

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

March 3, 2006

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B1001368
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Graphic Sciences Inc. 4208 Normandy Ct. Royal Oak, MI 48073-2263 colton@gsiinc.com	TELEPHONE: (248) 549-6600 Greg Colton
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 335-4804 Laura Hischke
Contract Compliance Inspector: Brice Sample (517) 335-9450 Optical Scanning Services - Statewide	
CONTRACT PERIOD: From: February 25, 2001 To: May 1, 2006	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby EXTENDED to May 1, 2006.

All other terms and conditions remain unchanged.

AUTHORITY/REASON:

Per mutual agreement between State and vendor.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$ 5,154,597.61

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

August 11, 2005

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B1001368
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Graphic Sciences Inc. 4208 Normandy Ct. Royal Oak, MI 48073-2263 colton@gsiinc.com	TELEPHONE: (248) 549-6600 Greg Colton
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 335-4804 Douglas Collier
Contract Compliance Inspector: Brice Sample (517) 335-9450 Optical Scanning Services - Statewide	
CONTRACT PERIOD: From: February 25, 2001 To: January 31, 2006	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Effective February 1, 2005, this contract is hereby EXTENDED for one (1) year. The new end date is January 31, 2006.

All other terms and conditions remain unchanged.

AUTHORITY/REASON:

Per mutual agreement between State and vendor.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$ 5,154,597.61

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

June 11, 2004

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B1001368
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Graphic Sciences Inc. 4208 Normandy Ct. Royal Oak, MI 48073-2263 colton@gsiinc.com	TELEPHONE: (248) 549-6600 Greg Colton
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 335-4804 Douglas Collier
Contract Compliance Inspector: Brice Sample (517) 335-9450 Optical Scanning Services - Statewide	
CONTRACT PERIOD: From: February 25, 2001 To: January 31, 2005	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Effective immediately this contract is hereby **EXTENDED** for nine months until January 31, 2005. This contract is also hereby **INCREASED** by \$1,536,039.61.

All other terms and conditions remain unchanged.

AUTHORITY/REASON:

Per mutual agreement between State and vendor.

INCREASE: \$1,536,039.61

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$ 5,154,597.61

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

February 3, 2004

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B1001368
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Graphic Sciences Inc. 4208 Normandy Ct. Royal Oak, MI 48073-2263	TELEPHONE: (248) 549-6600 Greg Colton
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 335-4804 Douglas Collier
Contract Administrator: Brice Sample (517) 335-9450 Optical Scanning Services - Statewide	
CONTRACT PERIOD: From: February 25, 2001 To: April 30, 2004	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

This contract is **EXTENDED** for three (3) months, until **April 30, 2004**. All other terms and conditions shall remain the same.

ESTIMATED CONTRACT VALUE REMAINS: \$ 3,618,558.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 OFFICE OF PURCHASING
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

January 27, 2003

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B1001368
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Graphic Sciences Inc. 4208 Normandy Ct. Royal Oak, MI 48073-2263	TELEPHONE: (248) 549-6600 Greg Colton
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 335-4804 Douglas Collier
Contract Administrator: Brice Sample (517) 335-9450 <p style="text-align: center;">Optical Scanning Services - Statewide</p>	
CONTRACT PERIOD: From: February 25, 2001 To: January 31, 2004	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

By Executive Order (EO), the Records Management, Records Center, and related programs have been transferred from the Department of Management and Budget to the Department of History, Arts, and Library. The change is effective December 22, 2002.

The agency contract administrator had been changed to:

Brice Sample
Department of History, Arts, and Libraries
State Records Management
P. O. Box 30026
3405 Martin Luther King Jr. Blvd.
Lansing, MI 48909
(517) 335-9450

All other terms and conditions shall remain the same.

ESTIMATED CONTRACT VALUE REMAINS: \$ 3,618,558.00

Form No. DMB 234A (Rev. 1/96)
 AUTHORITY: Act 431 of 1984
 COMPLETION: Required
 PENALTY: Failure to deliver in accordance with Contract
 terms and conditions and this notice, may be considered
 in default of Contract

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 OFFICE OF PURCHASING
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

December 11, 2002

**NOTICE
 OF
 CONTRACT NO. 071B1001368
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Graphic Sciences Inc. 4208 Normandy Ct. Royal Oak, MI 48073-2263	TELEPHONE: (248) 549-6600 Greg Colton
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 335-4804 Douglas Collier
Contract Administrator: Brice Sample (517) 335-9450 <p style="text-align: center;">Optical Scanning Services - Statewide</p>	
CONTRACT PERIOD: 2 YR 11 MO From: February 25, 2001 To: January 31, 2004	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

The terms and conditions of this Contract are those of ITB #071I1000080, this Contract Agreement and the vendor's quote dated December 4, 2000. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Est. Contract Value: \$3,618,558.00

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 OFFICE OF PURCHASING
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

