contract

SUBTYPE New

BUSINESS MEETING DATE 08/14/12

COMMISSIONERS' ACTION Approved Denied Other

ORIGINAL(S) RETURNED TO Agenda File + Kim Smith

AGENDA ITEM NUMBER

14

COMMENTS



Elevate Vote by Mail Sorting System

Documents For



Clerk and Recorder

**Hillary Hall
1750 33rd Street, Suite 200
Boulder, CO 80301**

August 7, 2012

BOULDER COUNTY CONTRACT ROUTING SHEET

Please see second page of form for checklist and instructions

- NEW
- RENEWAL
- AMENDMENT AND/OR CHANGE ORDER
- ORIGINAL IN CONTENT MANAGEMENT YES NO (If no, please attach original contract)

OTHER
 1 NUMBER OF ORIGINALS

Current Insurance Certificate Attached On File with Risk Management *(only check if certain!)* N/A

DEPARTMENT/ELECTED OFFICE Clerk and Recorder

DIVISION

CONTACT Kim Smith PHONE 30-413-7747 Email notifications? Yes

CONTACT #2 PHONE Email notifications? Yes

CONTRACTOR/VENDOR Bell and Howell, LLC

PURPOSE Purchase Election Equipment

Is Vendor a PERA retiree? Yes If yes, contract must also be routed to HR for approval.

CATEGORY Purchase

TERM OF CONTRACT Anticipated Start Date 8/15/12 End Date 08/14/13

AMOUNT \$219,960.68 EXPENDITURE REVENUE N/A

FUNDING SOURCE ACCOUNT General Fund *REQUIRED

BID RFP RFQ SOQ NUMBER DATE

Bid process was waived and a copy of BOCC-approved waiver is attached

Request for BOCC to waive bid process is attached – must have Purchasing OK

Bid process not applicable. Explain Below:

Comments: WSCA/NASPO Contract #WSCA/NASPO Contract # ADSPO11-00000411-2
 This has been reviewed by Purchasing and the County Attorney's Office

EO/DH: Hillary Hall, Clerk and Recorder

EO/DH APPROVAL		
I verify that the expenditure is no more than what was approved as a budget item, that the terms of the contract were negotiated under my direction, that my department can and will carry out the terms, that no conflict of interest exists and that the contract has been proofread.		
DocuSigned by:		
Hillary Hall	<i>Hillary Hall</i>	8/6/2012
EO/DH Printed Name	EO/DH Signature	Date

REVIEW SECTION

COUNTY ATTORNEY

DS
CD

I have reviewed the document and verify enforceability and compliance with applicable law.

Date Received _____ DocuSigned by: _____ Date Reviewed 8/7/2012

Signed Ruth Becker Ruth Becker

Comments: B3214277FFBC461...

RISK MANAGEMENT

DS
BM

I have reviewed the document and verify insurance certificates are in compliance.

Date Received _____ Date Reviewed 8/6/2012

Signed Pam Stonecipher Pam Stonecipher

Comments: DocuSigned By: Pam Stonecipher

FINANCE

I have reviewed the document and verify compliance with purchasing policies and budget requirements.

Date Received 8/7/2012 Date Reviewed 8/7/2012

Signed Bob Lamb Bob Lamb Jenny Olberding Jenny Olberding

Comments: PO not approved and final until contract is signed by BOCC

HUMAN RESOURCES

I have reviewed the document and verify compliance with County Wage and employment policies.

Date Received _____ Date Reviewed _____

Signed _____
Comments: _____

CHECKLIST

- Complete 2 original contracts from the county's sample contract found on the County Attorney's internal website at <http://insidebc/sites/ca/Pages/GeneralInfoandServices.aspx>.
- Make sure to include a copy of the contractor's insurance certificate before routing the contract for review. If there is a question about what type of insurance is required, please refer to the sample contract descriptions in the insurance section or contact Risk Management at 303-441-3801.
- Include additional attachments such as any exhibits to the contract or Bid/RFP/quote documents
- If a County employee, either directly as an individual or indirectly as an agent, owner or employee of the contracting agency, is a party to this contract, Human Resources must sign the Routing Sheet *first*.
- Fill out upper portion of first page using Microsoft Word by tabbing between fields. If a field is not applicable to this contract, leave that field blank. Only applicable check boxes should be checked.
- Make sure you complete the form, including EO/DH name and signature. Please do not type in all caps and make comments brief. Most fields have a limit of 30 characters. Contractor/Vendor and Purpose are limited to 70 characters
- Before routing contract to reviewers, it must be complete and have all attachments.
- Flag pages where you need signatures.

ADDITIONAL INFORMATION

- For most contracts, where the County is paying a vendor, the vendor will sign first. If the County is receiving money, the other party may require that the County sign first. In these cases it is the department or elected office designee's responsibility to send the original contract to Records Management after it is fully executed.
- Please allow five days for the County Attorney's Office to review the contract.
- Contracts must be reviewed in the order listed, unless Human Resources must review, in which case their review will come first.
- Each reviewer will forward the contract to the next reviewer.
- If there is a problem at any stage of the review, that office will notify the Contact person listed on the front to fix the problem before contract is forwarded to the next reviewer.
- All contracts regardless of amount must be routed for review.
- Contracts over \$25K require BOCC approval and will be entered into content management upon approval. Contracts under \$25K require EO/DH approval. Your department or office is responsible for forwarding those approved contracts to Records Management for inclusion into the content management system.
- Additional information can be found under policy VI at http://iweb.co.boulder.co.us/intra_manuals/toc_policy/section_6/vi_1.htm

**PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE and
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS
MAIL ROOM EQUIPMENT, SERVICES AND SUPPORT
Administered by the State of Arizona (hereinafter "Lead State")**

MASTER PRICE AGREEMENT
Bell and Howell, LLC
ADSPO11-00000411-2
(hereinafter "Contractor")

And

[Boulder County, State of Colorado]
(hereinafter "Participating Entity")

Page 1 of 4

1. **Scope:** This addendum covers the WSCA/NAPSO Mail Room Equipment, Services and Support contract lead by the State of Arizona for use by state agencies and other entities located in the Participating State/Entity authorized by that state's statutes to utilize state/entity contracts.

2. **Participation:** Use of specific WSCA/NASPO cooperative contracts by agencies, political subdivisions and other entities (including cooperatives) authorized by an individual state's statutes to use state/entity contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.

3. **Participating Entity Modifications or Additions to Master Price Agreement:**
(These modifications have been specifically added to the Participating Addendum:)

- **Purchase Order - sample**
- **Statement of Work**
- **Boulder County VBM Pricing**

4. **Lease Agreements:** Equipment lease agreement terms and conditions included in the Master Price Agreement need to be approved for use by the Participating State and any restrictions or requirements for the use of the lease agreement language in the Master Price Agreement.

5. **Primary Contacts:** The primary contact individual for this participating addendum are as follows (or their named successors):

Lead State Lead State

Name	Terri Johnson, Senior Procurement Officer
Address	Arizona DOA-SPO, 100 N. 15 th Ave, Suite 201, Phoenix, AZ 85007
Telephone	602-542-9125
Fax	602-542-5508
E-mail	Terri.johnson@azdoa.gov

Contractor

Name	Marjorie McDermott, National Sales Director, Government
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Page 2 of 4

	Accounts
Address	3791 S Alston Ave., Durham, NC 27713-1803
Telephone	801-930-5402
Fax	866-593-1694
E-mail	marjorie.mcdermott@bhemail.com

Participating Entity Contact

Name	Hillary Hall, Boulder County Clerk & Recorder
Address	1750 33 rd Street, Suite 100, Boulder, CO 80301
Telephone	303-413-7700
Fax	303-413-7706
E-mail	hhall@bouldercounty.org

6. Deleted.

7. Purchase Order Instructions:

All orders should contain the following (1) Mandatory Language "PO is subject to WSCA/NASPO Contract # ADSP011-00000411-2" (2) Boulder County Colorado, 1750 33rd Street, Suite 100, Boulder, CO 80301, Hillary Hall, Clerk & Recorder 303-413-7700.

Orders can be made out to **Bell and Howell. LLC.**

8. Price Agreement Number:

All purchase orders issued by purchasing entities within the jurisdiction of this participating addendum shall include the Participating State contract number: **[insert appropriate number]** and the Lead State price agreement number: **ADSP011-00000411-2.**

9. Compliance with reporting requirements of the "American Recovery and Reinvestment Act of 2009" ("ARRA"): If or when contractor is notified by ordering entity that a specific purchase or purchases are being made with ARRA funds, contractor agrees to comply with the data element and reporting requirements as currently defined in Federal Register Vol 74 #61, Pages 14824-14829 (or subsequent changes or modifications to these requirements as published by the Federal OMB). Ordering entity is responsible for informing contractor as soon as the ordering entity is aware that ARRA funds are being used for a purchase or purchases. Contractor will provide the

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Page 3 of 4

required report to the ordering entity with the invoice presented to the ordering entity for payment. The contractor, as it relates to purchases under this contract, is not a subcontractor or subgrantee, but simply a provider of goods and related services.

10. Individual Customer:

Each State agency and political subdivision, as a Participating Entity, that purchases products/services will be treated as if they were Individual Customers. Except to the extent modified by a Participating Addendum, each agency and political subdivision will be responsible to follow the terms and conditions of the Master Agreement; and they will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement. Each agency and political subdivision will be responsible for their own charges, fees, and liabilities. Each agency and political subdivision will have the same rights to any indemnity or to recover any costs allowed in the contract for their purchases. The Contractor will apply the charges to each Participating Entity individually.

This Participating Addendum and the Master Price Agreement number ADSP0---00000411-x (administered by the State of Arizona) together with its exhibits, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Price Agreement, together with its exhibits, shall not be added to or incorporated into this Addendum or the Price Agreement and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and the Price Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms within the Participating State.

www.aboutWSCA.org

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Page 4 of 4

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Participating State: Boulder County, Colorado	Contractor: Bell and Howell, LLC
By: <i>Cindy Domenico</i>	By: <i>Sheila Taylor</i>
Name: Cindy Domenico	Name: Sheila Taylor
Title: Board of County Commissioners, <i>Chair</i>	Title: Manager, Order Administration
Date: <i>8/14/12</i>	Date: <i>8/6/12</i>

[Additional signatures as required by Participating Entity]

THIS PURCHASE REQUEST HAS NOT YET BEEN APPROVED AS A PURCHASE ORDER.



Boulder County Purchasing Department
 PO Box 471
 Boulder, Co. 80306
 (303) 441-3525

08/03/2012

PURCHASE ORDER NO.

P107695

TO RECEIVE PROPER PAYMENT THE ABOVE PO NUMBER MUST APPEAR ON ALL INVOICES, BILLS OF LADING, PACKAGES, CORRESPONDENCE, ETC.

VENDOR: Bell and Howell LLC
 3791 S Alston Ave
 DURHAM, NC 27713

DELIVER TO: Boulder County Clerk and Recorder
 1750 33rd St Ste 100
 Boulder, CO 80301-2534

SEND INVOICE TO: Boulder County Clerk and Recorder
 1750 33rd St Ste 100
 Boulder, CO 80301-2534

Req. #	Vendor #	Ship Via	FOB Destination	Terms	
R309628	V00773	Ground		NET 30	
Workforce Training Rel.	Requestor Kimberly Smith	Client Name	Date Required/Void if not used by		
QTY	PART NO.	DESCRIPTION	UNIT	UNIT PRICE	EXTENDED PRICE
1		Criterion Elevate front end for VBM (Vote by Mail)envelope processing (formerly known as the APEX JE)	EA	98,600.00	98,600.00
16		Two sided-bins	EA	1,972.00	31,552.00
		Overhead mail tray racks	EA	2,320.00	1,160.00
1		Inkjet Printer	EA	17,400.00	17,400.00
2		Tray Tag printers for batch/precinct tray identification	EA	1,740.00	3,480.00
1		Server Fee (includes server,monitor,keyboard)	EA	15,000.00	15,000.00
1		Network Server SMA	EA	4,550.00	4,550.00
1		Shipping installation and onsite testing	EA	0.00	0.00
1		Annual Product Maintenance	EA	0.00	0.00
		Two Elections (per year) (pricing valid for years 2-5)	EA	13,473.00	0.00
		One election (per year)(pricing valid for years 2-5)	EA	9,600.00	0.00
		Additional Elections	EA	4,500.00	0.00
1		On Site Election Day Maintenance/Support which includes 12 hrs/day designated by Boulder County for November 2012 election. Boulder County may choose additional days at the stated rate	EA	2,500.00	2,500.00
1		VBM Low Volume package (with ASV, upgraded to 300k/year), includes VBM DATA Review Client Software	EA	50,000.00	50,000.00

THIS PURCHASE REQUEST HAS NOT YET BEEN APPROVED AS A PURCHASE ORDER.



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Req. # R309628	Vendor # V00773	Ship Via Ground	FOB Destination	Terms NET 30
Workforce Training Rel.	Requestor Kimberly Smith		Client Name	Date Required/Void if not used by

QTY	PART NO.	DESCRIPTION	UNIT	UNIT PRICE	EXTENDED PRICE
1		VBM Low Volume package (with ASV, upgraded to 300k/year),SMA includes VBM DATA Review Client Software	EA	10,000.00	10,000.00
		Slide out Trays	EA	2,505.60	1,252.80
		Total WSCA Items \$235,494.80	EA	0.00	0.00
1		WSCA Discount	EA	(40,034.12)	(40,034.12)
		Total WSCA Price \$195,460.68	EA	0.00	0.00
		Non WSCA Item	EA	0.00	0.00
1		Thickness/Doubles Detection Package (Non WSCA Item)	EA	24,500.00	24,500.00
		Total Non WSCA Price \$24,500.00	EA	0.00	0.00
This Purchase Order is subject to WSCA/NASPO Contract # ADSP011-00000411-2 and the Boulder County Terms and Conditions Boulder County PO Box 471 Boulder, CO 80306 Hillary Hall 303-413-7700					

THIS PURCHASE REQUEST HAS NOT YET BEEN APPROVED AS A PURCHASE ORDER.



Boulder County Purchasing Department
PO Box 471
Boulder, Co. 80306
(303) 441-3525

08/03/2012

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Req. # R309628	Vendor # V00773	Ship Via Ground	FOB Destination	Terms NET 30	
Workforce Training Rel.	Requestor Kimberly Smith	Client Name	Date Required/Void if not used by		
QTY	PART NO.	DESCRIPTION	UNIT	UNIT PRICE	EXTENDED PRICE
				TOTAL	219,960.68

Tax Exemption # 98-03561-000

This PO is subject to certain terms and conditions which can

be found at: www.bouldercounty.org/find/bids/pages/purchasing.aspx

Jenny Obberding
Authorized Signature

Client Signature - Workforce Use only

Exhibit A

SOFTWARE LICENSE

THIS SOFTWARE LICENSE by and between Bell and Howell, LLC ("BH") and The County of Boulder, State of Colorado, a body corporate and politic ("Customer") is entered into pursuant to the terms and conditions of that certain Purchase Order NO. **P107695** by and between Bowe Bell + Howell Company and Customer (the "Agreement"),

1. License; License Key. Ownership of, and title to, the Vote By Mail Low Volume Software with Automated Signature Verification and 300,000 assignments per year includes Vote By Mail Data Review Client Software and Vote By Mail Precinct Sorting Software without Automated Signature Verification, includes Vote By Mail Data Review Client (collectively referred to herein as the "Software"), including any copies thereof and any updates, derivative works or improvements, is retained by BH or its third-party suppliers. Customer's use of the Software and any updates or improvements thereto is subject to the terms of the licensing restrictions contained herein. Customer acknowledges that the Software and updates thereto may use a hardware or software key to enforce the license provisions. Accordingly, Customer's use of the Software and the update(s) may only be on those machines of Customer for which a license key has been granted by BH.

2. License. THE PROGRAM DEFINED BELOW IS COPYRIGHTED AND LICENSED (NOT SOLD).

- a. **License Grant.** BH hereby grants to Customer, and Customer accepts, for the term of one year, subject to renewal for 2 additional one year terms (the "Term") a non-exclusive, non-transferable, revocable license to use the compact disc(s) or digital video disc (collectively the "Media") and the computer programs contained therein in machine-readable, object code form only, and the accompanying Documentation (together with Software, the "Program"), only as authorized in this License. Only a single user on a computer (whether server-based or integrated into a mail sorter system) owned, leased, or otherwise controlled by Customer at any point in time may use the Software. Neither concurrent use on two or more computers nor concurrent use by two or more users in a network is permitted without separate authorization and the payment of additional license fees. Customer agrees that Customer will not assign, sublicense, transfer, pledge, lease, rent, or share Customer's rights under this License unless previously authorized in writing by BH. Customer agrees that Customer shall not reverse assemble, reverse compile, or otherwise translate the

Software. Customer agrees to use the Software only within the United States its territories and possessions. This License does not authorize Customer to use any component of the Software separately for any purpose.

