



Form GSOP 1-PIN (04/98)

STATE OF CALIFORNIA
Department of General Services - Office of Procurement

PURCHASE ORDER

Purchase Order No. Rev. Date
62015 5/7/2008

Table with columns: Supplier No., Solicitation No., Delivery Date, FOB Point, Invoice Terms, Agency Billing, Agency Purchase Estimate, Purchase Estimate, Revision, Agency Contact, Phone, Date Received.

BOWE BELL & HOWELL
1571 HYDE DRIVE
LOS GATOS, CA 95032
Attn: ALFIE KRASTS

S DEPT OF GENERAL SERVICES
h T OFC OF STATE PUBLISHING
i o 344 N 7TH STREET
P SACRAMENTO, CA 95814
Attn: MASS MAILING UNIT

C GENERAL SERVICES P-06
h a T OFS OF STATE PUBLISHING
r o (SAME AS SHIP TO ADDRESS)
g e

Phone: 408-379-0911

Table with columns: Item No., Quantity, Unit, Commodity Code, Description, Unit Price, Extension

TERMS AND CONDITIONS:

THE ATTACHED STATEMENT OF WORK, CONSISTING OF FIVE (5) PAGES IS PART OF THIS AGREEMENT.

THE FOLLOWING DOCUMENTS ARE INCORPORATED INTO THIS AGREEMENT AND MAY BE VIEWED AT THE WEBSITE LISTED:

IT General Provisions, GSPD-401IT Revised and Effective 4/12/2007
http://www.pd.dgs.ca.gov/modellang/genprovit.htm

Information Technology Purchase Special Provisions (Effective 01/21/03)
http://www.pd.dgs.ca.gov/modellang/purchasespecial012103.htm

Information Technology Software License Special Provisions (Effective 01/21/03)
http://www.pd.dgs.ca.gov/modellang/Software%20Special%20Provisions%2001-21-03.htm

Table with 7 columns: Item No., Quantity, Unit, Commodity Code, Description, Unit Price, Extension. Contains 2 items: SOFTWARE LICENSE and MAIL HANDLING EQUIPMENT.

Total Value: 115,644.00

FOB DESTINATION:

For the purpose of this award, only FOB Destination will be accepted.

CHANGE ORDERS:

This Purchase Order may be amended, modified, or terminated at any time by mutual agreement of the parties in writing. Change orders amending, modifying or terminating the Purchase Order, including any modifications of the compensation payable, may be issued only by the State Procurement Officer. All such change orders shall be

Sales and/or use tax to be extra unless noted above

Table with columns: Buyer (DIANA MERCADO), Phone (916-375-4430), BOC Number

Handwritten signature of Jon Obeyesekere

STATE OF CALIFORNIA

Department of General Services - Office of Procurement

PURCHASE ORDER CONTINUATION

Form GSOP 2-PIN (04/98)

<i>Purchase Order No.</i> 62015	<i>Revision</i>	<i>Date</i> 5/7/2008	<i>Supplier No.</i> 797894	<i>Supplier Name</i> BOWE BELL & HOWELL
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<i>Item No.</i>	<i>Quantity</i>	<i>Unit</i>	<i>Commodity Code</i>	<i>Description</i>	<i>Unit Price</i>	<i>Extension</i>
<p>in writing and issued only upon written concurrence of the supplier. Termination, as that term is used in this section, does not include termination for default of the supplier.</p> <p><u>STATE CONTRACTS AND PROCUREMENT REGISTRATION:</u></p> <p>This Purchase Order has been registered into the State Contracts and Procurement Registration System (https://www.scprs.dgs.ca.gov). The Registration Number is: 17600508303311</p>						

DEPARTMENT OF GENERAL SERVICES
OFFICE OF STATE PUBLISHING

STATEMENT OF WORK

MULTI LINE OPTICAL CHARACTER READER (MLOCR)
LICENSE AND INKJET PRINTERS

This Statement of Work ("Agreement") reflects the services to be provided by Bowe Bell + Howell, Inc., hereinafter referred to as the "Contractor," for the Department of General Services; and hereinafter referred to as the "State". The Mass Mailing Services Unit within OSP will be receiving a BÖWE BELL + HOWELL Criterion sorter for sorting letter size mail to receive postage discounts. This machine is scheduled to be delivered during the second phase of the PMIS project.

SCOPE

The upgrade of the BÖWE BELL + HOWELL Criterion sorter from a Wide Area Bar Code Reader (WABCR) to a Multiline Optical Character Reader (MLOCR) as requested and quoted in IFB # 55517 can only be provided by BÖWE BELL + HOWELL for the following reasons:

- The software interface into the existing SABRE reader and corresponding connectivity to the USPS directory and look up algorithms are proprietary to BÖWE BELL + HOWELL.
- The software that controls the tracking, accuracy and integrity of the process is proprietary to BÖWE BELL + HOWELL. This includes validating that the correct USPS delivery point or intelligent mail barcode has been accurately applied.
- No other company in the United States has been authorized to provide the requested modifications and associated service for the system purchased as part of IFB # 55517.
- This equipment was placed out for bid in IFB # 55517 with a separate line item for the MLOCR. OSP wanted the option to purchase the MLOCR either prior to the equipment being delivered or as an added item at a later date.
- As we near the time for the Manufacturer to build the equipment, OSP has decided to purchase the MLOCR upgrade to be delivered with the sorting machine.