**CONTRACT NO. 071B1001368
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR <p style="text-align: center;">Graphic Sciences Inc. 4208 Normandy Ct. Royal Oak, MI 48073-2263</p>		TELEPHONE: (248) 549-6600 <p style="text-align: center;">Greg Colton</p> VENDOR NUMBER/MAIL CODE BUYER (517) 335-4804 <p style="text-align: center;">Douglas Collier</p>
Contract Administrator: Brice Sample (517) 335-9450 <p style="text-align: center;">Optical Scanning Services - Statewide</p>		
CONTRACT PERIOD: 2 YR 11 MO From: February 25, 2001 To: January 31, 2004		
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>	
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>	
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>		
MISCELLANEOUS INFORMATION: <p>The terms and conditions of this Contract are those of ITB #071I1000080, this Contract Agreement and the vendor's quote dated December 4, 2000. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.</p> <p>Est. Contract Value: \$3,618,558.00</p>		

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 071I1000080. A Purchase Order Form will be issued only as the requirements of the State Departments are submitted to the Office of Purchasing. Orders for delivery may be issued directly by the State Departments through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

<p>FOR THE VENDOR:</p>	<p>FOR THE STATE:</p>
Firm Name	Signature <p style="text-align: center;">Joseph D. Chin, Jr.</p>
Authorized Agent Signature	Name <p style="text-align: center;">Director, Technology & Professional Services Division</p>
Authorized Agent (Print or Type)	Title
Date	Date

OFFICE OF PURCHASING
STATE OF MICHIGAN

BPO #071B1001368

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DEFINITION OF TERMS

TERMS	DEFINITIONS
Contract	A BINDING AGREEMENT ENTERED INTO BY THE STATE OF MICHIGAN RESULTING FROM A BIDDER’S PROPOSAL; SEE ALSO “BLANKET PURCHASE ORDER.”
CONTRACTOR	THE SUCCESSFUL BIDDER WHO IS AWARDED A CONTRACT.
DMB	MICHIGAN DEPARTMENT OF MANAGEMENT AND BUDGET
RFP	REQUEST FOR PROPOSAL - A TERM USED BY THE STATE TO SOLICIT PROPOSALS FOR SERVICES SUCH AS CONSULTING. TYPICALLY USED WHEN THE REQUESTING AGENCY REQUIRES VENDOR ASSISTANCE IN IDENTIFYING AN ACCEPTABLE MANNER OF SOLVING A PROBLEM.
ITB	INVITATION TO BID - A GENERIC FORM USED BY THE OFFICE OF PURCHASING TO SOLICIT QUOTATIONS FOR SERVICES OR COMMODITIES. THE ITB SERVES AS THE DOCUMENT FOR TRANSMITTING THE RFP TO INTERESTED POTENTIAL BIDDERS.
SUCCESSFUL BIDDER	THE BIDDER(S) AWARDED A CONTRACT AS A RESULT OF A SOLICITATION.
STATE	THE STATE OF MICHIGAN FOR PURPOSES OF INDEMNIFICATION AS SET FORTH IN SECTION I-J, STATE MEANS THE STATE OF MICHIGAN, ITS DEPARTMENTS, DIVISIONS, AGENCIES, OFFICES, COMMISSIONS, OFFICERS, EMPLOYEES AND AGENTS.
BLANKET PURCHASE ORDER	ALTERNATE TERM FOR “CONTRACT” USED IN THE STATE’S COMPUTER SYSTEM (MICHIGAN AUTOMATED INFORMATION NETWORK [MAIN])

EXPIRATION	EXCEPT WHERE SPECIFICALLY PROVIDED FOR IN THE CONTRACT, THE ENDING AND TERMINATION OF THE CONTRACTUAL DUTIES AND OBLIGATIONS OF THE PARTIES TO THE CONTRACT PURSUANT TO A MUTUALLY AGREED UPON DATE.
CANCELLATION	ENDING ALL RIGHTS AND OBLIGATIONS OF THE STATE AND CONTRACTOR, EXCEPT FOR ANY RIGHTS AND OBLIGATIONS THAT ARE DUE AND OWING.

DEFINITION OF TERMS (CON'T.)

TERMS	DEFINITIONS
WORK PRODUCT	WORK PRODUCT MEANS ANY DATA COMPILATIONS, REPORTS, AND ANY OTHER MEDIA, MATERIALS, OR OTHER OBJECTS OR WORKS OF AUTHORSHIP CREATED OR PRODUCED BY THE CONTRACTOR AS A RESULT OF AND IN FURTHERANCE OF PERFORMING THE SERVICES REQUIRED BY THIS CONTRACT.

INTRODUCTION

This Contract issued by the Office of Purchasing at the Michigan Department of Management and Budget. The document contains three sections:

Section I, Contractual Terms and Conditions. **This section describes the general contractual terms and conditions that will be a part of any Contract that results from the RFP. By submitting a proposal, each bidder acknowledges its acceptance of these provisions without change.**

Section II, Work Statement. **This section is a detailed description of the services to be contracted for, including the background and objectives of the work. It is the most important portion of the RFP.**

The Office of Purchasing, DMB, has prepared a Contract, which will govern the Contractor's performance of services. The Contract will include the general terms and conditions in Section I and the Work Statement in Section II. The Contract may include additional provisions or revisions to the Work Statement to reflect agreements with the selected Contractor based on proposal submissions and subsequent discussions.

Section III, Contractor Information.

SECTION I CONTRACTUAL SERVICES TERMS AND CONDITIONS

I-A PURPOSE

The purpose of this Contract is to obtain document imaging services.