- b. **Backup Copies.** Upon loading the Software into Customer's computer, Customer may retain the Media for backup purposes. In addition, Customer may make up to two copies of the Software on another disc (or other media) for the purpose of backup in the event the Media is damaged or destroyed. Customer may make up to two copies of the documentation for backup purposes. All such copies of the Software or the documentation shall include BH's copyright and other proprietary notices. Except as authorized under this paragraph, no copies of the Program or any portions thereof may be made by Customer or any person under Customer's authority or control. Except for the license rights expressly granted herein, all rights are reserved.
- c. **License Restrictions.** This License does not permit Customer to: create other derivative products based upon information received from or through the BH product technology, make any invention, improvement or enhancement, whether patentable or unpatentable, on or relating to any portion thereof without the prior written approval of BH.
- d. **BH's Rights.** Customer acknowledges and agrees that the Software and the Documentation are proprietary products of BH protected under U.S. copyright law. Customer further acknowledges and agrees that all right, title, and interest in and to the Program, including associated intellectual property rights, are and shall remain with BH and any third party from which BH obtains its rights. This License does not convey to Customer an interest in or to the Program, but only a limited right of use revocable in accordance with the terms of this License. All rights contained in this License inure to the benefit of BH.
- e. **Withdrawal or Update of Licensed Materials.** BH reserves the right to withdraw from the Software any item or part of an item for which it no longer retains the right to license, or which it has reasonable grounds to believe infringes copyright or is unlawful. BH reserves the right to update the Software as required for its specified use. BH shall give written notice to Customer of such actions no later than thirty (30) days following the removal of any item or update pursuant to this section. If any such action renders the Software less useful to Customer, BH shall, at its option, obtain for Customer the right to use the removed material, replace the removed material with a suitable replacement or restore the Software to a previous configuration.

Limited Warranty. See Boulder County Terms and Conditions.

f. **Trademarks.** The Bell and Howell logo, BELL AND HOWELL™, WINSORT™ and MMT SABRE™ are trademarks of BH. No right, license, or interest to such trademark is granted hereunder, and Customer agrees that Customer shall assert no such right, license, or interest with respect to such trademark.

g. **Indemnity.** To the extent permitted by law, Customer agrees to hold harmless, defend and indemnify BH from all claims, losses, damage, actions, cause of action, expenses, and/or liability resulting from, brought for, or on account of any injury or damage received or sustained by any person, persons or property growing out of, occurring, or attributable to Customer's performance under or related to this License, resulting in whole or in part from any breach of this License by Customer, or any employee, agent, or representative of Customer.

IN WITNESS WHEREOF, BH and Customer, each acting under due and proper authority, have executed this Schedule as of the day, month and year set forth below.

BELL AND HOWELL, LLC

Customer

By: MARK KILGORE

By: Hillary Hall

Name : Mark Kilgore

Name : Hillary Hall

Title : SR VP SALES OPERATIONS

Title : County Clerk + Recorder

Date : 8/6/12

Date : 8-7-12

BOULDER COUNTY TERMS AND CONDITIONS

This Boulder County Terms and Conditions, by County of Boulder, State of Colorado, a body corporate and politic ("Customer") and Bell and Howell, LLC ("BH") modifies Purchase Order No. P107695 ("Purchase Order") issued by Customer. Except as modified herein, all terms and conditions of the Purchase Order shall remain in full force and effect. The Purchase Order, the Boulder County Terms and Conditions and its exhibits together shall be referred to collectively as the "Agreement".

To the extent these Terms and Conditions conflict with the Terms and Conditions of the printed terms of the Purchase Order, WSCA/NASPO Agreement and related Participating Addendum, these terms shall control.

1. Extension or Renewal:

- a. The County, in its sole discretion, may elect to extend the term of this Contract. In the event the County elects to exercise this right, it shall send written notice to Contractor of its intent to extend the term of the Contract. The notice shall set forth the length of the extension.
- b. Upon mutual agreement by the parties, this Contract may be renewed for 2 additional one year periods beyond the initial Term, subject to the termination provisions of this Agreement. If this option to renew is exercised, the parties shall execute a written agreement no later than thirty (30) days before the expiration of this contract.
- c. All of the provisions of this Contract shall remain in full force and effect during any extension or renewed term except that the scope of services and compensation to be paid to Contractor during any extension or renewed term shall be mutually agreed upon prior to the commencement of any extension or renewed term. The agreed upon scope of services and compensation shall be reduced to writing, signed by both parties, and attached to this Contract.
- d. **TEN CALENDAR DAYS BEFORE THE COMMENCEMENT OF ANY EXTENDED TERM THE CONTRACTOR SHALL SUBMIT TO THE COUNTY PROOF OF**

INSURANCE.

- e. Should the parties fail to agree upon the scope of services or compensation to be paid to Contractor for any extension or renewed term, or should Contractor fail to submit the required documents within the time period specified above then this Contract shall terminate at the end of the then current term and no extension or renewal of the term of the Contract shall occur.

2. Quality of Performance: Contractor will perform the services, as may be further described in a Statement of Work, in a professional and workmanlike manner.

3. Schedule of Work: The Contractor shall perform the Work during the hours designated by the County so as to avoid inconvenience to the County and its personnel and interference with the County's operations.

4. Indemnity: The Contractor shall be liable and responsible for any and all damages to persons or property to the extent arising out of the actions, obligations, or omissions of the Contractor, its employees, agents, representatives or other persons acting under the Contractor's direction or control in performing or failing to perform the Work under this Contract ("Contractor Liability"). The Contractor will indemnify and hold harmless the County, its elected and appointed officials, and its employees, agents and representatives (the "indemnified parties"), from any and all liability, claims, demands, actions, damages, losses, judgments, costs or expenses, including but not limited to attorneys' fees, which may be made or brought or which may result against any of the indemnified parties as a result or on account of the Contractor Liability. Nothing in this indemnification agreement shall be construed in any way to be a waiver of the County's immunity protection under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., as amended.

5. Insurance Requirements: The Contractor shall procure and maintain at its own expense, and without cost to the County, the following kinds and minimum amounts of insurance for purposes of insuring the liability risks which the Contractor has assumed until this Contract has expired or is terminated:

a. Commercial General Liability. This coverage should be provided on an ISO 1998 Form or most current with minimum limits of \$1,000,000.00 combined single limit for each occurrence.

b. Automobile Liability. Minimum limits are required to be

\$600,000.00 for each occurrence. Coverage must include:

- All vehicles owned, non-owned, and hired to be used on the Contract

c. Workers' Compensation and Employer's Liability. Workers' Compensation must be maintained with the statutory limits. Employer's Liability is required for minimum limits of \$100,000.00 Each Accident/\$500,000.00 Disease-Policy Limit/\$100,000.00 Disease-Each Employee.

The Contractor shall provide Certificates of Insurance to Boulder County demonstrating that the insurance requirements have been met prior to the commencement of Work under this Contract.

The Commercial General Liability certificate shall indicate Boulder County as an **ADDITIONAL INSURED.**

The Additional Insured wording should be as follows: *County of Boulder, State of Colorado, a body corporate and politic, is named as Additional Insured.*

Contractor shall provide to Boulder County thirty (30) days advance written notice of cancellation, termination, or modifications to these policies, pursuant to paragraph 15.

The certificate holder is: Boulder County
Attn: Pam Stonecipher, Risk Manager
Boulder County
P.O. Box 471
Boulder, CO 80306

Please forward certificates to the above certificate holder.

6. Nondiscrimination: The Contractor agrees to comply with the letter and spirit of the Colorado Anti-Discrimination Act, C.R.S. § 24-34-401, et seq., as amended, and all applicable local, state and federal laws respecting discrimination and unfair employment practices.

7. Nondiscrimination Provisions Binding on Subcontractors: In all solicitations by the Contractor for any Work related to this Contract to be performed under a subcontract, either by competitive bidding or negotiation, the Contractor shall notify each potential subcontractor of the Contractor's obligations under this Contract, and of all pertinent regulations relative to nondiscrimination and

unfair employment practices.

8. Independent Contractor: The Parties recognize and agree that the Contractor is an independent contractor for all purposes, both legal and practical, in performing services under this Contract, and that the Contractor and its agents and employees are not agents or employees of Boulder County for any purpose. As an independent contractor, the Contractor shall be responsible for employing and directing such personnel and agents as it requires to perform the services purchased under this Contract, shall exercise complete authority over its personnel and agents, and shall be fully responsible for their actions.

Contractor acknowledges that it is not entitled to unemployment insurance benefits or workers' compensation benefits from Boulder County, its elected officials, agents, or any program administered or funded by Boulder County. Contractor shall be entitled to unemployment insurance or workers' compensation insurance only if unemployment compensation coverage or workers' compensation coverage is provided by Contractor, or some other entity that is not a party to this Contract. Contractor is obligated to pay federal and state income tax on any monies earned pursuant to this Contract.

9. Effect of Termination on Software License: Termination of the Agreement for any reason shall not result in a termination of the license to the Contractor's Software, which is defined in and is subject to the terms set forth in the Software License attached hereto and made a part hereof as Exhibit A.

10. Statutory Requirements: This Contract is subject to all statutory requirements that are applicable to counties or political subdivisions of the State of Colorado generally. Without limiting the scope of this provision, the Contract is specifically subject to the following statutory requirement:

Contract payments may be withheld pursuant to C.R.S. § 38-26-107 if the County receives a verified statement that the Contractor has not paid amounts due to any person who has supplied labor or materials for the project.

11. Benefit to Successors and Assigns: This Contract shall be binding upon the successors and assigns of the parties.

12. Breach: Any waiver of a breach of this Contract shall not

not be held to be a waiver of any other or subsequent breach of this Contract. All remedies afforded in this Contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided herein or by law.

13. Damages: All time limits stated in this Agreement are of the essence. The failure of Contractor to substantially complete the installation and acceptance services in conformance with this Agreement may result in damages suffered by the County due to such delays or other failure, including the cost of completing the installation and acceptance and any additional expenses incurred by the County as determined by the County. In the event damages are adjudged to be due to the County, the County may recover damages by deducting the amount of the damages from any monies due or that may become due to Contractor. In the event the remaining balance due to Contractor is insufficient to cover the full amount of damages, then Contractor shall pay the County the amount due and the County shall be entitled to any and all rights and remedies available to it in law or equity. Specific remedies set forth elsewhere in this Agreement are not intended to be exclusive remedies.

14. Warranty: For hardware provided pursuant to this Agreement, Contractor warrants to the County that the Contractor's product ordered hereunder (the "Product") will be free from manufacturing defects in material and workmanship and that it will perform according to Contractor published specifications for one (1) year or until the Product reaches manufacturer's published usage limits for the applicable systems, whichever occurs first, commencing immediately upon the completion date of on-site assembly, testing and acceptance (the "Hardware Warranty Period"). If the County has any material problems with the Product involving a manufacturing defect in material or workmanship during the Hardware Warranty Period, Contractor will repair or, at County's option, replace the Product having such problems. During the Hardware Warranty Period, Contractor will be responsible for the cost of parts and service labor necessary to repair or replace the Product or, at its option, replacing the Product. Contractor does not assume a warranty obligation for consumable parts or supplies such as print heads and ink, or for parts worn out due to extraordinary use of the Equipment or use inconsistent with manufacturer's published specifications.

This warranty excludes: (a) preventive maintenance, routine service and normal wear; (b) Product serviced, repaired, refurbished or otherwise disassembled/reassembled by persons not certified by Contractor to perform such service and repair; (c) damage to the Product caused by use of spare parts or supplies not supplied by Contractor; (d) damage to Product caused by failure to use Contractor authorized procedures and processes; (e) the effects or

effects or outcome of integrating or connecting Contractor Product with products or processing equipment of companies other than Contractor or its wholly-owned subsidiaries. Contractor will assume the obligations stated in this Agreement only if the County operates the Product in accordance with manufacturer's published specifications for such Product including, without limitation, under suitable temperature, humidity, line voltage, and any other manufacturer specified environmental conditions and only if County uses reasonable care in handling, operating, and maintaining the Product; and County uses the Product only for the ordinary purpose for which it is designed.

15. Confidentiality of Systems: In addition to containing public record information, a substantial amount of the information stored in the County's computer system is confidential and not subject to disclosure. Many of the data processing programs, processes or other software products in the possession of the County are confidential and may be protected by copyright, trade secret or other proprietary rights, and are not subject to disclosure. All proprietary rights shall at all times remain with the County and no proprietary rights are hereby transferred to Contractor. The County is and shall remain the sole owner of the computer programs (excluding the Contractor's software programs) and information contained therein, and at no time shall Contractor have the right to license, sublicense, assign, sell, copy or otherwise make available to other persons or institutions, any portion of the computer programs or any information contained thereon or obtained therefrom. Contractor agrees to indemnify and hold harmless the County and its elected officials, agents and employees from all liability, claims, damages and expenses, including attorneys' fees, arising out of the Contractor's unauthorized disclosure of any information not necessary for the purpose of the Agreement. This indemnity shall survive the termination of this Agreement.

Any documents or information provided by the County to Contractor during the performance of the Services and any reports, products or other deliverables produced or provided by Contractor which are related to its performance under the terms of this Agreement and developed specifically for the County under this Agreement shall be and remain the property of the County at all times hereunder, with the exception of the Contractor's Software which shall be subject to the terms and conditions set forth in Exhibit "A". All data, documents or other information provided by the County and results or conclusions of the Services shall be deemed confidential, and shall not be disclosed by Contractor to any person or entity not a party to this Agreement without the prior written consent of the County. Upon termination, Contractor shall deliver all records, notes, data, memoranda, models, equipment, results,

equipment, results, conclusions, products or other deliverables related to its performance under the terms of this Agreement and developed specifically for the County under this Agreement, to the County, with the exception of the Contractor's Software which shall be subject to the terms and conditions set forth in Exhibit A.

16. Backup Copies: County shall have the right to make no more than two (2) copies of the Contractor's Software solely for backup and archival purposes and exclusively for County's internal use, provided that such copies include all original copyright and other proprietary notices.

17. Source Code Escrow: Within sixty (60) days of the County's acceptance of the Contractor Software, Contractor shall place the related source code for the Contractor Software including all related documents and other information required and or necessary to understand and decipher the source code ("Escrow Materials") into escrow, if it has not already done so, with Iron Mountain Intellectual Property Management, Inc. Notwithstanding anything to the contrary in the SOW or elsewhere in this Contract, the Escrow Materials will be released from escrow upon the occurrence of any of the following events:

(i) Contractor, including all successors-in-interest, ceases to exist, and County has paid the license fees and the maintenance fees for the Contractor Software for the then-current maintenance term and is not in breach of the License Agreement; or

(ii) Contractor, including all successors-in-interest, has indicated to County that it is unwilling to provide maintenance services for such Contractor Software, which it has otherwise agreed to do for the then-current maintenance term, and County has paid the license fees and the maintenance fees for the Contractor Software for the then-current maintenance term and is not in breach of the License Agreement.

"Source Code" means the computer programs written in higher-level programming languages, which is sometimes accompanied by English language comments. Source Code shall be limited to include only that Source Code used in the Equipment made a part of this License. No other Bell and Howell-owned Source Code is subject to this provision. Source Code is intelligible to trained programmers and may be translated to object code for operation on computer equipment through the process of compiling. The Source Code shall be used only by County and shall not be disclosed to any third party by County without the express written permission of Contractor.

In the event of Contractor's bankruptcy, County and Contractor acknowledge that this Provision is an "agreement supplementary to"

the License Agreement as provided in Section 365 (n) of Title 11, United States Code (the "Bankruptcy Code"). Contractor acknowledges that if it, as a debtor in possession or a trustee in Bankruptcy in a case under the Bankruptcy Code rejects this License, County may elect to retain its rights under this License as provided in Section 365(n) of the Bankruptcy Code. Upon written request of County to Contractor or the Bankruptcy Trustee, Contractor or such Bankruptcy Trustee shall not interfere with the rights of County as provided in the License including the right to treat the Source Code as fully licensed to the County and use the Source Code for County's purposes to maintain, support, operate and use the Bell and Howell Software without paying an additional license fee to Contractor or the Bankruptcy Trustee.

18. Termination of Third Party Content: If Contractor's license to any Third Party Content terminates, County agrees: (a) that the Sales/Lease Agreement and all other agreements related thereto (e.g., equipment or software maintenance agreements) shall remain in full force and effect in accordance with their terms; (b) to discontinue use of, and/or return the terminated Third Party Content upon notice from Contractor; (c) that Contractor shall have no further obligation with respect to such Third Party Content, and (d) if such Third Party Content is terminated during the term of this Agreement, Contractor agrees to replace, at Contractor's expense, any terminated Third Party Content with software of equivalent functionality for the remaining term of the Agreement.

19. Software Warranties: Contractor warrants to the County that the Contractor Software described in Exhibit A and any other methodologies, proprietary software or proprietary products produced, provided or used Contractor pursuant to this Agreement were independently developed by it or duly licensed from third parties and shall not knowingly infringe upon nor violate any patents, copyrights, trade secrets or other proprietary rights of any other party.

For software provided hereunder, Contractor warrants that for a period of one (1) year from the date of delivery ("Software Warranty Period"), the Contractor's Software will conform to all substantial operational functions of the Contractor's Software described in any documentation provided if installed and used in the operating environment specified therein. If the Contractor's Software does not so conform during the Software Warranty Period, Contractor shall, at its option repair or replace the Contractor's Software.

The warranties provided herein shall not apply if the Contractor's Software fails to perform as a result of: (i) the Contractor's Software not having been used in a manner authorized by this

Agreement or for the ordinary purpose for which it is designed or in accordance with Contractor's instructions; (ii) the Contractor's Software having been altered, modified, converted or repaired by anyone other than Contractor; (iii) the Contractor's Software having been used with any Licensee or third-party hardware or software not approved in writing by Contractor, provided, however that the warranties shall apply to integration with third party SCORE software; (iv) negligence, accident, misuse, abuse, operator error or any other cause within the County's control; (v) virus, contamination, loss of data, external forces, loss of electrical power or power fluctuation; (vi) casualty or sabotage; (vii) breach of this Agreement by the County; or (viii) any use of the Contractor's Software beyond the number of locations or the number of computer systems permitted by and/or paid for under the Sales Agreement, except, in the case of clause (iv), (v) or (vi), to the extent the same results from Contractor' negligence or willful misconduct.