The functional upgrade to the Criterion sorter must include the following components:

- SABRE PLUS reader upgrades to read all common barcodes as well as printed full address information, OCR codes and handwriting.
- Software Based Barcode Verifier (SBV)
- WinSort (BBH's proprietary operating system)
- Multiple computer systems for OCR (address) recognition. Must meet DGS Desktop and Mobil Computing standards for operating systems and software.
- Interface to USPS address directories and DPBV. Vendor must provide secure connection such as; Virtual Private Network (VPN), security Key modes, or a dial-up modem disconnected from the DGS network.
- Video Jet PC37¹ ink jet for postnet and "intelligent barcode" spraying

All of the above listed components are proprietary to BBH and not available through any other manufacturer or OEM.

PERIOD OF PERFORMANCE

The equipment systems (hardware and software) will be deemed "Accepted" by the State when all equipment, software and hardware components, listed in IFB #55517, have been successfully integrated, installed, tested and operating. This includes successful completion of both the benchmark, and production tests of the equipment systems. Acceptance is conditional until successful completion of training of all employees.

The Production test shall include evaluation by the State regarding interruption or suspension of operations caused by the malfunction of the equipment and/or hardware and software systems, as determined by the State.

CONTRACTOR REQUIREMENTS

The State shall have the option to amend and extend the original maintenance and service contract with the Contractor sometime before the expiration of the first year's contract. The extended maintenance and service contract prices shall not to exceed 3% for each subsequent year; extension may not to exceed 5 years. Contractor must provide software maintenance and updates for the life of the maintenance contract following acceptance of all equipment systems (hardware and software) listed in this SOW document.

Subcontractors

Any subcontractor that the Contractor chooses to use in fulfilling the requirements of this Agreement, and which is expected to receive more than ten percent (10%) of the calculated value of this Agreement, must also meet all the performance requirements stipulated herein, as applicable.

The supplier must provide continuous maintenance and service coverage for all equipment items listed on the official State of California purchase documents under IFB #55517; starting from the date that each of the equipment systems has passed all the Benchmark and Production test, the System Administrator and/or Project Manager have certified to the State Primary Contactor for this SOW that the components referenced in this SOW comply with acceptable performance measures as defined by the State, and the training required for that particular equipment system. If any equipment system items supplied by the vendor are found to be defective by the State or the Contractor during the first year period following acceptance under normal operation, they must be replaced or repaired without charge to OSP. These services are to be completed according to the terms listed in the vendor's maintenance service agreement for coverage that is 9 hours per day (8:00 a.m. through 5:00 p.m.), for 5 days per week (Monday through Friday), with the option for additional coverage up to 24 hours per day, for 7 days per week. OSP will provide adequate storage space and protection for any spare parts the supplier deems necessary to have on site to comply with the maintenance and service terms.

Support will include the following services:

- Troubleshooting Services available via phone and email. Vendor must provide service support for 9 hours per day (8:00 a.m. through 5:00 p.m.), for 5 days per week (Monday through Friday), with option to request additional coverage up to 24 hours per day, for 7 days per week. OSP shall not be billed at a rate greater than the standard amounts billed to large commercial operations running similar equipment systems and production volumes for Saturday or Sunday service.

The Contractor's support as listed above will help the State streamline the product support model by providing quick resolution to questions, trouble shooting solutions, and updates that will help lead to the highest application availability possible.

Maintenance Credit for Inoperative Equipment Systems

The Maximum Acceptable Outage (MAO) for any equipment systems provided by the Contractor is four (4) hours from notification by the State to the Contractor. Any equipment system failure beyond the totaling 24 consecutive hours from the time the State notifies the Contractor the equipment system was inoperative shall entitle the State to a maintenance credit. The maintenance credit in will be 1/30 of the monthly maintenance charge for that machine. Additionally, if the inoperable machine resulted in

an interconnected machine to become unusable as a result of the breakdown, then that machine(s) shall be considered inoperable as well.

2. The Contractor will be notified by the State when a maintenance credit will be applied. The State will calculate the credit and deduct it from the Contractor's next monthly invoice.

STATE RESPONSIBILITIES

The State will provide:

- *Access to proper areas during the installation, including areas to the database, web server, network and workstations*
- *Connectivity between servers and workstations*

BILLING INFORMATION

The Contractor shall submit invoices (including the purchase order number) to the following address:

Department of General Services
Office of State Publishing
344 N. 7th Street
Sacramento, CA 95811
Attn: Stephanie Counts

POINTS OF CONTACT

<u>Contractor Primary Contact:</u>	<u>State's Primary Contact:</u>
Alfie Krasts, Senior Account Manager Bowe Bell + Howell 760 s Wolf Road Wheeling, IL 60090 Phone: (408) 379-0911 Fax: (408) 374-8272 E-mail: Alfie.Krasts@bowebellhowell.com	Terri Martin, Superintendent of Digital Print & Mass Mailing Services Office of State Publishing 344 N. 7 th Street Sacramento, CA 95811 Cell Phone: 916-240-0583 Fax: 916-445-5356 Email: terri.martin@dgs.ca.gov

Please forward renewal notices to the attention of the State's Primary Contact.

TERMINATION

The State shall have the right to terminate maintenance upon delivery of written notice at least thirty (30) calendar days prior to any scheduled renewal date.