This Contract will be a unit price contract.

I-B TERM OF CONTRACT

The State of Michigan is not liable for any cost incurred by any bidder prior to signing of a Contract by all parties. The activities in the proposed Contract cover the period February 25, 2001 through January 31, 2004 with the possibility of two (2) one (1) year extensions. The State fiscal year is October 1st through September 30th. The prospective Contractor should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations.

I-C ISSUING OFFICE

This Contract is issued by the State of Michigan, Department of Management and Budget (DMB), Office of Purchasing, hereafter known as the Office of Purchasing, for the State of Michigan, DMB, Records and Forms Management Division. Where actions are a combination of those of the Office of Purchasing and the Records and Forms Management Division, the authority will be known as the State.

The Office of Purchasing is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein. The Office of Purchasing is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Request For Proposal and any Contract(s) awarded as a result of this Request. The OFFICE OF PURCHASING will remain the SOLE POINT OF CONTACT throughout the procurement process, until such time as the Director of Purchasing shall direct otherwise in writing. See Paragraph II-C below. All communications concerning this procurement must be addressed to:

Douglas Collier
collierd1@state.mi.us
 Professional & Management Services Division
 DMB, Office of Purchasing
 2nd Floor, Mason Building
 P.O. Box 30026
 Lansing, MI 48909
 517 335-4804

I-D CONTRACT ADMINISTRATOR

Upon receipt at the Office of Purchasing of the properly executed Contract Agreement, it is anticipated that the Director of Purchasing will direct that the person named below or any other person so designated be authorized to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of any Contract resulting from this Request implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications of such Contract. That authority is retained by the Office of Purchasing. The Contract Administrator for this project is:

Brice Sample
sampleb@state.mi.us
 Department of Management & Budget
 Records and Forms Management Division
 P.O. Box 30026
 Lansing, MI 48909
 (517)335-9450

I-E COST LIABILITY

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of any Contract resulting from this Request. Total liability of the State is limited to the terms and conditions of any resulting Contract.

I-F CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities offered in this proposal whether or not that Contractor performs them. Further, the State will consider the Prime Contractor to be the sole point of contact with regard to contractual matters, including but not limited to payment of any and all costs resulting from the anticipated Contract. If any part of the work is to be subcontracted, responses to

this RFP should include a list of subcontractors, including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities. The State reserves the right to approve subcontractors for this project and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

I-G NEWS RELEASES

News releases pertaining to this document or the services, study, data, or project to which it relates will not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the program are to be released without prior approval of the State and then only to persons designated.

I-H DISCLOSURE

All information in a bidder's proposal and any Contract resulting from this ITB is subject to the provisions of the Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

I-I ACCOUNTING RECORDS

The Contractor will be required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Department of Auditor General at any time during the Contract period and any extension thereof, and for three (3) years from the expiration date and final payment on the Contract or extension thereof.

I-J INDEMNIFICATION

1. General Indemnification

The Contractor shall indemnify, defend and hold harmless the State from and against all lawsuits, liabilities, damages and claims or any other proceeding brought against the State by any third party (which for the purposes of this provision shall include, but not be limited to, employees of the State, the Contractor and any of its subcontractors), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

- (a) any breach of this Contract or negligence or intentional tortious act by the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable, in the performance of this Contract;
- (b) the death or bodily injury of any person or the damage, loss or destruction of any real or personal property in connection with the performance of this Contract by the Contractor, or any of its subcontractors, or by anyone else for whose acts

any of them may be liable provided, and to the extent that the injury or damage was caused by the fault or negligence of the Contractor.

- (c) any act or omission of the Contractor or any of its subcontractors in their capacity as an employer in the performance of this Contract;
- (d) any claim, demand, action or legal proceeding against the State arising out of or related to occurrences, if any, that the Contractor is required to insure against as provided in this Contract.

2. Indemnification Obligation Not Limited

In any and all claims against the State by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefits acts, or any other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclause.

3. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

I-K LIMITATION OF LIABILITY

Except as set forth herein, neither the Contractor nor the State shall be liable to the other party for indirect or consequential damages, even if such party has been advised of the possibility of such damages. Such limitation as to indirect or consequential damages shall not be applicable for claims arising out of gross negligence, willful misconduct, or Contractor's indemnification responsibilities to the State as set forth in Section I-J with respect to third party claims, action and proceeding brought against the State.

I-L NON INFRINGEMENT/COMPLIANCE WITH LAWS

The Contractor warrants that in performing the services called for by this Contract it will not violate any applicable law, rule, or regulation, any contracts with third parties, or any intellectual rights of any third party, including but not limited to, any United States patent, trademark, copyright, or trade secret.

I-M WARRANTIES AND REPRESENTATIONS

1. The Contractor warrants that all services required to be provided under this Contract shall be furnished in a professional and workmanlike manner, by the Contractor, its subcontractors and its or their employees, having the skill commensurate with the requirements of this Contract.
2. The Contractor warrants that it or its subcontractor is the lawful owner or licensee of any software programs or other material used by the either in the performance of services called for in this Contract, and has all the rights necessary to convey to the State the unencumbered ownership or licensed use of any and all materials or deliverables required to be provided by the terms of this Contract.