Contractor warrants that it has used its best efforts to determine that the Contractor's Software is free of viruses and other restrictive devices designed to disable or restrict use of the Contractor's Software or the County Systems.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT: THE CONTRACTOR'S SOFTWARE, MATERIALS, SOFTWARE MAINTENANCE AND OTHER SERVICES RELATING TO ANY OF THE FOREGOING ARE PROVIDED "AS IS"; AND CONTRACTOR DOES NOT MAKE, AND COUNTY SPECIFICALLY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE CONTRACTOR'S SOFTWARE, MATERIALS, SOFTWARE MAINTENANCE, OTHER SERVICES RELATED TO ANY OF THE FOREGOING OR ANY INFORMATION GENERATED BY THE COUNTY'S USE OF THE CONTRACTOR'S SOFTWARE OR MATERIALS. THE EXPRESS WARRANTIES GIVEN IN THIS AGREEMENT ARE GIVEN IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR WARRANTY OF OR RELATING TO RESULTS, PERFORMANCE OR RESOURCE UTILIZATION. WITHOUT LIMITING THE FOREGOING, CONTRACTOR DOES NOT REPRESENT OR WARRANT THAT THE CONTRACTOR'S SOFTWARE WILL MEET THE COUNTY'S OR ANY THIRD-PARTY'S REQUIREMENTS, WILL OPERATE ERROR-FREE OR UNINTERRUPTED OR FREE FROM OTHER DEFECT OR FAILURE, OR WILL BE COMPATIBLE WITH OR OPERATE IN COMBINATION WITH ANY OTHER SOFTWARE OR HARDWARE SELECTED OR USED BY THE COUNTY OR ANY THIRD-PARTY, OR THAT ANY DEFECT THEREIN OR IN THE MATERIALS OR SOFTWARE MAINTENANCE IS CORRECTABLE. Some states do not allow the disclaimer of implied warranties. Therefore, the above disclaimer may not apply to the County.

CONTRACTOR AND ITS SUPPLIERS SHALL NOT BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING UNDER THIS AGREEMENT OR OTHERWISE WITH RESPECT TO THE SALE OR USE OF THE

PRODUCT, THE SOFTWARE AND UPDATES OR IMPROVEMENTS THERETO, OR SERVICES, INCLUDING ANY LOST REVENUE OR PROFITS, BUSINESS INTERRUPTION, POSTAL PENALTIES OR DAMAGE TO BUSINESS REPUTATION, REGARDLESS OF THE THEORY UPON WHICH ANY CLAIM MAY BE BASED INCLUDING STRICT LIABILITY. IN NO EVENT WILL CONTRACTOR'S LIABILITY TO COUNTY EXCEED THE PURCHASE PRICE PAID BY COUNTY FOR THE PRODUCT OR SERVICES GIVING RISE TO A CLAIM.

20. Termination of Prior Agreements: This Contract cancels and terminates, as of its effective date, all prior agreements between the parties relating to the services covered by this Contract, whether written or oral or partly written and partly

21. Third Party Beneficiary: The enforcement of the terms and conditions of this Contract and all rights of action relating to such enforcement shall be strictly reserved to the County and the Contractor, and nothing contained in this Contract shall give or allow any claim or right of action whatsoever by any other or third person. It is the express intent of the parties to this Contract that any person receiving services or benefits under this Contract shall be deemed an incidental beneficiary only.

22. Entire Agreement: This Agreement, Participating Addendum and the Statement of Work represents the entire agreement of the parties, merging herein and superseding all prior negotiations and agreements between them as to such subject matter. Any and all terms, conditions and provisions contained in any purchase order, acknowledgment form or other communications that Customer uses with respect to the transactions contemplated by this Agreement, whether prior or subsequent to the date hereof, are agreed to be surplusage and without any force or effect. This Agreement may be modified or amended only by a subsequent written instrument signed by authorized representatives of the parties hereto expressly superseding the provisions hereof.

bell  **howell**

Statement of Work

FOR

Vote by Mail Sorting System



Clerk and Recorder

**1750 33rd Street, Suite 200
Boulder, CO 80301**

August 3rd, 2012

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1. Executive Summary

1.1. Bell and Howell Introduction

Headquartered in Durham, NC, Bell and Howell is a leading provider of comprehensive high performance product offerings that cover data quality, outgoing mail preparation, USPS tracking and incoming mail processing among other areas. With over 2300 systems installed and several decades of serving multiple industries, Bell and Howell has the depth and expertise to offer the right solution for mail related challenges.

In 2007, we engineered our proven commercial product platforms to meet the needs of mail ballot/ Vote by Mail processing, including features such as inline Automated Signature Verification, combined with sorting based on the jurisdiction's needs and additional operations such as printing and inline opening. We have successfully deployed our products in several jurisdictions starting in 2007, with improvements in features and performance being added on an ongoing basis as we uncover new needs from new installations.

1.2. Customer Background & Expected Benefits

Boulder County has seen increasing election mail volumes over recent years and is interested in applying automation to ease mail ballot processing challenges.

Boulder County can expect the following benefits from implementing the recommendations described in this document:

Faster time to completion: With the high processing speeds and improved integrity enabled by the sorter, overall mail ballot processing can now be completed faster, resulting in the ballots being available for tabulation faster than before.

Minimize staffing and associated training and monitoring needs: The sorter enables existing election officials to perform tasks more efficiently, resulting in a significant reduction of temporary staff, as well as the associated training and monitoring needs.

Minimize risk: A greater part of the overall election processing effort can be performed by experienced election officials who are less likely to make errors. Further, the improved uniformity from automation of labor intensive tasks reduces fatigue and the risk of human errors.

Improved visibility: Detailed logs are available for all processing done on a piece as soon as it is run on the system, enabling better oversight of the process and faster response to voter inquiries on the status of their ballots.

Faster processing of exceptions: The high processing speeds of the sorter will result in early identification of exceptions, enabling the county to contact the voters and take appropriate action earlier than ever before.

Reduce signature verification time: The included client software can be installed on multiple county computers and will enable four pairs of signature images to be viewed at the same time to maximize productivity.

Proven and affordable automated signature verification: Bell and Howell implemented automated signature verification (ASV) in 2007, and has a proven track record across multiple sites for ensuring the best possible ASV performance.

Maintain voter anonymity: Cumulative counts can be monitored for individual district styles to ensure that a minimum count of ballots exist for a specific district style (or alternate criteria) before that district style proceeds with opening and extraction.

Minimize mail ballot handling: High speed imaging and data capture of mail ballots enables most of the work to be completed using the envelope images, enabling the mail ballots to be stored in a secure location for most of the process.

Maintain signature privacy efficiently: The optional inline tab removal solution will enable efficient automated removal of an appropriately designed privacy panel on the envelope.

Simplify storage and handling: The ability to commingle multiple batches together simplifies storage and handling, while still maintaining physical traceability to individual separations within batches utilizing tags printed from the on-demand tray tag printers.

2. Project Team

2.1. County Team Members

- Hillary Hall, County Clerk and Recorder
- Kimberly Smith, Operations/ Finance Manager
- Sydney Power
- Crystal Christman

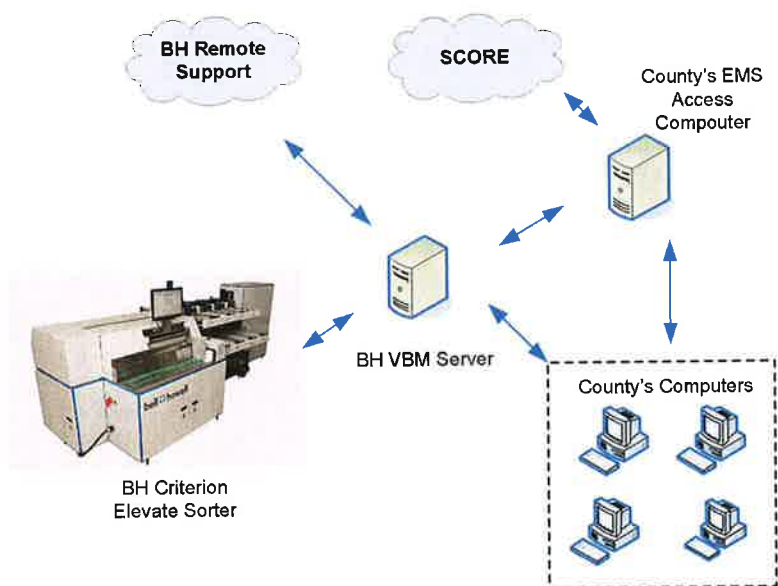
2.2. Bell and Howell Team Members

- Marjie McDermott, National Sales Director, Government
- Melissa O'Neal, Account Executive
- Dom Michael, Sorting Sales Manager
- Damon Salyards, Project Manager
- Tom Bright, Sr. Customer Service Engineer
- George Varghese, Sr. Market Development Manager

3. Deliverables

3.1. System Configuration

The quoted configuration provides the best VBM processing capabilities available today. The system after installation is shown below, with details on the specific components:



3.1.1 Criterion Elevate Sorter

The **Criterion® Elevate™** small footprint sorter will include the following components:

- Front-end with a friction-based feeder, capable of a processing speed of **18,000 envelopes/hour** for #10 envelopes
- **MMT SABRE® VBM** capable of reading barcodes, capturing images as well as performing optional Automated Signature Verification (ASV).
 - ASV is performed for up to 300,000 signatures per year without loss in throughput, and with an adjustable level. The system compares characteristics from the signature on the envelope with the characteristics of the reference signature utilizing an ASV engine that is used in the financial industry for check verification and signature comparison. This is part of the reader and does not require any external access.
- **Thickness and doubles detection package** consisting of:
 - A laser-based thickness detector that checks for envelopes that are too thick or too thin (indicating the lack of a ballot, or more than one ballot)
 - A doubles detector that process an image of the edge of each envelope, identifying and out-sorting any envelope that has two edges, indicating a double feed.

- **Overhead storage racks and slide out trays:** The sorting system will be equipped with overhead storage racks above the bins and slide-out trays below the bins for ease of storing mail that is removed from the sort bins. This will avoid the need to have fixed storage racks next to the system.
- **16 sort bins with integrated bin displays** to separate out ballot envelopes into multiple unaccepted reason codes (challenge codes) as well as separate out the accepted codes. Typically, 5-6 bins are assigned to reject and unaccepted reason codes and the remaining 10-11 bins to accepted reason codes by ballot type groups. This is configurable and can be set to best suit the county's operations
- **Inkjet printer** to print the date and time of receipt of the mail ballot as well as other user defined messages
- **Two (2) Tray tag printers** for on-demand tray tag printing, one on each side of the system. There will be buttons on each bin to print the tray tags directly from the bins. The tags will clearly indicate the processing batch as well as the bin that the envelopes were sorted to.
- **Four computers and associated UPS** that drive different functions of the sorter, such as the reader, sorting software and batch reports, equipment control software and bin controls. The computers are provided by BH as part of the system and are covered under the maintenance contract. The computers run either Windows XP or later, or a Linux operating system.

3.1.2 VBM Server

The rack mountable server (Windows Server 2008) utilized for the trial installation will be retained for the new installation. The server will perform the following functions:

- Import files and reference signature images generated from SCORE, and generate files and images for upload to SCORE, as defined in **Exhibit A: SCORE Ballot Verification Vendor Toolkit**
- Receive sorting data from the sorter, which will include images captured from the envelopes processed, data from the envelopes (such as the ballot tracking number), ASV result and other sorting data
- Manage the queue for individual VBM Data Review Client stations
- Manage the VBM Data Review Server functionality (administrative tasks, user management, VBM Data Review configurations etc.)
- Lookup detailed logs of individual envelopes
- Maintain the master database for the sorter, and provide necessary data (such as reference signature images, status of ballot tracking numbers, etc.) to the sorter for its functions
- Monitor the cumulative counts across all batches and identify district levels or precincts that are below threshold levels.
- Print server reports across batches
- The server will have two network cards, one to connect to the server, and another to connect to the county's network. External remote access will be through the county's approved process.
- External access to the server is necessary only for troubleshooting/ specialized support purposes and only BH personnel that are authorized by the County will have access to the server. Access to the sorter will be through the server and will therefore

have the same controls. The system does not require external access for any other purpose.

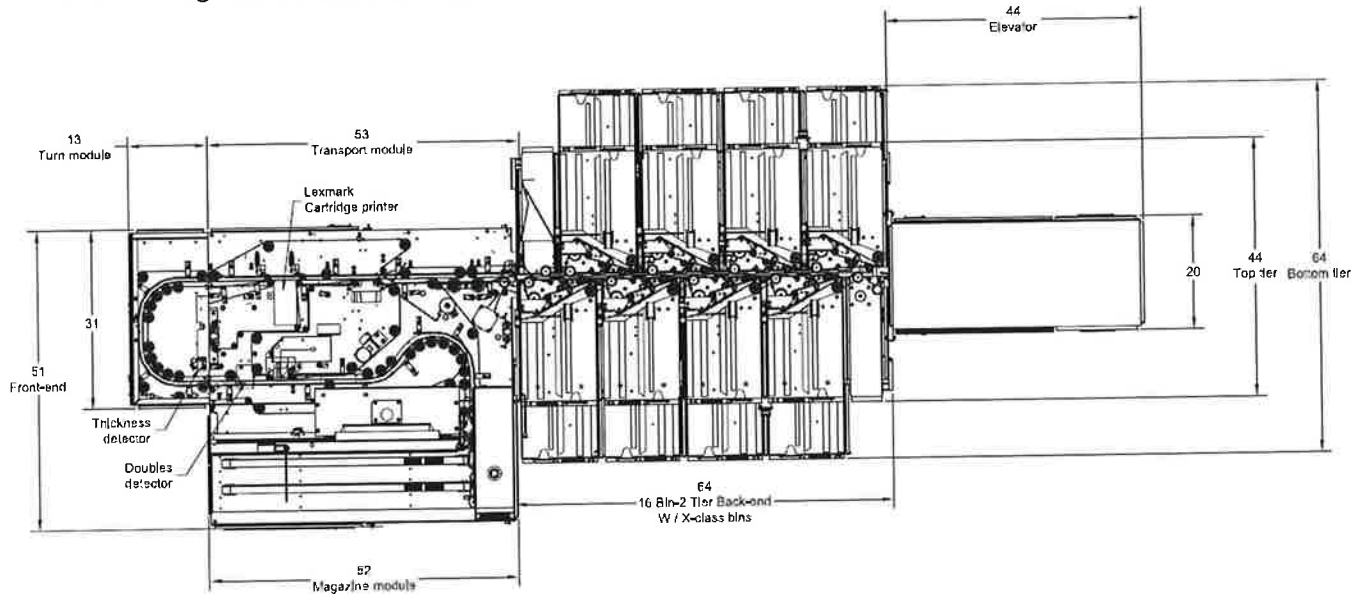
3.1.3 VBM Data Review Client Software

The system includes client software that can be installed on any number of the county's computers, and networked to the VBM server to accomplish the following:

- Allow only authorized users to access the application by validating the usernames and passwords against eligible users assigned at the VBM Data Review Server.
- In addition to an administrator level access, provide a "Reviewer" level access for reviewing only new envelopes, and a "Supervisor" level access for reviewing any piece.
- Display up to four pairs of signature images (each pair consisting of the "wet" signature image captured from the ballot envelope and the corresponding image of the official signature record on file) along with the result from the Automated Signature Verification process.
- Enable authorized users to modify the automated verification result, since envelopes that are below the set threshold will need a user input to authorize acceptance. Multiple unaccepted (challenge) codes can be configured that mirror the codes used by the county's current election management/voter registration system.
- Accept all displayed pairs simultaneously to maximize productivity, with the ability to change individual results.
- View additional piece detail of individual envelopes for further investigation as necessary. Detail includes a full envelope image as well as the associated data (sort history, batch, sort bin and image names).
- Review **undeliverable mail** and assign processing codes electronically. Instead of signatures, the yellow undeliverable label can be reviewed.
- Software can be installed on commonly used office computers, Windows XP or later.
- Enable multiple users to work simultaneously with the same server, enabling the simplest possible system, maximum use of existing county computers, and the ability to ramp up the number of users depending on processing needs that may change over time. The software has been proven to work with more than 15 simultaneous users at a single site.

3.2. Criterion Elevate Drawing

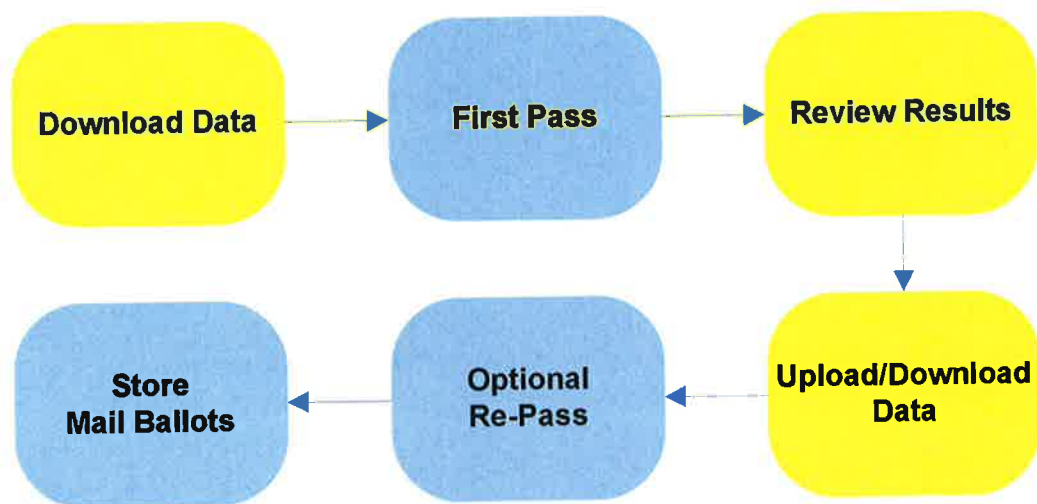
The drawing below shows the layout of the Criterion Elevate



3.3. Software Functionality

The Bell and Howell Vote by Mail Sorting System is very flexible, supporting a wide range of processing modes, evolved over experiences and feedback from multiple counties since our initial mail ballot sorting installation in 2007. Our system is built with commonly used functionality and with additional capabilities that can be configured to best meet the unique needs of each county.