I-N TIME IS OF THE ESSENCE

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

I-O WORK PRODUCT AND OWNERSHIP

1. Work Products shall be considered works made by the Contractor for hire by the State and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the Contractor and the State. If by operation of law any of the Work Product, including all related intellectual property rights, is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such Work Product, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned Work Product.
2. Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, the "Development Tools") created, adapted or used by the Contractor in its business generally, including any all associated intellectual property rights, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials or Development Tools, except as necessary to exercise its rights in the Work Product. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Work Product, and the right to authorize others to do any of the foregoing, irrespective of the existence therein of preexisting work, materials and Development Tools, except as specifically limited herein.
3. The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any

confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.

I-P CONFIDENTIALITY OF DATA AND INFORMATION

1. All financial, statistical, personnel, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section.
2. The Contractor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Contractor without restriction, (3) information independently developed or acquired by the Contractor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Contractor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

I-Q REMEDIES FOR BREACH OF CONFIDENTIALITY

The Contractor acknowledges that a breach of its confidentiality obligations as set forth in section I-Q of this Contract, shall be considered a material breach of the Contract. Furthermore the Contractor acknowledges that in the event of such a breach the State shall be irreparably harmed. Accordingly, if a court should find that the Contractor has breached or attempted to breach any such obligations, the Contractor will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches. This remedy shall be in addition to and not in limitation of any other remedy or damages provided by law.

I-R CONTRACTOR'S LIABILITY INSURANCE

The Contractor shall purchase and maintain such insurance as will protect him/her from claims set forth below which may arise out of or result from the Contractor's operations under the Contract (Purchase Order), whether such operations be by himself/herself or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- (1) Claims under workers' disability compensation, disability benefit and other similar employee benefit act. A non-resident Contractor shall have insurance for benefits payable under Michigan's Workers' Disability Compensation Law for any employee resident of and hired in Michigan; and as respects any other employee protected by workers' disability compensation laws of any other State the Contractor shall have insurance or participate in a mandatory State fund to cover the benefits payable to any such employee.
- (2) Claims for damages because of bodily injury, occupational sickness or disease, or death of his/her employees.
- (3) Claims for damages because of bodily injury, sickness or disease, or death of any person other than his/her employees, subject to limits of liability of not less than \$300,000.00 each occurrence and, when applicable \$300,000.00 annual aggregate, for non-automobile hazards and as required by law for automobile hazards.
- (4) Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom, subject to a limit of liability of not less than \$50,000.00 each occurrence for non-automobile hazards and as required by law for automobile hazards.
- (5) Insurance for Subparagraphs (3) and (4) non-automobile hazards on a combined single limit of liability basis shall not be less than \$300,000.00 each occurrence and when applicable, \$300,000.00 annual aggregate.

The insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater, and shall include contractual liability insurance as applicable to the Contractor's obligations under the Indemnification clause of the Contract (Purchase Order).

BEFORE STARTING WORK THE CONTRACTOR'S INSURANCE AGENCY MUST FURNISH TO THE DIRECTOR OF THE OFFICE OF PURCHASING, ORIGINAL CERTIFICATE(S) OF INSURANCE VERIFYING LIABILITY COVERAGE. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. These Certificates shall contain a provision that coverage's afforded under the policies will not be canceled until at least fifteen days prior written notice bearing the Contract Number or Purchase Order Number has been given to the Director of Purchasing.

I-S NOTICE AND RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

I-T CANCELLATION

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the services or products specified in the

Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.

3. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. In the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 4-6. Cancellation may be in whole or in part and may be immediate as of the date of the written notice to the Contractor or may be effective as of the date stated in such written notice.

I-U RIGHTS AND OBLIGATIONS UPON CANCELLATION

1. If the Contract is canceled by the State for any reason, the Contractor shall,(a) stop all work as specified in the notice of cancellation, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Work Product or other property derived or resulting from the Contract that may be in the Contractor's possession, (c) return all materials and property provided directly or indirectly to the Contractor by any entity, agent or employee of the State, (d) transfer title and deliver to the State, unless otherwise directed by the Contract Administrator or his or her designee, all Work Product resulting from the Contract, and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or cancellation settlement costs, to the maximum practical extent, including, but not limited to, canceling or limiting as otherwise applicable, those subcontracts, and outstanding orders for material and supplies resulting from the canceled Contract.
2. In the event the State cancels this Contract prior to its expiration for its own convenience, the State shall pay the Contractor for all charges due for services provided prior to the date of cancellation and if applicable as a separate item of payment pursuant to the Contract, for partially completed Work Product, on a percentage of completion basis. In the event of a cancellation for cause, or any other reason under the Contract, the State will pay, if applicable, as a separate item of payment pursuant to the Contract, for all partially completed Work Products, to the extent that the State requires the Contractor to submit to the State any such deliverables, and for all charges due under the Contract for any cancelled services provided by the Contractor prior to the cancellation date. All completed or partially completed Work Product prepared by the Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and the Contractor shall be entitled to receive just and fair compensation for such Work Product. Regardless of the basis for the cancellation, the State shall not be obligated to pay, or otherwise compensate, the Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
3. If any such cancellation by the State is for cause, the State shall have the right to set-off against any amounts due the Contractor, the amount of any damages for which the Contractor is liable to the State under this Contract or pursuant to law and equity.
4. Upon a good faith cancellation, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Work Product under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

I-V EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused,

directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable thereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

I-W ASSIGNMENT

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the State Purchasing Director.

I-X DELEGATION

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named in the bid unless the State Purchasing Director has given written consent to the delegation.

I-Y NON-DISCRIMINATION CLAUSE

In the performance of any Contract or purchase order resulting herefrom, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The bidder further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

I-Z MODIFICATION OF SERVICE

The Director of Purchasing reserves the right to modify this service during the course of this Contract. Such modification may include adding or deleting tasks which this service shall encompass and/or any other modifications deemed necessary. Any changes in pricing proposed by the Contractor resulting from the requested changes are subject to acceptance by the state. Changes may be increases or decreases.

IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATIONS.

I-AA ACCEPTANCE OF PROPOSAL CONTENT

The contents of this document and the vendor's proposal will become contractual obligations, if a Contract ensues. Failure of the successful bidder to accept these obligations may result in cancellation of the award.

I-BB REVISIONS, CONSENTS, AND APPROVALS

Any Contract resulting from this RFP may not be revised, modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

I-CC ENTIRE AGREEMENT

The Contract resulting from this RFP shall represent the entire agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to this subject.

I-DD NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of a Contract resulting from this RFP shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

I-EE SEVERABILITY

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

I-FF HEADINGS

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

I-GG RELATIONSHIP OF THE PARTIES

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

I-HH NOTICES

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

**For the Contractor: Greg Colton
4208 Normandy Ct.
Royal Oak, MI 48073-2263**

**For the State: Contract Administrator
Douglas Collier
DMB, Office of Purchasing
Technology & Professional Services Division
PO Box 30026
Lansing, MI 48909**

Either party may change its address where notices are to be sent giving written notice in accordance with this section.

I-II UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board.

A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

I-JJ SURVIVOR

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

I-KK GOVERNING LAW

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

I-LL YEAR 2000 SOFTWARE COMPLIANCE

The Contractor warrants that services provided under this Contract including but not limited to the production of all Work Products, shall be provided in an accurate and timely manner without interruption, failure or error due the inaccuracy of Contractor's business operations in processing date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and

twenty-first centuries, and the years 1999 and 2000, including leap year calculations. The Contractor shall be responsible for damages resulting from any delays, errors or untimely performance resulting therefrom.

I-MM CONTRACT DISTRIBUTION

The Office of Purchasing shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by the Office of Purchasing.

I-NN TRANSITION ASSISTANCE

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to four months after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance. If the State cancels this Contract for cause, then the State will be entitled to off set the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation.

I-OO DISCLOSURE OF LITIGATION

1. The Contractor shall notify the State in its bid proposal, if it, or any of its subcontractors, or their officers, directors, or key personnel under this Contract, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. Contractor shall promptly notify the State of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Contractor or any of the Contractor's subcontractor, or any of the foregoing entities' then current officers or directors during the term of this Contract and three years thereafter.
2. The Contractor shall notify the State in its bid proposal, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments that may have arisen against it or its subcontractors during the five years preceding its bid proposal, or which may occur during the term of this Contract or three years thereafter, which involve (1) products or services similar to those provided to the State under this Contract and which either involve a claim in excess of *\$250,000 (this number may be adjusted)* or which otherwise may affect the viability or financial stability of the Contractor, or (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Contractor or any subcontractor hereunder violated any federal, state or local

statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or subcontractor, in any an amount less than *\$250,000* shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Contractor or subcontractor.

3. All notices under subsection 1 and 2 herein shall be provided in writing to the State within fifteen business days after the Contractor learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Semi-annually, during the term of the Contract, and thereafter for three years, Contractor shall certify that it is in compliance with this Section. Contractor may rely on similar good faith certifications of its subcontractors, which certifications shall be available for inspection at the option of the State.
4. Assurances - In the event that such investigation, litigation, arbitration or other proceedings disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract, causes the State to be reasonably concerned about:
 - a) the ability of the Contractor or its subcontractor to continue to perform this Contract in accordance with its terms and conditions, or
 - b) whether the Contractor or its subcontractor in performing services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of this Contract or violation of Michigan or Federal law, regulation or public policy, then the Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that: (a) the Contractor or its subcontractors hereunder will be able to continue to perform this Contract in accordance with its terms and conditions,(b) the Contractor or its subcontractors will not engage in conduct in performing services under this Contract which is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings.
5. The Contractor's failure to fully and timely comply with the terms of this section, including providing reasonable assurances satisfactory to the State, may constitute a material breach of this Contract.

I-PP STOP WORK

1. The State may, at any time, by written stop work order to the Contractor, require that the Contractor to stop all, or any part, of the work called for by this Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop work 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 stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either:
 - a) Cancel the stop work order; or
 - b) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.
2. If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the contract price, or both, and the Contract shall be modified, in writing, accordingly, if:
 - a) The stop work order results in an increase in the time required for, or in the Contractor's costs properly allocable to the performance of any part of this Contract; and
 - b) The Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.
3. If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.
4. If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.
5. An appropriate equitable adjustment may be made in any related contract of the Contractor that provides for adjustment and is affected by any stop work order under this section. The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this section.