3.3.1 First Pass



- **Download Data:** Typically there is an initial download from SCORE for all the data and reference signatures for the upcoming election. Additionally, there is a daily

and/or on-demand download prior to processing each day's volume so that all verification and sorting is performed based on the latest data.

- **First Pass:** Mail that has just arrived from USPS/ picked up from drop-off locations should be run on the sorter in First Pass mode. The sorter will automatically create a batch, verify the barcode on each mail ballot, compare it to the most recent downloaded data, perform inline ASV and sort all in one pass, with no loss in throughput.
 - If a challenge code already exists for a specific mail ballot, it will be sorted based on that code. If there is no pre-existing challenge code it will be sorted based on the automated verification result and the precinct (or district style)
 - Bin displays on the bin ensure that the user is aware of the contents of the bin without having to lookup the sort scheme
 - The user can print a tray tag that includes the batch number and description of the bin contents by pressing an on-demand print button on each sort bin
 - The drop location information can be associated with the mail ballots being run for improved tracking of mail that maybe dropped off by voters rather than sent through the USPS.
 - Reports can be printed from the sorter for each batch for a hard copy batch report.
 - Envelopes returned from the USPS as undeliverable (UAA) can also be processed in First Pass as a separate batch to eliminate manual data entry and processing
- **Review results:** This is a step to be performed on the county's computers with the supplied software or on the county's election management system if the functionality is available (in this case this step will follow a data upload). ASV results can be reviewed along with the signature image from the envelope and the reference signature, along with all associated data available for the piece. The ASV result can be updated by authorized users. Typically the threshold level for ASV is established with trials to ensure that incorrect signature pairs are not accepted. Therefore, after validating the settings, the county may choose to focus the review effort only on the signatures that were below the threshold level.
- **Upload/ Download Data:** After the review, data should be uploaded to SCORE. The county may choose to perform a data download immediately after the upload to get the latest data for immediate processing or could choose to wait for a scheduled nightly download.
- **Optional Re-Pass:** This is an optional processing mode that can be used to out-sort envelopes from the First Pass that need to be physically pulled out for immediate processing or for an audit. Multiple First Pass batches can be accumulated and run as a single Re-Pass batch to optimize the processing effort while still physically separating out the unaccepted/ challenged pieces. Only envelopes run in First Pass will be processed on Re-Pass. If some envelopes were accidentally fed directly in Re-Pass, the system will out-sort them to avoid incorrect processing.
- **Store Mail Ballots:** The sorted mail is recommended to be stored by batch and bin, to allow easy location of specific pieces at any time, and to maximize efficiencies for the Fine Sort process.

3.3.2 Fine Sort (Precinct / District style) Sort

This step is to sort the reviewed pieces to individual precincts (or district styles).



- **Download Data:** A data download is necessary right before Fine Sort to ensure that any mail ballots that may have changed status during storage are sorted correctly. This may coincide with the data download right after the review process.
- **Fine Sort:** Only mail that has completed First Pass sort and whose data have been successfully uploaded to SCORE is expected to be run on the sorter in Fine Sort mode. The operator will feed mail from specific First Pass sort bins (per a system generated report) and the sorter will sort the mail down to individual precincts (or district styles). If some envelopes are accidentally fed directly in Fine Sort (and hence the data has not yet been uploaded to SCORE), the sorter will out-sort them to avoid incorrect processing.
- **Ballot Extraction & Tabulation:** Depending on the county's process and the number of days to Election Day, envelopes that have been sorted to individual precincts (or district styles) are handed over for ballot extraction and tabulation.

4. Software Maintenance Services

- **Telephone and E-Mail Assistance** - BH shall provide Customer with a toll-free telephone number that will enable designated Customer employees to (i) call BH for general assistance, (ii) obtain answers to specific software questions, and (iii) receive aid in diagnosing suspected software problems. BH will respond to requests for assistance made by Customer via telephone or e-mail. Telephone support shall be available 8:30 a.m. through 5:00 p.m., Eastern Standard Time, Monday through Friday, excluding BH holidays.
- **Remote Diagnostic Service** - BH, at its sole discretion, may employ remote telephony techniques in an effort to enhance the diagnostics process. Customer agrees that any remote diagnostic ancillary equipment and/or Software (collectively, the "RD") and or software furnished by BH shall remain the property of BH. Customer agrees to provide adequate protection for the RD, including, but not limited to protection against theft, physical damage by Customer's personnel, and reasonable protection against natural elements. Customer further agrees that, upon discontinuance of RD service, BH may remove and/or disable the RD at any time after proper notice of discontinuance to BH. Customer is responsible for any charges for phone line installation or monthly usage.
- **Maintenance Releases** - BH may periodically prepare and provide to Customer software fixes or patches that are otherwise not separately marketed or priced (the "Maintenance Releases"). Customer will be solely responsible for integrating Maintenance Releases into Customer's Equipment and Software environment. BH may at its sole discretion charge a fee for Maintenance Releases that provide new functionality.
- **Documentation Configuration Management** - BH will periodically send to customer the latest revision of the operator's manual (the "Update"). BH may send the Update by either hard copy or electronic media. Customer is responsible for placing the Update in the correct manual and for properly maintaining said manual.
- **Enhancement Releases** - BH may periodically prepare and provide to Customer enhancements or additional features that are otherwise not separately marketed or priced (the "Enhancements"). Customer will be solely responsible for integrating Enhancements into Customer's Equipment and Software environment. BH may at its sole discretion charge a fee for Enhancements that provide new functionality.

5. Equipment Service Support

The equipment service support schedule between Bell and Howell, LLC ("BH") and Boulder County ("Customer") is pursuant to the terms and conditions of the WSCA/NASPO Agreement and related Participating Addendum between BH and Customer, which is incorporated by reference herein. Unless otherwise defined herein, all defined terms used in this Schedule shall have the same meaning ascribed to them in the WSCA/NASPO Agreement and related Participating Addendum.

- **Start Date of Services:** Upon installation
- **End Date of Services:** 12 months after installation
- **Equipment Site Address:** 1750 33rd STREET, SUITE 100, BOULDER, CO 80301
- **Invoice to Address:** 1750 33rd STREET, SUITE 100, BOULDER, CO 80301

Term: This Schedule shall be effective upon the Start Date of Services as set forth above and shall continue for a period of one (1) year unless otherwise stated above (the "Term"). This Agreement shall automatically renew for additional terms of one (1) year each unless either

party gives notice of cancellation in writing to the other party at least ninety (90) days prior to the expiration of the current term.

Service Fees. Customer shall pay to BH an Annual Product Maintenance fee as set forth in the document "Boulder County VBM Pricing". This fee is exclusive of any applicable taxes, which will be invoiced with the fee. Equipment that reaches its 7th and/or 12th year of age from the original manufacture date during the Term hereof is subject to maturity surcharges of five percent (5%) and ten percent (10%) of the applicable annual fees, respectively.

5.1. Scope of Coverage

- **Priority ServicePlus Vote by Mail**
 - During Regular Business Hours (8:30A – 5:00P M-F) of the Election Cycle, if requested by Customer, Bell and Howell shall dispatch a technician to perform pre/post election support and remedial maintenance calls. During any remedial maintenance call or during the pre/post election support, the technician shall replace, without additional charge to Customer, as reasonably necessary, all non-consumable parts.
 - **Pre-election support** - Scheduled preventive maintenance (PM) inspection and test of VBM sorter to ensure readiness of election ballot processing. The PM inspection will include the replacement of non-consumable parts that are deemed necessary to ensure optimal efficiency of the equipment.
 - **Operator Training** – At the conclusion of each pre-election inspection and testing, BH will provide an operator training refresher course. The course will be up to 4 hours in duration.
 - **Post-election support** - After each election period, BH will perform post election services to ensure the system is properly prepared to lay idle until the next election processing period. The post election services ensure the trouble free start up of the equipment at the next election period.
 - **Remedial Maintenance** – shall include the following
 - Access to Bell and Howell's toll free 7x24 Customer Care Center @ 1-800-7x24SVC (1-800-792-4782)
 - Phone response by a trained Bell and Howell Customer Service Engineer (CSE) within 30 minutes of a service call
 - 4 Hour on-site response time by a trained Bell and Howell CSE during the Election Cycle
 - Replacement of any broken non-consumable parts.
- **Election Day Coverage** – BH can provide optional onsite Election Day coverage that includes onsite coverage for up to 12 hours, to be scheduled 30 days in advance. Boulder County can specify the start time for this support.
- **Additional Support** – BH can provide support outside of the schedule stated above, to cover testing between election periods, or support outside of regular business hours. Please refer to the document "Boulder County VBM Pricing" for pricing for the following conditions:
 - Additional support during regular business hours
 - Additional support after regular business hours
 - Additional support on a weekend

6. Options for Future Consideration

While the quoted system will meet the county's core VBM processing needs, the following options could be considered for additional benefits:

- **Additional bins:** At any time, the county can add more bins if it becomes necessary to sort to a greater number of separations and/or improve sorting efficiencies.
- **Inline selective opener:** Opening the envelopes is a processing step that can be a bottleneck especially as volumes increase over time on Election Day. An inline selective opener will open the envelopes by milling the bottom of the envelope concurrent with the final sort pass, eliminating the additional staging, monitoring and manual effort required to run all the envelopes through a batch opener.
- **Read-print-verify option for applying a unique identifier:** This option includes a 4" reader, printer and 4" to apply a unique identifier to the reverse side of each envelope (opposite side of the signature) below the transport belt to tag each piece independent of the ballot tracking number. This would provide another level of tracking that can be useful in handling print errors, efficiently determining whether a piece was fed twice, or any condition that may result in two envelopes being returned with the same ballot tracking number. The reader would identify the presence of any previously sprayed barcode, the printer would spray a barcode if the zone is clear, and the verifier would validate that a readable barcode was sprayed.
- **Inline tab removal:** This device option will enable a suitably designed privacy panel that conceals the signature to be automatically removed by running it through the sorter, and is expected to be available in Q2 2013.
- **Compact elevator and bin layout upgrade:** Adding multiple device options can result in an increase in the footprint of the sorter that may exceed the available space in the building for the system. This upgrade involves changes to the elevator and the positioning of bins over the front end of the sorter, minimizing the overall footprint of the system.

7. Envelope Specifications

The Bell and Howell VBM sorting system is designed to be adaptable to a wide range of envelope designs, within USPS letter size specifications – we have been able to accommodate all envelope designs we have encountered so far.

Boulder County may change the envelope design between elections. In this scenario, Bell and Howell requests that around 50 envelopes of the new design be provided at the time of mail preparation (prior to the mail being sent out) so that the system can be configured to accept the new design well in advance of the Election. This is typically 45 to 60 days prior to the actual election.

Bell and Howell can also provide our recommendations to maximize performance.

8. Facility Requirements

The requirements for the proposed system are as follows:

Description	Value
Electrical Requirements	220V single phase 30A or 208 V three phase 30A
Temperature	55-85°F (4-40°C)
Humidity	22-80% (non-condensing)
Compressed Air Requirement	No compressed air is required
Floor loading weight	Around 4000 pounds, distributed (depends on options)
Estimated BTU's	< 29,475 BTU

9. Project Management, Installation and Training

9.1. Project Management

Our project management approach leverages industry best practices, and has been tailored to meet the needs of implementing VBM mail automation solutions in a compressed time frame. Open communication that engages our customers and a steadfast spirit of partnership are valued and maintained throughout the engagement.

A project manager will be assigned to each installation project and the process can be broadly broken out into five steps, but is designed to be flexible to meet the varying needs of customers. The steps are as follows:

- **Initiating process**
 - This step defines and authorizes the project internally within Bell and Howell
 - The customer contract will be the guiding document
- **Planning process**
 - This step plans the course of action
 - Activities include project team definition, scope review and finalization, communication planning, identifying risks and dependencies along with a mitigation plan, deliverables and deadlines for the key stakeholders, internal to Bell and Howell and external
 - The project plan is created/ updated at this point. From our experiences, we have identified steps that are critical to project success in a VBM environment and we include that as part of our standard process
- **Executing process**
 - This step integrates the resources to carry out the plan for the project and involves project execution and quality assurance
- **Monitoring and control process**
 - This step keeps track of the progress to identify risks and variance and take corrective action at the earliest opportunity
 - Activities include directing the project team, communicating with key internal and external stakeholders through recurring conference calls, change/ scope management, quality control and risk management
- **Closing process**
 - This step formalizes client handover of the system and brings the project to an orderly end
 - Activities include administrative tasks, service support transition and review of items leading to continuous improvement

9.2. Project Plan

A target project plan is provided below for planning purposes. This plan is expected to be updated as the dates draw closer and additional detailed tasks need to be added.

	Task Name	Duration	Work	Start	Finish	Resource Names
1	- County of Boulder Colorado	86 days?	784 hrs	Tue 8/14/12	Wed 11/7/12	
2						
3	- Criterion Elevate Build and Ship	35 days	160 hrs	Tue 8/14/12	Mon 9/17/12	
4	Receive PO from Boulder County	1 day	8 hrs	Tue 8/14/12	Tue 8/14/12	BCC
5	Build sorting system and complete testing	17 days	136 hrs	Wed 8/22/12	Thu 9/13/12	BH
6	Ship sorter to Boulder County	2 days	16 hrs	Fri 9/14/12	Mon 9/17/12	BH
7	Sorter arrives at Boulder County	0 days	0 hrs	Mon 9/17/12	Mon 9/17/12	
8						
9	- Boulder County Site Preparation	17 days	40 hrs	Mon 8/20/12	Wed 9/5/12	
10	Confirm power and network drop	2 days	16 hrs	Mon 8/20/12	Tue 8/21/12	BCC
11	Prepare mock election data and physical mail	1 day	8 hrs	Wed 8/22/12	Wed 8/22/12	BCC
12	Confirm data transfer with SCORE using current server onsite	1 day	16 hrs	Wed 9/5/12	Wed 9/5/12	BCC,BH
13						
14	- On-site Installation & Validation	12 days?	136 hrs	Mon 9/17/12	Fri 9/28/12	
15	- On-site Systems Installation	5 days	40 hrs	Mon 9/17/12	Fri 9/21/12	
16	Sorter installation	2 days	16 hrs	Mon 9/17/12	Tue 9/18/12	BH Service
17	BH hardware and software validation, system tests	3 days	24 hrs	Wed 9/19/12	Fri 9/21/12	BH Service
18	- Operator Training	4 days	32 hrs	Mon 9/24/12	Thu 9/27/12	
19	Submit operator training syllabus and manual to Boulder County	1 day	8 hrs	Mon 9/24/12	Mon 9/24/12	BH
20	Training session	3 days	24 hrs	Tue 9/25/12	Thu 9/27/12	BH
21	- Mock Election	5 days?	64 hrs	Mon 9/24/12	Fri 9/28/12	
22	Validate end to end functionality with a low volume test	1 day	16 hrs	Mon 9/24/12	Mon 9/24/12	BCC,BH
23	Proceed with multiple batches, validate functionality	3 days	48 hrs	Tue 9/25/12	Thu 9/27/12	BCC,BH
24	Switch to production environment	1 day?	0 hrs	Fri 9/28/12	Fri 9/28/12	
25	System ready to go live	0 days	0 hrs	Fri 9/28/12	Fri 9/28/12	BCC,BH
26						
27	- Live Production Run	38 days	448 hrs	Mon 10/1/12	Wed 11/7/12	
28	Run low volume live batches, confirm end to end functionality	18 days	224 hrs	Mon 10/1/12	Thu 10/18/12	BCC,BH
29	Start high volume election mail processing	20 days	224 hrs	Fri 10/19/12	Wed 11/7/12	BCC,BH

9.3. Resource Calendar

A resource calendar of the BH personnel who will be onsite is shown below for planning purposes. The individuals named in the calendar may change depending on their availability at that time, but an equivalent resource will be provided if they are not available.

Monday	Tuesday	Wednesday	Thursday	Friday
9/17	9/18	9/19	9/20	9/21
Tom Bright/ CSE	Tom Bright/ CSE	Tom Bright/ CSE	Tom Bright/ CSE	Tom Bright/ CSE
Jeff Dobbins/ TSE	Jeff Dobbins/ TSE	Jeff Dobbins/ TSE	Jeff Dobbins/ TSE	Jeff Dobbins/ TSE
9/24	9/25	9/26	9/27	9/28
Tom Bright/ CSE	Tom Bright/ CSE	Tom Bright/ CSE	Tom Bright/ CSE	Tom Bright/ CSE
Jeff Dobbins/ TSE	Jeff Dobbins/ TSE	Jeff Dobbins/ TSE	Jeff Dobbins/ TSE	Jeff Dobbins/ TSE
Mary Pascua/ Trainer	Mary Pascua/ Trainer	Mary Pascua/ Trainer	Mary Pascua/ Trainer	Mary Pascua/ Trainer
10/1	10/2	10/3	10/4	10/5
Tom Bright/ CSE	Tom Bright/ CSE			
10/8	10/9	10/10	10/11	10/12
10/15	10/16	10/17	10/18	10/19
				Tom Bright/ CSE
10/22	10/23	10/24	10/25	10/26
Mary Pascua/ Trainer	Mary Pascua/ Trainer	Mary Pascua/ Trainer	Mary Pascua/ Trainer	Mary Pascua/ Trainer

9.4. Installation

Installation costs are included in the system price and will be performed by a combination of our local service engineers and a technical specialist that is focused on installation and startup. With our experiences at multiple counties, we are tuned to the needs of the election officials and the critical timelines that are necessary to be met.