SECTION II

WORK STATEMENT

II-A BACKGROUND/PROBLEM STATEMENT/OBJECTIVES

Records and Forms Management Division, Department of Management and Budget, State of Michigan is responsible for managing the creation, maintenance, preservation and disposition of the records of all state departments and agencies.

Departments and agencies of state government may be allowed under certain conditions to convert information on paper or microfilm records to a digital image format. Request for digital imaging state records originate within the individual offices of the various state departments and agencies. To assure that all administrative, fiscal, legal and historical needs of state government are provided for efficiently and cost-effectively, all imaging requests must be submitted to Records and Forms Management Division for approval. No digital imaging is to be done by the contractor without this approval.

The majority of state agencies that require source document imaging and microfilm imaging do not have their own imaging capabilities, relying instead upon another source to provide that service. Providing for the needs of state agencies on a centralized basis involves a full range of imaging services, including the operation of color, and gray scale scanners, microfilm scanners, CD-R drives, various digital media recording devices, duplicators, and other equipment to convert paper and microfilm records to digital images. Turn around time for job production ranges from same day to several weeks, depending upon the individual job requirements.

II-B TASKS

Tasks associated with this contract include but may not be limited to the following list. Additional more specific tasks may be required by the work statement for each job.

1. Scan from a variety of microfilm and paper formats and sizes to digital image.
2. Produce microfilm backup to images as necessary and specified.
3. Indexing of digital images and/or microfilm backups
4. Perform preparation of documents to be scanned
5. Perform image finishing services on scanned images as necessary and specified.
6. Provide pickup and delivery services.
7. Provide compatible viewer or reader if requested.
8. Perform custom programming functions related to document imaging as necessary.
9. Perform OCR (image conversion to text) as necessary.
10. Label all media returned with agency identification and content identification.
11. At a minimum support image conversion to TIFF, JPEG, and PDF formats.
12. Assist the customer in developing a project work statement
13. Advise the customer and the Records and Forms Management Division regarding the best method for obtaining the most favorable image.

14. On occasion, it may be necessary for the contractor to provide on-site equipment, staff, and scanning services to an agency. Adjustments will be made through this contract for these services to be provided on an as needed/requested basis.
15. Assist the customer in identifying techniques that can be deployed to reduce indexing.

II-C JOB SETUP

- 1) The agency and the contractor must both agree to and sign a work statement prior to any production being performed. The work statement shall contain all information necessary to identify all billable tasks and information necessary to obtain the desired output. Examples are as follows:
 - Agency customer information (including billing/budget codes)
 - Pickup and delivery information
 - Image viewers to be used by the agency
 - File format supported
 - Recommended settings for best interpretable output
 - Output devices to be used by the agency
 - Image database products used by the agency
 - Purpose for which images are to be used
 - Document preparation tasks to be performed and time estimate
 - Source document size, type, media, and condition
 - Sub-contractors to be used or any task(s) to be completed outside the State
 - Image capture specifications
 - Image capture tasks to be performed
 - Image enhancement
 - OCR/ICR specifications
 - Index field names & lengths, types to be keyed, spell checking
 - dictionaries and other applicable variables
 - Data entry verification method
 - Output media labeling requirements
 - Image verification and quality control tasks to be performed
 - Line item cost estimate
- 2) A copy of the first draft and the final approved work statement shall be filed with the Records and Forms Management Division. Any changes to the work statement after production begins shall be agreed upon in writing, signed by both project managers, and filed with the work statement.

II-D Work Submission Process

1. The agency submits request for retention schedule change for imaging project to Records & Forms Management.
2. Agency completes known information on a project work statement and submits work statement to Vendor and Records & Forms Management.
3. Vendor completes remainder of work statement and assists agency in defining the necessary tasks to complete the agency's desired project objective.

II-E Quality Control

- a. Both the agency and contractor shall designate project managers to work on the project. These project managers shall be responsible for insuring a quality product is produced. Any change in project manager shall be documented in writing and filed with the project work statement.
- b. Unless otherwise specified by the agency and identified in the work statement, the contractor shall inspect 10% of each batch for image alignment, readability, contrast, overlapped images, and any other defects in its finished product.
- c. All images shall be provided by the vendor right side up and unless specified in the work statement.
- d. Providing image capture services require the contractor to provide data entry services to support existing systems. The data entered shall be formatted as to be easily imported into the agency system. Sorting of specific fields may be required for some applications.
- e. All data entry must be verified with a guaranteed accuracy rate greater than ninety-nine (99) percent. Contract shall explain the process used to meet this accuracy standard.
- f. The images from the contractor will be approved or disapproved by Records and Forms Management Division or the individual agency receiving the media within (30) days. If disapproved due to contractor error, the contractor will be notified within that thirty (30) day period that re-scanning or other corrective action by the contractor would be necessary at no additional cost to the state.
- g. The Records and Forms Management Division retains final authority to determine whether or not the images are acceptable and that the records need to be re-imaged. The contractor will be required to complete the re-imaging process within ten days after being notified that re-imaging is necessary unless additional time is approved by the Records and Forms Management Division.
- h. The contractor will designate a person that will be on-site at its production facility on a daily basis whom Records and Forms Management Division and/or the agency project manager can readily contact and meet with to discuss daily provisions of contractual services.
- i. Contractor shall insure that all product deliverables are compatible with agency viewing devices, databases, and output devices.
- j. Prior to production the contractor shall perform a sample test of 150 documents or 1% of the to total job (which ever is less). The agency is responsible for insuring that the selected samples reflect a representative cross-section of the quality of documents found in the proposed job.
- k. Records are essential to the operation of state government and must be protected from loss, damage or destruction during the imaging process, and must be available on a reasonable basis for referencing when required. Also, records to be imaged may contain confidential information that is prohibited by statute from disclosure.
- l. All records will be protected from damage or exposure from the elements during transit. When records in the possession of the contractor are not in actual production, they will be maintained in a room that is separate from the production area. Positive security measures will be provided to prevent unauthorized access

to the records. The contractor will permit random unannounced visits by Records and Forms Management Division to monitor security measures in place.

II-F Standards

1. The imaging contractor shall comply with the following imaging standards:

- MS44-1998 (R1993) - Recommended Practice for Quality Control of Image Scanners
- MS50-1994 – Recommended Practice for Monitoring Image Quality of Aperture Card Film Image Scanners
- MS53-1993 - Recommended Practice; File Format for Storage and Exchange of Image; Bi-Level Image File Format
- MS55-1994 - Recommended Practice for the Identification and Indexing of Page Components (Zones) for Automated Processing in an Electronic Image Management (EIM) Environment MS59-1996 –
- Media Error Monitoring and Reporting Techniques for Verification of Stored Data on Optical Digital Data Disk.

Additionally, where applicable the contractor shall conform to standards as adopted by the American National Standards Institute (ANSI), the Association for Information and Image Management (AIIM), the International Standards Organization (ISO), the National Association for Photographic Manufactures (NAPM), and the Accredited Standards Commission (ASC).

2. The contractor shall comply with microfilming standards which have been promulgated as Michigan Administrative Code Rules 18.101 - 18.113. Additionally, where applicable, the contractor shall conform to the following standards as adopted by the American National Standards Institute (ANSI), the Association for Information and Image Management (AIIM), the International Standards Organization (ISO), the National Association for Photographic Manufacturers (NAPM), and the Accredited Standards Commission (ASC).

ANSI/AIIM standard ANSI/AIIM MS17 for rotary cameras and ANSI/AIIM MS51 for planetary cameras resolution test charts, shall be used in determining the resolution of the microfilm. The microfilmed charts shall be examined with not less than a forty (40) power lens to determine the resolution. Microfilm exposed on a planetary camera shall have a minimum processed resolution of 120 line-pairs per millimeter. Planetary camera microfilming requires that test charts shall be placed on all four (4) corners and in the center of the photographic field. Microfilm exposed on a rotary camera shall have a minimum processed resolution of 100 line-pairs per millimeter.

3. Density of microimages may range from background density of 0.80 – 1.20.

4. The base plus fog density of unexposed processed clear base film must not exceed 0.06.

5. The ultimate image density criteria are that the microfilm be legible for its intended use (reading, duplicating, or printing hard copies), and that all images in a reel can be duplicated at the same duplicator exposure.
6. A splice made on a roll of microfilm shall be a butt splice. A cemented lap-splice shall not be used. There will be no more than one splice per roll of film. No more than 3 retakes are permitted per roll, with the splice to be at the end of the roll with a notation on the container label that retakes are at the end of the roll. A minimum of 6 inches of blank film between the last filmed image on the roll and the beginning of the spliced is required.
7. Retake Targets: Each retake will have a "start retake" target before each retake and an "end retake" target at the end of each retake.
8. Roll microfilm shall have the following identifying targets:
 - Targets at front of roll shall be;
 - Resolution target filmed.
 - Plain white sheet of 8½"x11' paper.
 - Start target with description of film content.
 - A title target may also be required. This target shall contain the name of the government unit responsible for the record, title of the record, roll number, reduction ratio, date microfilmed, and the camera operator's name.
 - Target at end of roll shall be:
 - End target with certificate of authenticity.
 - Plain white sheet of 8½"x11' paper.
 - Resolution target filmed.

Only those targets and resolution sheets approved by Records and Forms Management Division will be used.

II-G Special Terms and Conditions

1. All image capture must be completed in the State of Michigan
2. There will be no transfer of any information in any format outside the state or to any sub-contractor without the written consent of the agency project manager.
3. The contractor must provide a tour of its source document imaging facility for approval by the State.
4. Unless specifically required otherwise, all jobs will be picked-up at Records and Forms Management Division at 3405 N. Martin Luther King Blvd, Lansing, Michigan. There will be no charge for this pick-up and delivery, but pick-up and deliveries from any other location will be subject to a charge.