9.5. Mock Election

A recommended approach is to have a test election setup in the election management system for initial trials, fine tuning and training to maximize the efficiencies prior to running live mail ballots. Around 5000 actual envelopes with signatures could be utilized from a previous election to simulate a live environment as closely as possible. This would allow the process to be followed from First Pass to Fine Sort, ensuring that all the key steps of the process are validated in the County's environment.

9.6. Training

Due to the unique nature of mail ballot processing and the changes between the initial days of processing and the final days of processing, we have observed that training is best accomplished in two sessions of 3-4 days each, included at no additional charge in the quoted price:

- The first session will immediately follow the installation of the sorter. This will allow the users to get familiar with the equipment, understand the functionality and perform controlled tests, leading to live mail ballots if available. A recommended approach is to have a test election setup in the election management system for initial trials and training
- The second session is normally scheduled for the first live election, at a time that is convenient for the county. The focus of this session is to answer more advanced

questions that come up as the users start using the equipment in a live environment. There are always processes that are different from county to county and this creates a collaborative environment where the Bell and Howell trainer can work closely with the users who are now more knowledgeable about the system and can get better efficiencies from it.

10. Acceptance Testing and Criteria

10.1. Acceptance Testing

Acceptance testing of the sorter will be conducted onsite, preferably with the mock election to ensure that functional and performance goals are met.

10.2. Acceptance Criteria

The acceptance criteria will be as specified in Exhibit B.

10.3. Problem Resolution

If the sorters fail any test referred to in this section, BH will fix it in 30 days, or by October 22nd, whichever occurs first. If resolution requires more time, the delay will be communicated to Boulder County and a mutually agreeable acceptance date will be determined.

If the issue is not resolved (does not meet acceptance criteria) after this date, Boulder County will have the option of returning the equipment with a full refund or specifying a longer resolution period.

11. Delivery

The system as described in the section “System Configuration” is expected to be installed on 17th September, 2012.

12. Change Management Process

Bell and Howell follows a process of continuous improvement through close collaboration with customers and prospects. Therefore, newer versions of software that are released will include improvements and changes.

If the county requires a specific improvement, the county should notify the county’s designated Account Executive in writing (or email) and Bell and Howell will add it to the list of improvements to be made to the product for future versions. Bell and Howell typically includes reasonable feature improvements as part of the ongoing product improvement, at no additional charge beyond the annual software fee stated in the “Boulder County VBM Pricing” document.

Typical changes that can be expected for Boulder County are as follows:

- Updates to the SCORE interface, including remote support for mock election testing. (Please note: Local service support for mock election testing do not fall within the service contract if the testing is between elections. Charges will be as per the discounted rates quoted in the “Boulder County VBM Pricing” document)
- Changing sort schemes, challenge conditions etc. are configuration changes that can be accomplished as part of the pre-election setup
- Newer versions of software that will include changes and improvements from ongoing customer feedback.

For changes outside the above items that are very extensive, Bell and Howell might not be able to include it as part of the annual software fee and would request the County to initiate a separate contract for completing that activity. In this scenario, Bell and Howell will inform the county in writing or email about the effort and cost involved as well as any other alternatives to accomplish the same objective.

13. References

Starting with our first VBM installation in California, we have steadily grown our presence in the VBM market, and today we have nine sorters installed in various counties for VBM processing.

The following are our three references:

- **Client name: Ventura County**
 - **Contact Name:** Mark Lunn, County Clerk and Recorder
 - **Telephone:** (805) 654-2266
 - **E-mail:** mark.lunn@ventura.org
 - **Description of Project:** A VBM sorter was installed to process incoming ballot envelopes with in-line automated signature verification and sorting by a combination of precinct number and verification result with no loss in throughput. Sorting is done to precinct groups and challenge codes on first pass, and to individual precincts and challenge codes on a second pass. Sorting system interfaces with the county's election management system, EIMS. The system was installed and operational in a short time frame and used successfully for the first election.
- **Client name: County of Tulare**
 - **Contact Name:** Ann Turner, Elections division Manager
 - **Telephone:** (559) 624 -7230
 - **E-mail:** aturner@co.tulare.ca.us
 - **Description of the project:** A VBM sorter was installed in two phases – phase I was for outgoing USPS mail and phase II was for the VBM functionality for processing incoming ballot envelopes. Incoming ballot envelopes are processed with no loss in throughput, with in-line automated signature verification and sorting by a combination of precinct number and verification result. Sorting is done to precinct groups and challenge codes on first pass, and to individual precincts and challenge codes on a second pass. Sorting system interfaces with the county's election management system, EIMS.
- **Client Name: County of Sonoma**
 - **Contact Name:** Gloria Colter, Assistant Registrar of Voters
 - **Telephone:** (707) 565-6843
 - **E-mail:** gcolter@sonoma-county.org
 - **Description of the project:** A VBM sorter was installed to process incoming ballot envelopes with in-line automated signature verification and sorting by a combination of precinct number and verification result with no loss in throughput. Sorting is done to precinct groups and challenge codes on first pass, and to individual precincts and challenge codes on a second pass. Sorting system interfaces with the county's election management system, EIMS. The system was installed and operational in a short time frame and used successfully for the first election.

- **Client name: Oregon Secretary of State's Office**
 - **Contact name:** Don DeFord, HAVA Grants Manager
 - **Telephone:** 503-986-0523
 - **Email:** don.deford@state.or.us
 - **Description of the project:** BH was awarded a contract from the Oregon Secretary of State's office for up to seven sorters for counties located across the state of Oregon. Installations have already taken place at the counties of Multnomah, Lane, Washington and Deschutes. Multnomah, Lane and Deschutes used their systems in the May 2011 election with Bell and Howell working with OCVR in a very compressed timeframe. Four counties are installed and functional, three of the four were installed in time to use in the May 2011 election. The fourth system was purchased for installation in June and was successfully installed the week of June 20, 2011.

14. Revision History

Revision No.	Changed By	Date	Description
Draft 1	George Varghese	7/27/2012	Initial Version
Draft 2	George Varghese	7/31/2012	Updated Version
Draft 3	George Varghese	8/2/2012	Updated Version
Draft 4	George Varghese	8/3/2012	Updated project plan and resource calendar
Draft 5	Melissa O'Neal	8/3/2012	Corrected Section 5.0 Scope of Coverage; Election Day Coverage to include 12 hours.

15. Signatures

By signing below, both parties agree to all sections of this SOW

Boulder County
1750 33rd Street, Suite 200
Boulder, CO 80301

Bell and Howell, LLC
3791 S. Alston Ave
Durham, NC 27713

Name: Hillary Hall

Name: MARK KILGORE

Title: Clerk + Recorder

Title: SR. VP SALES OPERATIONS

Signature: Hillary Hall

Signature: Mark Kilgore

Exhibit A

SCORE

Ballot Verification System - Vendor Toolkit

Document Purpose

The Statewide Colorado Registration and Election system (SCORE) provides counties the option to utilize an external Ballot Verification System in order to record the receipt and verification of mail-in ballots. This document lists the requirements of all information produced by a Ballot Verification System that seeks to interface with SCORE.

Process Overview

SCORE provides an export of ballot information in the form of a standard report EXP-004. This file contains the Ballot Tracking Number and Voter ID associated to each ballot within an election. The Ballot Verification System should be able to return these values for each verified ballot along with additional information such as the ballot's Status and Received Date. EXP-004 provides further information relating to the ballot such as the ballot style, precinct and the date it was sent. The EXP-004 may be provided multiple times in full or as a supplemental update. The Ballot Verification System should use the Ballot Tracking Number as a unique identifier to update information. Signature images are provided by the County through a separate arrangement with the Secretary of State's Office. Signature images may be provided either with TRACKING_NUM.tif or VOTER_ID.tif naming convention. The County must specify which naming convention is to be used for each election when requesting signature images. With ballot information and voter signature images a Ballot Verification System is generally designed to receive, sort, verify signatures and set the disposition of each ballot. A Ballot Verification System generates data files for the County user to upload into SCORE. Additionally, if a Ballot Verification System captures signature images from ballot envelopes, they may be provided to the County for upload into SCORE.

Disclaimer

This document will be updated as necessary. In order to ensure that a vendor receives accurate information counties should always provide their vendor with the most recent version of this document.

EXP-004 Ballot Verification System Export

The EXP-004 is a text file containing relevant ballot information needed by a Ballot Verification System. County users of SCORE have the ability to provide a complete file containing all ballots within a specific election. They also have the ability to provide supplemental EXP-004 files containing recently sent or recently modified ballots.

File Format

The EXP-004 file is a comma separate double-quote qualified .txt file. All values are qualified with double quotes including Integer and Date columns. The file contains a header row.

Columns

#	Column Name	Data Type	Description
1	TRACKING_NUM	Integer	Unique ID of the ballot
2	VOTER_ID	Integer	Unique ID of the voter record
3	RECEIVE_DATE	Date	MM/DD/YYYY
4	BVS_MODIFIED_BY	String	
5	BVS_MODIFIED_DATE	Date	MM/DD/YYYY HH24:MI:SS
6	STATUS	Integer	1 = Accepted, 2 = Rejected
7	STATUS_REASON	String	See Appendix A for values.
8	BATCH_NUM	Integer	
9	ITEM_NUM	Integer	
10	SOURCE	String	See Appendix A for values.
11	SOURCE_LOCATION	String	
12	VOID	Boolean (0/1)	0 = No, 1 = Yes
13	ID_REQUIRED	Boolean (0/1)	0 = No, 1 = Yes
14	SENT_DATE	Date	MM/DD/YYYY
15	BALLOT_TYPE	String	Original or Replacement
16	ISSUE_SEQ_NUM	Integer	
17	PRECINCT	String	Precinct of the ballot
18	BALLOT_STYLE	String	
19	DISTRICT_STYLE	String	
20	2ND_VENDOR_STYLE	String	
21	BALLOT_COLOR	String	
22	BALLOT_STYLE_PARTY	String	Party Code of the ballot
23	ABS_SEQ_NUM	String	Ballot Stub Number
24	VOTER_STATUS	String	
25	VOTER_STATUS_REASON	String	
26	DOB	Date	Voter's Date of Birth (MM/DD/YYYY)
27	DL	String	Voter's Driver License Number

#	Column Name	Data Type	Description
28	FIRST_NAME	String	
29	MIDDLE_NAME	String	
30	LAST_NAME	String	
31	NAME_SUFFIX	String	
32	ABSENTEE_ADDRESS_1	String	
33	ABSENTEE_ADDRESS_2	String	
34	ABSENTEE_ADDRESS_3	String	
35	ABSENTEE_CITY	String	
36	ABSENTEE_STATE	String	
37	ABSENTEE_ZIP	String	
38	ABSENTEE_ZIP_PLUS	String	
39	ABSENTEE_COUNTRY	String	Null if USA
40	RESIDENTIAL_ADDRESS	String	
41	RESIDENTIAL_CITY	String	
42	RESIDENTIAL_STATE	String	
43	RESIDENTIAL_ZIP	String	
44	RESIDENTIAL_ZIP_PLUS	String	

Example

"123456789","987654321","10/09/2010","BVS_USER1","10/03/2010
13:35:12","2","NSIG","1004","34","M","","0","0","10/01/2010","Original","1","4012316209","Style 1","District
Style 1","2nd Vendor","Blue","DEM","A123","Active","","01/01/1991","08234567","JON","LEE","DOE","JR","100
MAIN ST","","","DENVER","CO","80203","","","100 MAIN ST","DENVER","CO","80203",""

Data File Import

File Format

The import file produced by the Ballot Verification System should be a comma separated double-quote qualified .txt file and should include a header row.

Columns

#	Column Name	Data Type	Required	Restrictions				
1	TRACKING_NUM	Integer	Yes	Must match a Tracking Number for a Ballot that has been sent for the specific election				
2	VOTER_ID	Integer	Yes	Must match the Voter ID associated to the Tracking Number				
3	RECEIVE_DATE	Date	Yes	Format must be MM/DD/YYYY				
4	BVS_MODIFIED_BY	String	Yes	Maximum 256 characters				
5	BVS_MODIFIED_DATE	Timestamp	Yes	Format must be MM/DD/YYYY HH24:MI:SS				
6	STATUS	Integer	No	Values Allowed: <table border="1" style="margin-left: 20px;"> <tr> <td>1</td> <td>Accepted</td> </tr> <tr> <td>2</td> <td>Rejected</td> </tr> </table>	1	Accepted	2	Rejected
1	Accepted							
2	Rejected							

7	STATUS_REASON	String	Required if Status of the record is 2.	Not allowed if Status of the ballot is 1 or missing. Refer to Appendix A for allowed values.
8	BATCH_NUM	Integer	Yes	
9	ITEM_NUM	Integer	Yes	
10	SOURCE	String	No	Refer to Appendix A for allowed values. SCORE will default to Mail if not provided.
11	SOURCE_LOCATION	String	No	County configured locations for each Source in System Configuration.

Example

"123456789","987654321","10/09/2010","BVS_USER1","10/03/2010 13:35:12","2","NSIG","1004","34","M",""

Signature Image Import

Image files of voter signatures captured from ballot envelopes may be provided with the following specifications.

Image File Format

1. Image files must use .tif extension.
2. Images must be Black & White,
3. Resolution must be between 200dpi and 400dpi
4. Filename must be TRACKING_NUM.tif
5. The ballot matching the TRACKING_NUM must be accepted.

Zip File Format

Images must be placed in a zip file prior to transferring. Multiple zip files may be provided as long as their filenames are different. The name of the zip file must be in the format

BALLOT_ENVELOPE_SIGNATURES_MMDDYYYYHHMISSAM.zip

Example: BALLOT_ENVELOPE_SIGNATURES_10092010033000PM.zip

Appendix A

Status Reasons

Value	Description of Status Reason
A	Administrative Action
EE	Empty Envelope
F	Voter is a convicted felon
HE	House Exception
ID	ID Required - Not Provided
L	Received After 7pm on Election Day
M	Voted more than one ballot
NSIG	No signature
NV	Void / Not Voted
OTH	Other
SD	Signature Discrepancy
TBE	Two ballots in one envelope
V	Verification Affidavit not complete

Sources

Value	Description of Source
M	Mail
D	Drop Box
O	Counter / In-Office
A	HCF
E	E-mail
F	Fax

Completed By: _____	Date: _____
Customer Name: _____	City/State: _____
District Service Manager: _____	
Regional Account Exec: _____	

Machine: Upgrade: Product Serial Number: _____

Product/Order Description:

- **Criterion Elevate VBM Sorter, configuration as follows**
 - Front end capable of 18,000 pieces/ hour for #10 envelopes
 - MMT SABRE VBM
 - 16 bins with overhead racks and slide out trays
 - Thickness detector
 - Doubles detector
 - Inkjet printer
- **VBM Server**

Comments:
 Acceptance of the system shall be subject to successful performance of the following items as part of the mock election. For any items that are not compliant, BH shall address within 30 days or by Oct. 22nd whichever occurs first.

Checklist			
No	Items	Status	Comments
1	The VBM Data Review client should work continuously for several hours of continuous use. If there are any lockups, pieces should be released from the queue	Pass/ Fail	
2	For the VBM Data Review client, the drop down for available batches should be displayed immediately (not more than a few seconds) after clicking the drop down button. If there is any delay, there should be appropriate user feedback to take action.	Pass/ Fail	
3	For the VBM Data Review client, the drop down for available batches should show the most recent batch first.	Pass/ Fail	
4	For the VBM Data Review client, it should be possible to either type in the desired batch or select from the drop down.	Pass/ Fail	
5	For the Detailed View, the full envelope image should be resized to fit the available space correctly without being cropped.	Pass/ Fail	
6	All possible challenge codes (BH internal codes and	Pass/ Fail	

	SCORE codes) should be handled correctly		
7	Update scheme to have the desired grouping of district styles and challenge codes	Pass/ Fail	
8	Confirm that the on-demand tray tag printing buttons on each bin is working	Pass/ Fail	
9	Confirm that the printer correctly prints date and time	Pass/ Fail	
10	Confirm that the cumulative fine sort report has the right counts, and that district styles that are below the threshold are not allowed to be Fine Sorted	Pass/ Fail	
11	Confirm that captured signature images are available with the ballot tracking number as the name for upload to SCORE	Pass/ Fail	
12	Confirm that reports are accurate	Pass/ Fail	
13	Ensure that the monitor and keyboard can be repositioned as desired.	Pass/ Fail	
14	All functionality stated in the SOW should be working satisfactorily	Pass/ Fail	
15	Operator training completed successfully	Pass/ Fail	

Customer acknowledges the product(s) described in the Product Agreement/ Contract/ Purchase Order dated _____ (the "Agreement") with Bell and Howell has been satisfactorily delivered and installed. We have inspected the product(s), found it to be conforming (subject to any comments listed in this document) and hereby acknowledge acceptance as required under the terms of the Agreement.

Customer Representative (Name) : _____

Customer Representative (Title) : _____

Customer Representative (Signature) : _____

Bell and Howell Representative (Signature) : _____

**BOULDER COUNTY
VOTE BY MAIL SYSTEM PRICING**



QTY	DESCRIPTION	UNIT WSCA PRICE	TOTAL WSCA PRICE	NON-WSCA ITEM PRICE
1	Criterion Elevate front end for VBM (Vote-by-Mail) envelope processing (formerly known as the APEX JE)	\$98,600.00	\$98,600.00	
16	Two sided-bins	\$1,972.00	\$31,552.00	
0.5	Overhead mail tray racks	\$2,320.00	\$1,160.00	
0.5	Slide out trays	\$2,505.60	\$1,252.80	
1	Inkjet printer	\$17,400.00	\$17,400.00	
2	Tray tag printers for batch/precinct tray identification	\$1,740.00	\$3,480.00	
1	Server Fee (Includes server, monitor, keyboard)	\$15,000.00	\$15,000.00	
1	Network Server SMA	\$4,550.00	\$4,550.00	
1	Shipping, installation and onsite testing	\$0.00	\$0.00	
	Annual Product Maintenance	\$0.00	\$0.00	
	*Two Elections (per year) (pricing valid for years 2-5)	\$13,473.00	\$0.00	
	*One Election (per year) (pricing valid for years 2-5)	\$9,600.00	\$0.00	
	*Additional Elections	\$4,500.00	\$0.00	
1	*On-Site Election Day Maintenance/Support which includes 12 hrs/day designated by Boulder County for November 2012 election. Boulder County may choose additional days at the stated rate.	\$2,500.00	\$2,500.00	
1	VBM Low Volume package (with ASV, upgraded to 300k/ year), includes VBM Data Review Client software	\$50,000.00	\$50,000.00	
1	VBM Low Volume package (with ASV, upgraded to 300k/ year) - SMA, includes VBM Data Review Client software	\$10,000.00	\$10,000.00	
	TOTAL WSCA ITEMS		\$235,494.80	
	WSCA DISCOUNT		\$40,034.12	
	TOTAL WSCA PRICE		\$195,460.68	
	NON WSCA ITEM			
1	Thickness/Doubles Detection Package (Non WSCA Item)			\$24,500.00
	TOTAL NON WSCA PRICE			\$24,500.00
	TOTAL PRICE OF SYSTEM WITH WSCA AND NON-WSCA ITEMS		\$219,960.68	

OPTIONS - NON-WSCA ITEMS			
0	Read-print-verify option to apply sequential identifiers on the back of the envelope (future)	\$40,000.00	\$0.00
0	In-Line Selective Opener (current/future)	\$25,000.00	\$0.00
0	Inline privacy tab removal (future option)	\$70,000.00	\$0.00
0	Compact elevator and bin layout upgrade to minimize footprint (future option)	\$73,000.00	\$0.00

SERIVCE PRICING - HOURLY			
	Time and Materials- regular business hours M-F 8:30 AM - 5 PM	\$162 per hr (includes 10% discount)	
	Time and Materials- outside business hours, weekends, and holidays	\$243 per hr. Mon-Sat; \$324 per hr Sunday/Holidays (includes 10% discount and will honor all state holidays)	
	Percentage Discounts of Parts for Time and Materials	3% parts discount; 5% discount for annual parts purchases > \$50K	



**Western State Contracting Alliance (WSCA)
Contract ADSPO11-00000411
Mailing Equipment, Supplies and Maintenance**

Bell and Howell, LLC is providing this index of documents for WSCA/NASPO contract ADSPO11-00000411 for Mailing Equipment, Supplies and Maintenance to support the review of the contract and the execution of Participating Addendums with Bell and Howell, LLC.

The full library of WSCA documents supporting the Bell and Howell award can be accessed and reviewed at:

http://www.spo.az.gov/Direct_Services/Statewide/WSCA_PAs/ADSPO1100000411.asp

There are documents in the Bell and Howell library that show the company name as Bove Bell + Howell Company (BBH). During the bid process Bell and Howell, LLC was formed in connection with and as a result of Versa Capital Management's acquisition of substantially all of Bove Bell + Howell Company's assets. Based on business previously conducted by Bove Bell + Howell and its predecessor mail processing business division and Bell and Howell's reconstitution of that business, Bell + Howell has been providing service and support on sorting, inserting and other OEM equipment over 60 years ago.

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Offer and Acceptance

STATE OF ARIZONA

Agency: Arizona Department of Administration
State Procurement Office

Customer: WSCA/NASPO participating states; AZ
Statewide (state agencies & cooperative partners)

Description: Mailing Equipment, Supplies and Maintenance

OFFER

OFFER TO THE STATE OF ARIZONA: The undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer.

Arizona Transaction Privilege (Sales) Tax License No. 07363669-N

Federal Employer Identification No. 36-3580100

Bowe Bell + Howell Company

Company Name

Signature of Authorized Agent of the Company

3791 S. Alston Avenue

Address

Richard R. Paske, Jr.

Printed Name

Durham North Carolina 27713
City State Zip

Director, Order Management
Title:

Phone 919-767-6400

E-Mail Rick.Paske@bowebellhowell.com

Facsimile 919-767-4345

Web Site www.bowebellhowell.com

Delivery and installation is promised within TBD calendar days after receipt of an order. If payment is made within 30 days after receipt of goods and services, the buyer is entitled to a discount of 0 % on the above-listed price(s).

ACCEPTANCE

ACCEPTANCE OF THE OFFER: The Offer is hereby accepted. The Contractor is now bound to sell the material, service or construction stated in the Contract and based upon the Solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

Contract No. ADSP011-00000411-1

Contract Award Date October 12, 2011

Signature of Authorized Procurement Officer

Susan Bayer

Printed Name

Procurement Manager

Title

**STANDARD CONTRACT TERMS AND CONDITIONS
NATIONAL ASSOCIATION OF STATE PROCUREMENT OFFICIALS (NASPO)
AND
WESTERN STATES CONTRACTING ALLIANCE (WSCA)**

PARTICIPANTS: The National Association of State Procurement Officials (“NASPO”) is a national association of Chief Procurement Officers that has established a procurement cooperative for state government departments, institutions and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) for the NASPO Member States and territories of the United States.

The Western States Contracting Alliance (WSCA) is fifteen members of

NASPO who have focused on creating and managing multi-state cooperative contracts since 1993.

Obligations under contracts that result from this cooperative procurement are limited to those states and other eligible purchasing entities that execute a Participating Addendum.

Financial obligations of Participating States are limited to the orders placed by the departments or other state agencies and institutions having available funds.

Participating States incur no financial obligations on behalf of political subdivisions.

Unless otherwise specified in the solicitation, the resulting master price agreement(s) will be permissive.

DEFINITIONS:

“**Lead State**” means the State conducting this cooperative solicitation and centrally administering any resulting master price agreement with the permission of the Signatory States.

“**Master Price Agreement**” means this cooperative solicitation and contract, between the designated Lead State and the awarded contractors.

“**Offer**” or “**Bid**” or “**Proposal**” refers to the offer submitted in response to a solicitation, whether denominated as an invitation to bid, invitation for bid, request for proposal, or otherwise. “**Bidder**” or “**Offeror**” similarly refers to the person, company, or other entity submitting the bid or proposal that constitutes an offer capable of acceptance, regardless of the solicitation method used.

“**Permissive Price Agreement**” means that placement of orders through the price agreement is discretionary with Purchasing Entities. They may satisfy their requirements through the master price agreement without using statutory or regulatory procedures (e.g.

invitations for bids) to solicit competitive bids or proposals. Purchasing Entities may, however, satisfy requirements without using the master price agreement so long as applicable procurement statutes and rules are followed.

“Participating Addendum” means a bilateral agreement executed by a contractor and a Participating State (or a political subdivision with the consent of its state’s chief procurement officer) that clarifies the operation of the master price agreement for the State concerned, e.g. ordering procedures specific to a State, and may add other state-specific language or other requirements.

“Participating State” means a Signatory State that has indicated its intent to participate in a specific cooperative procurement/master price agreement by executing an Intent to Participate, or who has subsequently executed a Participating Addendum where required.

“Purchasing Entity” means a Participating State, or other legal entity, properly authorized by a Participating State to enter into a contract for the purchase of goods and/or services described in the cooperative procurement. Unless otherwise limited in the cooperative procurement or in a Participating Addendum, political subdivisions of Participating States are deemed Purchasing Entities.

QUANTITY ESTIMATES: Estimated quantities are informational and not to be construed as a warranty of accuracy of historical or anticipated volumes or a guarantee to purchase any amount.

SPECIFICATIONS: Any deviation from specifications must be clearly indicated by offeror, otherwise, it will be considered that the proposal is in strict compliance. When BRAND NAMES or manufacturers’ numbers are stated in the specifications they are intended to establish a standard only and are not restrictive unless the solicitation says “no substitute.” Offers will be considered on other makes, models or brands having comparable quality, style, workmanship and performance characteristics. Alternate proposals offering lower quality or inferior performance will not be considered.

ACCEPTANCE OR REJECTION OF BIDS AND PROPOSALS: The Lead State reserves the right to accept or reject any or all bids or proposals, or parts of bids or proposals, and to waive informalities therein.

SAMPLES: Generally, when required, samples will be specifically requested in the solicitation. Samples, when required, are to be furnished free of charge. Except for those samples destroyed or mutilated during testing, samples will be returned at an offeror’s request, transportation collect.

CASH DISCOUNT TERMS: Offeror may quote a cash discount based upon early payment; however discounts offered for less than 30 days will not be considered in making the award. The date from which discount time is calculated shall be the date a correct invoice is received or

receipt of shipment, whichever is later; except that if testing is performed, the date shall be the date of acceptance of the merchandise.

TAXES: Offered prices shall be exclusive of state sales and federal excise taxes. Where the state government entities are not exempt from sales taxes on sales within their state, the contractor shall add the sales taxes on the billing invoice as a separate entry.

MODIFICATION OR WITHDRAWAL OF BIDS AND PROPOSALS: Bids and proposals may be modified or withdrawn prior to the time set for receipt of bids or proposals. After the time set for receipt of bids or proposals, no proposal may be modified or withdrawn.

PATENTS, COPYRIGHTS, ETC: The Contractor shall release, defend, indemnify, and hold harmless NASPO, the Participating States, and the Purchasing Entities, as well as the officers, agents and employees of NASPO, the Participating States and the Purchasing Entities, from liability of any kind or nature, including the Contractor's use of any copyrighted or uncopyrighted composition, process, patented or unpatented invention, article or appliance furnished or used in performance of this contract.

AWARD: Multiple master price agreements may be awarded as a result of this solicitation. Awards in requests for proposals (competitive sealed proposals) shall be made to the responsible offeror(s) whose proposals are determined to be the most advantageous to the Participating States, taking into consideration price and the other evaluation factors set forth in the solicitation. Unless otherwise stated in the solicitation, an award in a solicitation denominated as an invitation to bid will be made to the lowest responsive and responsible bidder(s) meeting specifications and all bid terms and conditions. The Participating States reserve the right to award items separately or by grouping items, or by total lot.

NON-COLLUSION: By signing the proposal the offeror certifies that the proposal submitted, has been arrived at independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the solicitation, designed to limit independent bidding or competition.

TERMINATION: Unless otherwise stated in the solicitation, any master price agreement entered into as a result of this solicitation may be terminated by either party upon 60-days notice, in writing, prior to the effective date of the termination. Further, any Participating State may terminate its participation upon 30-days written notice, unless otherwise limited or stated in the special terms and conditions of the solicitation. Any termination under this provision shall not effect the rights and obligations attending orders outstanding at the time of cancellation, including any right of any Purchasing Entity to indemnification by the Contractor, rights of payment for goods/services delivered and accepted, and rights attending any warranty or default performance in association with any order.

DEFAULT AND REMEDIES:

A. Any of the following shall constitute cause to declare the master price agreement or any order under this master price agreement in default:

- (1) Nonperformance of contractual requirements; or
- (2) A material breach of any term or condition of this master price agreement.

B. A written notice of default, and an opportunity to cure, shall be issued by the party claiming default, whether the Lead State (in the case of breach of the master price agreement), a Participating State (in the case of a breach of the Participating Addendum), the Purchasing Entity (with respect to any order), or the Contractor. Time allowed for cure shall not diminish or eliminate any liability for liquidated or other damages.

C. If the default remains after the opportunity for cure, the non-defaulting party may:

- (1) Exercise any remedy provided by law or equity;
- (2) Terminate the master price agreement or any portion thereof, including any orders issued against the master price agreement;
- (3) Impose liquidated damages, as specified in the solicitation or master price agreement;
- (4) In the case of default by the contractor, and to the extent permitted by the law of the Participating State or Purchasing Entity, suspend contractor from receiving future solicitations.

LAWS AND REGULATIONS: Any and all supplies, services and equipment offered and furnished shall comply fully with all applicable Federal and State laws and regulations.

CONFLICT OF TERMS: In the event of any conflict between these standard terms and conditions and any special terms and conditions in the solicitation, the special terms and conditions shall govern.

REPORTS: The contractor shall submit quarterly reports to the Lead State contract administrator, and upon request to any Participating State, showing the quantities and dollar volume of purchases by each Purchasing Entity.

HOLD HARMLESS: The contractor shall release, defend, indemnify and hold harmless NASPO, the Participating States, and the Purchasing Entities, as well as the officers, agents and employees of NASPO, the Participating States and the Purchasing Entities, from and against any damage, cost or liability, including reasonable attorneys fees for any or all injuries to persons, property or aims for money damages arising from acts or omissions of the contractor, its employees or

subcontractors or volunteers.

ORDER NUMBERS: Master price agreement numbers and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.

GOVERNING LAW AND VENUE: This procurement shall be governed and the resulting master price agreement construed in accordance with the laws of the Lead State. The construction and effect of any Participating Addendum or order against the master price agreement shall be governed by and construed in accordance with the laws of the Purchasing Entity's State. Venue for any claim, dispute or action concerning the construction and effect of the master price agreement shall be in the Lead State. Venue for any claim, dispute or action concerning an order placed against the master price agreement or the effect of a Participating Addendum shall be in the Purchasing Entity's State.

DELIVERY: The prices offered shall be the delivered price to any NASPO state agency or purchasing entity. All deliveries shall be F.O.B. destination with all transportation and handling charges paid by the contractor. Responsibility and liability for loss or damage shall remain the Contractor until final inspection and acceptance when responsibility shall pass to the Purchasing Entity except as to latent defects, fraud and Contractor's warranty obligations. The minimum shipment amount will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an order to be shipped without transportation charges that is back ordered shall be shipped without charge.

WARRANTY: The contractor acknowledges that the Uniform Commercial Code applies to this master price agreement. In general, the contractor warrants that: (a) the product will do what the salesperson said it would do, (b) the product will live up to all specific claims that the manufacturer makes in their advertisements, (c) the product will be suitable for the ordinary purposes for which such product is used, (d) the product will be suitable for any *special purposes* that the Purchasing Entity has relied on the contractor's skill or judgment to consider when it advised the Purchasing Entity about the product, (e) the product has been properly designed and manufactured, and (f) the product is free of significant defects or unusual problems about which the Purchasing Entity has not been warned.

The contractor agrees to warrant and assume responsibility for each hardware, firmware, and/or software product (hereafter called the product) that it licenses, or sells, to the Purchasing Entity under this master price agreement. When applicable, Contractor warrants that product(s) furnished pursuant to this contract shall, when used in accordance with the product documentation, be able to accurately process date/time data (including, but not limited to, calculating, comparing, and sequencing) transitions, including leap year calculations. Where a contractor proposes or an acquisition requires that specific products must perform as a package or system, this warranty shall

apply to the products as a system.

Where contractor is providing ongoing services, including but not limited to: i) consulting, integration, code or data conversion, ii) maintenance or support services, iii) data entry or processing, or iv) contract administration services (e.g., billing, invoicing, claim processing), contractor warrants that services shall be provided in an accurate and timely manner without interruption, failure or error due to the inaccuracy of contractor's business operations in processing date/time data (including, but not limited to, calculating, comparing, and sequencing) various date/time transitions, including leap year calculations. Contractor shall be responsible for damages resulting from any delays, errors or untimely performance resulting there from, including but not limited to the failure or untimely performance of such services.

This Date/Time Warranty shall survive beyond termination or expiration of this contract through: a) ninety (90) days or b) the contractor's or product manufacturer/developer's stated date/time warranty term, whichever is longer. Nothing in this warranty statement shall be construed to limit any rights or remedies otherwise available under this contract for breach of warranty.

AMENDMENTS: The terms of this master price agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the Master Price Agreement Administrator of the Lead State.

ASSIGNMENT/SUBCONTRACT: Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this master price agreement, in whole or in part, without the prior written approval of the Master Price Agreement Administrator of the Lead State.

NONDISCRIMINATION: The offeror agrees to abide by the provisions of Title VI and Title VII of the Civil Rights Act of 1964 (42 USC 2000e), which prohibit discrimination against any employee or applicant for employment, or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age, and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. The offeror further agrees to furnish information and reports to Participating State(s), upon request, for the purpose of determining compliance with these statutes. Offeror agrees to comply with each individual state's certification requirements, if any, as stated in the special terms and conditions. This master price agreement may be canceled if the offeror fails to comply with the provisions of these laws and regulations. The offeror must include this provision in every subcontract relating to purchases by the States to insure that subcontractors and vendors are bound by this provision.

SEVERABILITY: If any provision of this master price agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the parties shall be construed and enforced as if the master price agreement did not contain the particular provision held to be invalid.

INSPECTIONS: Goods furnished under this master price agreement shall be subject to inspection and testing by the Purchasing Entity at times and places determined by the Purchasing Entity. If the Purchasing Entity finds goods furnished to be incomplete or not in compliance with proposal specifications, the Purchasing Entity may reject the goods and require Contractor to either correct them without charge or deliver them at a reduced price, which is equitable under the circumstances. If Contractor is unable or refuses to correct such goods within a time deemed reasonable by the Purchasing Entity, the Purchasing Entity may cancel the order in whole or in part. Nothing in this paragraph shall adversely affect the Purchasing Entity's rights including the rights and remedies under the Uniform Commercial Code.

PAYMENT: Payment for completion of a master price agreement order is normally made within 30 days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. The Contractor may assess overdue account charges on the outstanding balance in accordance with, and up to the maximum allowed by, the laws of the participating state. Payments may be remitted by mail or electronic funds transfer. Payments may also be made via a Purchasing Entity's "Purchasing Card".

FORCE MAJEURE: Neither party to this master price agreement shall be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The Lead State may terminate this master price agreement after determining such delay or default will reasonably prevent successful performance of the master price agreement.

HAZARDOUS CHEMICAL INFORMATION: The Contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous material to the Purchasing Entity agency. All safety data sheets and labels will be in accordance with each participating state's requirements.

FIRM PRICE: Unless otherwise stated in the special terms and conditions, for the purpose of award, offers made in accordance with this solicitation must be good and firm for a period of ninety (90) days from the date of receipt of bids or proposals. Prices must remain firm for the full term of the master price agreement.

EXTENSION OF PRICES: In the case of error in the extension of prices in the proposal, the unit prices will govern.

PROPOSAL PREPARATION COSTS: NASPO and the lead state are not liable for any costs incurred by the offeror in preparation of the bid or proposal.

CERTIFICATION REGARDING CONFLICT OF INTEREST: Contractor certifies that it has not offered or given any gift or compensation prohibited by the state laws of any Participating State to any officer or employee of NASPO or Participating States to secure favorable treatment with respect to being awarded this contract.

INDEPENDENT CONTRACTOR: Contractor shall be an independent contractor, and as such shall have no authorization, express or implied to bind the Participating States to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for NASPO or the states, except as expressly set forth herein.

POLITICAL SUBDIVISION PARTICIPATION: Participation under this master price agreement by political subdivisions (i.e., statutorily eligible colleges, school districts, counties, cities, etc.) of the NASPO participating states shall be voluntarily determined by the political subdivision.

After the solicitation has closed, and an award has been made, additional non-NASPO purchasing entities in non-Participating States may be added with the consent of the chief procurement official in the non-Participating State, the contractor and the Lead State (on behalf of the NASPO Participating States) through the execution of an agreement as required by the lead state, and the execution of a Participating Addendum.

The contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.

CERTIFICATION REGARDING DEBARMENT: The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by NASPO.

RECORDS ADMINISTRATION: The Contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this master price agreement. These records will be retained by the Contractor for at least four years after the master price agreement terminates, or until all audits initiated within the four years have been completed, whichever is later.

AUDIT OF RECORDS: The Contractor agrees to allow NASPO, State and Federal auditors, and state agency staff access to all the records related to this master price agreement, and the right to copy those records, for audit, inspection and monitoring of services. Such access will be during normal business hours, or by appointment.

PRICES AS CEILING:

Master Price Agreement prices represent ceiling prices for the supplies and services priced in the master price agreement.

The vendor shall report to the Lead State any price reduction or discount, or other more favorable terms, offered to any Purchasing Entity.

In instances NOT related to the established standards, committed volumes or volume bulk purchases of a participating state or states, the awarded vendor agrees to negotiate in good faith to reestablish ceiling prices or other more favorable terms and conditions applicable to future orders.

STATE PARTICIPATION/UNIQUE TERMS AND CONDITIONS:

Apart from the Lead State conducting the solicitation, the States indicated on Attachment A have signified their initial intent to participate in a Master Price Agreement resulting from this Solicitation. Attachment A of the Solicitation includes any significant modifications to these terms and conditions or State-specific provisions required by the laws, regulations, or procurement practices of the State(s). Final participation in the Master Price Agreement by the State(s) shall be signified through the execution of a Participating Addendum.

After the solicitation has closed and an award has been made, additional NASPO Procurement Cooperative member States may be added with the consent of the contractor and the Lead State (on behalf of the NASPO Participating States) through execution of a Participating Addendum.

RENTAL AND LEASES:

Rental:

Individual Participating States and Participating Entities may enter in to rental agreements for the products covered in the contracts resulting from the RFP, if they have the legal authority to enter into these types of agreements without going through a competitive process. Responders who wish to participate in rental agreements with these individual states/entities must subject copies of all of their rental agreements with their responses to this RFP. The rental agreements will not be reviewed or evaluated as part of the RFP evaluation process defined in this RFP. The agreements will simply be made available to any state or entity who wishes to negotiate a rental agreement with a Contractor.

Leases:

Individual Participating States and Participating Entities may enter in to lease agreements for the products covered in the contracts resulting from the RFP, if they have the legal authority to enter into these types of agreements without going through a competitive process. Responders who

wish to participate in lease agreements with these individual states/entities must submit copies of all of their lease agreements with their response to this RFP. The lease agreements will not be reviewed or evaluated as part of the RFP evaluation process defined in this RFP. The agreements will simply be made available to any state or entity who wishes to negotiate a lease agreement with a Contractor.

COMPREHENSIVE FINANCIAL OPTIONS THAT SHOULD BE INCLUDED:

- Purchase
- Operational Leases - with varying buyout ownership options at end of term including no ownership option
- Capital Leases – Traditional financing with ownership at end of term (software, buyouts of existing leases)
- Cancelable Rentals – Cancel with four month penalty on rental payment
 - All leases and rentals must have a non appropriations clause

NON-APPROPRIATION:

The terms of the Agreement and any purchase order issued for multiple years under this Agreement is contingent upon sufficient appropriations being made by the Legislature or other appropriate governing entity. Notwithstanding any language to the contrary in this Agreement or any purchase order or other document, a Purchasing Entity may terminate its obligations under this Agreement, if sufficient appropriations are not made by the governing entity at a level sufficient to allow for payment of the goods or services due for multiple year agreements, or if operations of the paying entity are being discontinued. The Purchasing Entity's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final and binding.

A Purchasing Entity shall provide sixty (60) days notice, if possible, of its intent to terminate for reason cited above. Such termination shall relieve the Purchasing Entity, its officers and employees from any responsibility or liability for the payment of any further amounts under the relevant Purchase Order.

UNIFORM TERMS AND CONDITIONS

Version 8

1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1. *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.
- 1.2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4. *"Contractor"* means any person who has a Contract with the State.
- 1.5. *"Days"* means calendar days unless otherwise specified.
- 1.6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7. *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.8. *"Materials"* means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10. *"Services"* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13. *"State Fiscal Year"* means the period beginning with July 1 and ending June 30.

2. Contract Interpretation

- 2.1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - 2.3.1. Special Terms and Conditions;
 - 2.3.2. Uniform Terms and Conditions;

- 2.3.3. Statement or Scope of Work;
- 2.3.4. Specifications;
- 2.3.5. Attachments;
- 2.3.6. Exhibits;
- 2.3.7. Documents referenced or included in the Solicitation.
- 2.4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

- 3.1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7. Property of the State. Any materials, including reports, computer programs and other deliverables,

created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

- 3.8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.
- 3.9. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
- 3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.
- 3.11 Scrutinized Businesses. In accordance with A.R.S. § 35-391 and A.R.S. § 35-393, Contractor certifies that the Contractor does not have scrutinized business operations in Sudan or Iran.
- 3.12 Offshore Performance of Work Prohibited. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4. Costs and Payments

- 4.1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3. Applicable Taxes.

- 4.3.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.3.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- 4.3.3. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- 4.3.4. IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.
- 4.4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
- 4.5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
 - 4.5.1. Accept a decrease in price offered by the contractor;
 - 4.5.2. Cancel the Contract; or
 - 4.5.3. Cancel the contract and re-solicit the requirements.

5. **Contract Changes**

- 5.1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. **Risk and Liability**

- 6.1. Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2. Indemnification

- 6.2.1. Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.
- 6.2.2. Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."
- 6.3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.
- 6.4. Force Majeure.
- 6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
- 6.4.2. Force Majeure shall not include the following occurrences:
- 6.4.2.1. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
- 6.4.2.2. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
- 6.4.2.3. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 6.4.3. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- 6.4.4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

- 6.5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties

- 7.1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.
- 7.2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:
- 7.2.1. Of a quality to pass without objection in the trade under the Contract description;
 - 7.2.2. Fit for the intended purposes for which the materials are used;
 - 7.2.3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
 - 7.2.4. Adequately contained, packaged and marked as the Contract may require; and
 - 7.2.5. Conform to the written promises or affirmations of fact made by the Contractor.
- 7.3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- 7.4. Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5. Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- 7.6. Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.6.1. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
 - 7.6.2. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

- 8.1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2. Stop Work Order.
- 8.2.1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately

comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

- 8.2.2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

- 9.1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 9.4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- 9.5. Termination for Default.

- 9.5.1. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 9.5.2. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 9.5.3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- 9.6. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. **Contract Claims**

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. **Arbitration**

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

12. **Comments Welcome**

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona, 85007.



Special Terms and Conditions

Description: **WSCA/NASPO Mailing Equipment, Supplies, and Maintenance**

STATE OF ARIZONA

Agency: **Arizona Dept. of Administration
State Procurement Office (ADOA/SPO)**

Customer: **WSCA /NASPO participating states; AZ
Statewide(state agencies and cooperative partners)**

- 1 **DEFINITIONS for ProcureAZ terms.** ProcureAZ (<https://procure.az.gov>) is the State's online eProcurement system. Although the system was configured for the State's needs, the application is based on a commercial product known as BuySpeed Online, made by Periscope Holdings, Inc. As a result, some of the terms used in the BuySpeed Online application may be semantically different to similar terms used by the State. The following terms are as they appear in BuySpeed Online (and ProcureAZ), along with their corresponding meanings as they apply to the solicitation.
- "Actual Cost" means the total value of all items and their extended quantities.
- "Alternate Id / Alternate ID" is an optional field and means any additional data in order to link a solicitation or project to a related project, activity or program.
- "Attachments" means the section, as displayed in ProcureAZ, where the solicitation's electronic documents may be attached. Attachments as defined in the Uniform Instructions may include Solicitation Attachments, and/or as defined in the Uniform Terms and Conditions may include Contract Attachments.
- "Buyer" means procurement officer.
- "Catalog ID" is an optional data field and means an identification number to signify a group of related contracts.
- "Contact Instructions" means the contact information for the procurement officer.
- "Control Code" is an optional field and means an identification characteristic of the contract.
- "Days ARO" means the number of days 'After Receipt of Order' in which the customer will receive the ordered materials and/or services.
- "Department" means the customer for whom the solicitation or contract was conducted for.
- "Discount %" is an optional field and means the standard discount applied to all items.
- "Entered Date" means the date that the contract was awarded, not necessarily the date the contract starts, e.g., Master Blanket/Contract Begin Date.
- "Fiscal Year" means the State Fiscal Year in which the solicitation was initiated. In the event of contract(s) resulting from the solicitation, the Fiscal Year shall remain unchanged.
- "Freight Terms" means how freight will be charged under the contract.
- "Header Information" means the section of the solicitation or contract, as displayed in ProcureAZ, containing solicitation or contract information other than the line items.
- "Item information" means the section of the solicitation or contract, as displayed in ProcureAZ, containing the solicitation or contract line items.
- "Location" means the specific customer, within the department, for whom the solicitation or contract was done.
- "Master Blanket/Contract Begin Date" means the date that the contract starts.
- "Master Blanket/Contract End Date" means the date that the contract ends.
- "Master Blanket/Contract End Date (Maximum)" means the date that the contract may be extended through if all allowable term extensions are exercised.

"Master Blanket/Contract Vendor Distributor List" means the list of companies authorized to distribute the materials and/or services on behalf of the contractor under the contract.

"Master Blanket Purchase Order" means the contract, indicating that the contract will be in effect over a stated period of time.

"Minor Status" is an optional data field and means a type of status indicator of the contract in ProcureAZ.

"Organization" means the state agency under whose authority the solicitation or contract was conducted.

"Payment Terms" means the period of time that payment is due after receipt of an accurate invoice.

"Pcard Enabled" is an optional data field and means that customers are allowed to use their purchasing card (P-Card or Pcard) to order from the contract within the ProcureAZ system.

"PO Acknowledgement" means the list the notifications to the contractor and their acknowledgements of these notices.

"PO Type" means the period of time that the contract is in place, either a one-time transaction, Open Market, or for a stated period of time, Blanket.

"Print Dest Detail" is an optional data field and means a print format applicable to orders under the contract.

"Print Format" means the format of the solicitation or contract print output.

"Project No." is an optional field and means an identification characteristic of the contract.

"Purchase Order" means contract.

"Purchase Order Number" means the contract's identification number.

"Purchaser" means procurement officer.

"Receipt Method" means the method by which materials and/or services under the contract are received, either by amount spent, Dollar, or by item units, Quantity.

"Release Number" means the order number of each order under the contract. The Master Blanket/Contract will always reflect a zero "0" release number.

"Release Type" means the process that orders under the contract are subject to within ProcureAZ, requiring approval on an order-by-order basis, e.g., Standard Releases or not requiring approval, e.g., Direct Release.

"Retainage %" is an optional field and means the amount of the contract's value that is retained.

"Shipping Method" means the method of shipping to be used under the contract.

"Shipping Terms" means the point where the contractor will ship the materials and/or services to, and if accepted, the point when responsibility and title passes from the contractor to the state.

"Short Description" means the contract's title.

"Status" means the availability of the contract within ProcureAZ for ordering, e.g., Sent status.

"Tax Code", if applicable, means the amount of taxes, expressed as a percentage, to be added to all items purchased under the contract. As items may be subject to differing tax rates, this field may be blank.

"Type Code" means the category of customers that may use any resulting contract(s), e.g., Single-Agency, Multi-Agency or Statewide.

"Vendor" means contractor.

"Buyback/ Trade In Program" means the contractor's process for accepting the return of the Equipment or other products at the end of life – as determined by the Participating Entity utilizing the Master Price Agreement, subject to the subsection titled: Buy back/Trade In program in the Environmental section of the Capacity of Offeror Questionnaire.

2

OTHER DEFINITIONS

"Lead State" means the State conducting this cooperative solicitation and centrally administering any resulting Master

Agreement with the permission of the Signatory States.

"MPA Contractor" means the person or entity delivering Products or performing services under the terms and conditions set forth in this Master Price Agreement.

"Master Price Agreement" or "Master Agreement" means the underlying agreement, executed by and between the Lead State, as WSCA contract manager, acting on behalf of the Western States Contracting Alliance (WSCA), and the Contractor, as now or hereafter amended.

"Participating Addendum" means a bilateral agreement executed by a Contractor and a Participating Entity incorporating this Master Agreement and any other additional Participating Entity's specific language or other requirements, e.g., ordering procedures specific to the Participating Entity, other terms and conditions.

"WSCA" means the Western States Contracting Alliance, a cooperative group contracting consortium for state procurement officials, representing departments, institutions, agencies, and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) for the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming. WSCA is a cooperative purchasing arm of the National Association of State Procurement Officials (NASPO).

"Purchasing Entity" means a Participating State, or other legal entity, properly authorized by a Participating State to enter into a contract for the purchase of goods and/or services described in the cooperative procurement. Unless otherwise limited in the cooperative procurement or in a Participating Addendum, political subdivisions of Participating States are deemed Purchasing Entities.

3 CONTRACT ADMINISTRATION

3.1 Contract. The contract includes the Master Price Agreement executed between the MPA Contractor and the State of Arizona, as Lead State on behalf of WSCA/NASPO, as a result of this solicitation, and a Participating Addendum executed between an MPA contractor and an individual participating State.

3.1.1 Master Price Agreement (MPA) or Master Agreement. The MPA shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by the MPA Contractor, their responses to any requests for clarifications and/or their best and final offer. In the event of a conflict in language between the documents referenced above, the provisions and requirements set forth and/or referenced in the solicitation as amended shall govern. However, the State reserves the right to clarify any contractual relationship in writing, and such written clarification shall govern in case of conflict with the applicable requirements stated in the solicitation as amended or the contractor's proposal. In all other matters not affected by the written clarification, if any, the solicitation shall govern.

3.1.2 Participating Addendum (PA). An individual participating state may execute an individual PA with one or more MPA Contractors. The PA will be administered by the Participating State, in conjunction with the Lead State.

3.1.3 Order of Precedence. Any conflict in terms between the MPA and the PA shall be resolved by giving priority to the terms of the PA. In their PA, an individual state may establish their Order of Precedence for conflicting terms in the different sections of their contract.

3.2 Participation. Use of a WSCA/NASPO cooperative contract by state agencies, political subdivisions and other entities (including cooperatives) authorized by an individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official. In Arizona, this contract shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible universities, political subdivisions and nonprofit educational or public health institutions may participate at their discretion. In order to participate in this contract, a university, political subdivision, or nonprofit educational or public health institution shall have entered into a Cooperative Purchasing Agreement with the Department of Administration, State Procurement Office as required by Arizona Revised Statutes § 41-

2632. This contract has been awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary. Off-contract purchase authorization(s) may be approved by either the agency (within an agencies delegated authority) or by the State Procurement Office. Approvals shall be at the exclusive discretion of the State and shall be final. Off-contract procurement shall be consistent with the Arizona Procurement Code.

- 3.3 Estimated Quantities.** WSCA/NASPO and the State of Arizona anticipate considerable activity resulting from contracts that will be awarded as a result of this solicitation; however, no commitment of any kind is made concerning quantities actually acquired and that fact should be taken into consideration by each potential contractor. The Contract shall be on an as needed, if needed basis.
- 3.4 Contract Type.** The Contract shall be Firm Fixed Price, with firm pre-order quote based on the Contracted rates.
- 3.5 Contract Term.** Pursuant to Arizona law, the term of the Master Agreement shall be effective upon the date of final execution by the State of Arizona, and shall continue for a period of two (2) years from the date of the executed Master Agreement unless terminated, cancelled or extended as otherwise provided herein. The term of the individual Participating Addendum (PA) shall be effective upon the date of execution by the individual state, unless the individual state establishes a different effective date. Termination dates of an individual PA shall be the same as that of the Master Agreement unless terminated, cancelled or otherwise provided in the PA.
- 3.6.1 Contract Extensions.** By mutual written contract amendment, the MPA may be extended for three (3) one-year periods or a portion thereof for a total contract term not to exceed five (5) years. Unless otherwise established in the PA, the term of the PA will automatically be extended with the extension of the term of the MPA. No PA can be extended beyond the term established in the MPA.
- 3.6.2 Catalog/Price List** For the purpose of this contract, an established catalog/price list means the price included in a catalog, price list, schedule, MSRP or other form that is regularly maintained by a manufacturer, is either published or otherwise available for inspection by customers, that provides prices at which sales are currently or were last made to a significant number of any category of buyers or buyers constituting the general buying public for the materials or services involved. The pricing established in this contract shall be "not to exceed" pricing.
- J Scrutinized Business Operations.** Pursuant to A.R.S. § 35-391.06 and § 35-393.06, the Contractor certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in A.R.S. § 35-391 or and § 35-393, as applicable.
- 3.9 E-Verify.** The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the e-verify program.). A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the Contractor may be subject to penalties up to and including termination of the contract. Failure to comply with a State audit process to randomly verify the employment records of contractors and subcontractors shall be deemed a material breach of the contract and the Contractor may be subject to penalties up to and including termination of the contract. The State Agency retains the legal right to inspect the papers of any employee who works on the contract to ensure that the Contractor or subcontractor is complying with the warranty.
- 3.10 Pandemic Contractual Performance.** The State shall require a written plan that illustrates how the contractor shall perform up to contractual standards in the event of a pandemic. The state may require a copy of the plan at anytime prior or post award of a contract. At a minimum, the pandemic performance plan shall include: (i) Key succession and performance planning if there is a sudden significant decrease in contractor's workforce; (ii) Alternative methods to ensure there are products in the supply chain; and (iii) An up to date list of company contacts and organizational chart.

In the event of a pandemic, as declared by the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights: (i) After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections if the contractor cannot perform to the standards agreed upon in the initial terms; (ii) The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the director as per § 41-2537 of the Arizona Procurement Code; and (iii) Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at its sole discretion may reinstate the temporarily voided contract(s).

The State, at any time, may request to see a copy of the written plan from the contractor. The contractor shall produce the written plan within 72 hours of the request.

- 1 Offshore Performance of Work** Due to security and identity protection concerns, direct services under this agreement shall

be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the Participating Entity's or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the agreement. This provision applies to work performed by subcontractors at all tiers.

3.12 Electronic or Information Technology. Products, services and maintenance shall comply with A.R.S. § 41-3531, which requires conformance with the requirements of Section 508 of the Rehabilitation Act of 1973. Failure to comply shall be considered a breach of the Contract.

3.13 Warranty

All equipment supplied under this specification shall be fully guaranteed by the contractor for a minimum period of 12 months from the date of acceptance by the state. Any defects of design, workmanship, or materials shall be fully corrected by the contractor (including parts and labor) without cost to the state. The written warranty shall be included with the delivered products to the using entity.

4 CONTRACT OPERATION

4.1 Contract Release Orders. Any product or services to be furnished under this contract shall be ordered by issuance of orders by the Participating Entity. Such orders may be issued from effective date of contract award. All orders are subject to the terms and conditions of this contract. All orders shall reference the MPA number and the PA number.

4.2 Ordering Process. Any products, services and maintenance to be furnished under this contract shall be ordered by issuance of orders, following receipt of a firm quote as required in the Statement of Work, by the Participating Entity. Individual PA's may modify these, or provide other requirements of an individual state for placing an order. Contract releases or purchase orders are those that are issued by an Authorized Purchaser in any of the following forms:

- Hard copy, one time only or blanket (term type)
- Electronically transmitted through facsimile equipment
- Electronically transmitted as an e-mail attachment
- Electronically transmitted through a contractor's Electronic Data Interchange (EDI) system or secured internet/web portal, i.e. those that provide electronic commerce assistance for the electronic submission of purchase orders, purchase order tracking and reporting.
 - Such systems shall not allow for purchase orders to be placed for non-contract or excluded items
 - Use of such systems shall be at the sole discretion of the Participating Entity and all costs associated with set-up, maintenance and support shall be borne by the Contractor.
- Electronically through Participating Entity's p-card program.

4.3 Order Acknowledgement. Contractor shall acknowledge receipt of all Orders. Contractor shall notify the Customer, in writing or electronically, within two (2) days of Order receipt. Customers may accept verbal Order acknowledgment when time and circumstances require.

4.4 Billing. Contractor shall include both the Master Agreement number, and the appropriate PA reference number on all invoices. All invoices shall be paid directly to the Contractor unless otherwise outlined within a PA.

4.5 Rental and Leases

4.5.1 Rental

Individual Participating States and Participating Entities may enter in to rental agreements for the products covered in the contracts resulting from the RFP, if they have the legal authority to enter into these types of agreements without going through a competitive process. Responders who wish to participate in rental agreements with these individual states/entities must subject copies of all of their rental agreements with their responses to this RFP. The rental agreements will not be reviewed or evaluated as part of the RFP evaluation process defined in this RFP. The agreements will simply be made available to any state or entity who wishes to negotiate a rental agreement with a Contractor.

4.5.2 Leases

Individual Participating States and Participating Entities may enter in to lease agreements for the products covered in the contracts resulting from the RFP, if they have the legal authority to enter into these types of agreements without going through a competitive process. Responders who wish to participate in lease agreements with these individual states/entities must submit copies of all of their lease agreements with their response to this RFP. The lease agreements will not be reviewed or evaluated as part of the RFP evaluation process defined in this RFP. The agreements will simply be made available to any state or entity who wishes to negotiate a lease agreement with a Contractor.

4.5.3 COMPREHENSIVE FINANCIAL OPTIONS THAT SHOULD BE INCLUDED:

Purchase

Operational Leases - with varying buyout ownership options at end of term including no ownership option

Capital Leases – Traditional financing with ownership at end of term (software, buyouts of existing leases)

Cancelable Rentals – Cancel with three month penalty on rental payment

All leases and rentals must have a non appropriations clause

- 4.5 Travel.** No Travel expenses will be paid to a Contractor for any work done under this contract. No matter if a participating Entity's equipment etc. is under a maintenance agreement or not. The only exception is if it is expressly allowed and detailed in a Purchasing Entity's PA.
- 4.6 Key Personnel.** It is essential that the contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The contractor must assign specific individuals to the key positions. Once assigned to work under the contract, key personnel shall not be removed or replaced without the prior written approval of the issuing agency and a copy to the procurement office of record
- 4.7 Notification.** The All notices, requests, demands, consents, approvals, and other communications which may or are required to be served or given hereunder (for the purposes of this provisions collectively called 'Notices'), shall be in writing and shall be sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the party or parties to receive such notice as follows:

To the Lead State (Administrator of the Master Agreement):

Arizona Department of Administration

State Procurement Office

100 North 15th Avenue, Suite 201

Phoenix, Arizona 85007

Fax: 602-542-5508

Procurement Officer: Stacy L. Ingalls

Email: Stacy.ingalls@azdoa.gov

Direct Phone: 602-542-9134

To the Contractor: (to be completed at time of award):

To the Participating State: (to be defined in the Participating Addendum)

5 USAGE REPORTS AND ADMINISTRATIVE FEES

Usage Reports. Contractor agrees to provide quarterly utilization reports to WSCA. The report shall be in the format developed by the Lead State and supplied to the Contractor. Individual participating states may require their own usage reports. Contractor shall provide these reports at the intervals, and in the format, required by the States.

5.2 Administrative Fees.

The Contractor shall report price agreement utilization and pay the NASPO administrative fee. The NASPO Cooperative Committee has approved the percentage of the NASPO administrative fee. The NASPO administrative fee must be included in the basic offered price under the MPA. Administrative fees shall not be added as a line item on any invoice.

The NASPO administration fee is not negotiable.

Some states may require an individual administrative fee be paid directly to the State on purchases made by Purchasing Entities within that State. For all such requests, the fee level, payment method and schedule for such reports and payments shall be incorporated in a Participating Addendum that is executed as a result of the MPA, or by an amendment if the Administrative fee is required after the initial PA has been executed.

The State specific administrative fees listed below will be considered as being included in the basic offered price under the MPA. Instances where a State did not include their state specific administrative fee in the "Special Terms and Conditions" section of this RFP, or where a state opts to use the resulting cooperative contract after award has been made, the Contractor may adjust pricing accordingly, only to the extent of the administrative fee, for purchases made by Purchasing Entities within the jurisdiction of that State. All such agreements shall have no effect whatsoever on the NASPO administrative fee or the prices paid by the Purchasing Entities outside the jurisdiction of the state requesting the additional fee. Administrative fees shall not be added as a line item on any invoice.

Contractor shall remit the NASPO administrative fee equal to .5% of the total contract dollars booked each quarter. The administrative fee shall be paid within thirty (30) days after the end of the calendar quarter. Contractor shall indicate the Contract Number and include with the remittance, a quarterly sales report by WSCA contract participant. The administrative fee shall be paid to:

Western States Contracting Alliance

c/o NASPO

167 West Main Street, Suite 600

Lexington, KY 40507

5.2.1 Interest

Any payments a contractor makes or causes to be made to WSCA after the due date as indicated on the Quarterly Report schedule shall accrue interest at a rate of 18% per annum or the maximum rate permitted by law, whichever is less, until such overdue amount has been paid in full. The right to interest on late payments shall not preclude the exertion of any rights or remedies pursuant to this agreement or otherwise with regards to the contractor's failure to make timely remittances.

5.2.2 State of Arizona Administrative Fee

Contractor shall pay an Administrative Fee to the State of Arizona in the amount of one percent (1%) of the total contract sales made in the State of Arizona. The Administrative Fee is calculated based on all sales transacted under the contract, minus all taxes and any returns or credits. The Administrative Fee shall not be charged directly to the customer, e.g., as a separate line item, a fee or a surcharge, but shall be included in the contract's unit prices.

The Administrative Fee shall be submitted, along with a Quarterly Usage Report documenting all contract sales, to the State Procurement Office within forty-five (45) days following the end of each calendar quarter. Usage Report shall be formatted as required, for more information on the Quarterly Usage Report or the Administrative Fee, its calculation, submission or use, see the State Procurement Office's web site at http://spo.az.gov/Contractor_Resources/Admin_Fee.

At its option, the State may limit the applicability of the Administrative Fee to contract sales from some customers and not to others, e.g., fee is only applicable to sales from members of the State Purchasing Cooperative and not sales to State Agencies. See the State's website (above) form more information in this regard. The State will provide thirty (30) days written notice before exercising or changing this option.

Failure to remit Administrative fees in a timely manner or remit fees inconsistent with the contract's requirements may result in the State exercising any recourse available under the contract including a third party audit of all contract activity. Should an audit be required by the State, the contractor shall reimburse the State for all costs associated with the audit up to \$5,000 or one (1%) percent of the contract's estimated annual value, whichever is higher.

5.2.3 States Individual Administrative Fee

Arizona – 1% Administrative Fee

Connecticut – 1% Administrative Fee

6 RISK AND LIABILITY

The following pages cover indemnification and insurance requirements. Unless otherwise established or modified in an individual PA, these requirements may be interpreted to apply to any Participating State. Contractors shall provide current Certificates of Insurance to each Participating Entity with which the Contractor has an executed PA.

INDEMNIFICATION:

The Contractor shall defend, indemnify and hold harmless WSCA, the Lead State, and Participating Entities along with their officers, agencies, and employees as well as any person or entity for which they may be liable from and against claims, damages or causes of action including reasonable attorneys' fees and related costs for any death, injury, or damage to property arising from act(s), error(s), or omission(s) of the Contractor, its employees or subcontractors or volunteers, at any tier, relating to the performance under the Master Agreement. This section is not subject to any limitations of liability in this Master Agreement or in any other document executed in conjunction with this Master Agreement.

INSURANCE REQUIREMENTS:

Vendor shall procure and maintain, until all of their obligations, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the purchase and or use of the commodity.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Vendor from liabilities that might arise out of the purchase and use of the commodities sold under this Contract by the Vendor, his agents, representatives, employees or subcontractors and Vendor is free to purchase such additional insurance as may be determined necessary.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage at least as broad and with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Fire Legal Liability \$ 50,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Each Occurrence \$1,000,000

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: ***"The [Participating State, e.g., the State of Arizona], its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor."***
- b. Policy shall contain a waiver of subrogation against the [Participating State, e.g., State of Arizona], its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

3. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation against the [Participating State, e.g., State of Arizona], its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. For the State of Arizona, this requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

ADDITIONAL INSURANCE REQUIREMENTS: The policies are to contain, or be endorsed to contain, the following provisions:

- 1. The [Participating State., e.g., State of Arizona], its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- 2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
- 3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

NOTICE OF CANCELLATION: With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the Lead State (the State of Arizona) and the Participating State. Such notice shall be sent directly to the Procurement Officer for this Master Agreement and to the Procurement Officer of the Participating Addendum and shall be sent by certified mail, return receipt requested.

ACCEPTABILITY OF INSURERS: Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Vendor from potential insurer insolvency.

VERIFICATION OF COVERAGE: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the Participating State) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received by the Participating State before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the

duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Procurement Officer of the Lead State and to the Procurement Officer of the Participating State. Both the Master Agreement number and the Participating Addendum number and contract description are to be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT DIVISION.**

- F. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract must have prior approval from the State of Arizona Department of Administration, Risk Management Division, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.
- G. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university then none of the above shall apply.

Smith, Kimberly

From: Byrn, Judson <Judson.Byrn@state.co.us>
Sent: Wednesday, July 25, 2012 4:01 PM
To: Smith, Kimberly
Cc: pstembler@amrms.com; wncoopdt@gmail.com
Subject: RE: WSCA Contract ADSPO11-00000411

Kim,

Thank you for the opportunity today of speaking with you regarding your desire to enter into a Participating Addendum between the County of Boulder and Bell and Howell, per the WSCA solicitation for Mailing Equipment, Supplies and Maintenance. The WSCA website for this category - <http://www.naspo.org/contract.cfm/contract/n9-2011> - will provide useful information, including the Participating Addendum template and a copy of a descriptive Webinar powerpoint presentation that I am quoting from below.

According to the ppt presentation(page 38) the third Participation Level is appropriate for this request:

3.State does not sign a Participating Addenda

Every political subdivision PA within that state must be approved by the State Chief Procurement Official. (Either Individually or by Entity)

This email is State Purchasing Office approval to proceed at your discretion with a Participating Addendum with Bell and Howell. As we discussed, the County of Boulder will be the contracting entity; the State of Colorado need not be party to the agreement.

Please note the process below, as defined in pages 40 and 41 of the ppt:

- 1. Email request from entity, or contract providers, but must contain the following details: Entity's contract individual's name, full name of entity, phone number, email address, physical address**
- 2. WNCDDT emails state director and requests authorization for participation**
- 3. WNCDDT emails both contract providers and entity with authorization to proceed to complete the participating addendum**

4. Entity completes contract provider's draft participating addendum (from the WNCDDT), negotiates, signs, and forwards to contract providers point of contact . (scanning signed documents if permitted by the entity)

5. Contract provider point of contract signs participating addendum and forwards to WNCDDT at wncoopdt@gmail.com

6. WNCDDT will annotate on participating addendum state authorization, create a PDF file of the participating addendum and the state authorization

7. WNCDDT will forward copies of the PDF file to entity, contract providers point of contact of the entity

Step 6 and 7 will be completed by the WSCA/NASPO Cooperative Development Team (Kate and Paul) in one working day

I have taken the liberty of providing a cc of our email to Paul Stembler and the wncoopdt gmail account, to give them a heads-up to expect your request.

Please let me know if you have any questions; I'll be glad to offer counsel, support, and referral to facilitate your request.

Best regards,

Judson

Judson Byrn

State Purchasing Director

633 17th Street, Suite 1500

Denver, CO 80202-3609

303.866.6181 (office)

303.912.5213 (cell)

judson.byrn@state.co.us

From: McDermott, Marjorie [<mailto:Marjorie.McDermott@bhemail.com>]
Sent: Tuesday, July 24, 2012 11:21 AM
To: Byrn, Judson
Cc: 'Paul Stembler'; 'Smith, Kimberly'
Subject: RE: WSCA Contract ADSPO11-00000411
Importance: High

Dear Mr. Bryn:

The County of Boulder wishes to sign a Participating Addendum under the WSCA Contract referenced above. The State of Colorado has chosen not to do that. If there are any issues please let us know.

Best regards,

Marjorie McDermott

National Sales Director,

Government Accounts

Bell and Howell

Office: 801.930.5402

Mobile: 801.349.6191

CONFIDENTIALITY NOTICE: This e-mail communication and all attachments are confidential and legally privileged information of BELL and HOWELL. If you are not the intended recipient, any disclosure, copying, distribution or use of the information contained in or attached to this message is strictly prohibited. Please notify me of the delivery error at the telephone number shown above or by return e-mail, and please delete this communication and any copy thereof immediately. Thank you.