5. The contractor may be required to provide a schedule to receive jobs and to deliver completed jobs to Records and Forms Management Division on a daily basis.
6. After records have been imaged, the contractor must retain them in an organized, safe and secure manner until authorization is received from Records and Forms Management Division or the individual agency for final disposition. During this time the contractor will maintain the same security and confidentiality measures over the records as described in [Section I-Q](#).
7. The contractor will enable records in his/her possession to be retrieved by the State. Upon request for a record to be retrieved, the contractor will deliver the requested record(s) to the agency from which they otherwise originated by the following workday; or the contractor will allow a designated representative of the requesting agency to come to the contractor's facility and retrieve the record(s) within two (2) hours of being notified unless otherwise specified on the work statement. The contractor will release the requested records only to a representative of the requesting agency. The contractor will require positive identification, such as a driver's license or state identification, of the person receiving the records before the records will be released. Under no circumstances is the contractor to release any records or information relating to file to any person other than that authorized by the requesting agency.
8. The contractor shall have on file affidavits of confidentiality for all individuals that will be assigned to the performance of this contract. Any changes in staffing assigned to performance of this contract by the contractor will be reflected in new confidentiality statements on file. Unauthorized disclosure by the contractor or subcontractor, of any information contained in any of the records being imaged will be cause for immediate cancellation of the contract and may result in prosecution for any violation of applicable laws.
9. The contractor will be held responsible for providing safe handling, confidentiality and security over all paper records, microfilm, and digital images, indexes, or other digital information generated as a result of this contract while in the contractor's possession including providing periodic backups of production work. This covers the period of time from when the microfilm or source documents leave the state office of origin until such time as the finished product is returned back to the designated agency. This also includes the time during which the paper or microfilm records are being held after they have been imaged until they are destroyed or returned back to the State. The contractor will be held fully liable in the event of loss, damage, theft or destruction of any paper records or microfilm while in the contractor's possession. Any cost incurred by the State, including the cost to recreate or recover lost, damaged or destroyed records will be the responsibility of the contractor.
10. Prior to award, contractor may be required to provide a tour of its scanning facility for approval by the State.

II-H PROJECT CONTROL AND REPORTS1. Project Control

- a. The Contractor will carry out the projects under the direction and control of the Department of Management and Budget, Records and Forms Management Division.
- b. Although there will be continuous liaison with the Contractor team, the client agency's project director will meet monthly as a minimum, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.
- c. The Contractor will submit brief written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the client agency's project director; and notification of any significant deviation from previously agreed-upon work plans.
- d. Within five (5) working days of the award of the Contract, the Contractor will submit to the Records and Forms Management Division project director for final approval a work plan. This final implementation plan must be in agreement **with section IV-C subsection 2** as proposed by the bidder and accepted by the State for Contract, and must include the following:
 - (1) The Contractor's project organizational structure.
 - (2) The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - (3) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
 - (4) The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.
- e. Records and Forms Management Division will be solely responsible for determining that the images provided by the contractor are of satisfactory quality and are acceptable. Failure to maintain consistent quality images will be reason for cancellation of the contract. Records and Forms Management Division regulates state agency imaging applications and enforces compliance with minimum standards of quality.

- f. Imaging of state records is governed by numerous state and federal laws and regulations, as well as policies, rules and regulations established by the State Archives and the State Records and Forms Management Division. Records and Forms Management Division of DMB governs the record keeping activities of state government, and is the immediate authority over the imaging of state records. The agencies will submit all requests for imaging services to Records and Forms Management Division for review and approval. Contractor may be called in to meet with requesting agency to review and survey new jobs and submit its written specifications to the Records and Forms Management Division.

2. Reports

The contractor will submit a monthly production/revenue report to the Records and Forms Management Division. It will itemize all work produced during that month. Also a year-to-date report will be provided which will include detail of all work produced for each month, listing volume and type of units of work produced and total charges per month.

II-I PRICE PROPOSAL

All prices/rates quoted in bidder's response to this RFP will be firm for the duration of the Contract. No price changes will be permitted.

II-J CONTRACT PAYMENT

- a. The contractor will produce a billing statement for each job order (work statement) completed, which will include agency name, job number, description of work performed, unit cost and total job cost. The invoice will be returned with the completed work to the Records and Forms Management Division. The contractor may be required to submit monthly billings to Records and Forms Management Division in an automated format should the state determine that such a need exists in the future.
- b. In some instances, blanket orders will be issued that authorize reoccurring work to be done over a period of time. Invoices for work completed on blanket orders will be submitted to Records and Forms Management Division on a monthly basis, indicating agency name, job order number, units of work produced per day and resulting cost. Charges for work completed for multiple agencies or blanket orders will not be commingled on the same invoice.
- c. The contractor will submit a monthly production/revenue report to the Records and Forms Management Division. It will itemize all work produced during that month. Also a year-to-date report will be provided which will include detail of all work produced for each month, listing volume and type of units of work produced and total charges per month.
- d. The specific payment schedule for any Contract(s) entered into as the result of this RFP will be mutually agreed upon by the State and the Contractor(s). The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

SECTION III
CONTRACTOR INFORMATION

III-A BUSINESS ORGANIZATION

PRIMARY CONTRACTOR:

**Graphic Sciences Inc.
4208 Normandy Ct.
Royal Oak, MI 48073-2263**

SUB-CONTRACTOR:

III-B AUTHORIZED CONTRACTOR EXPEDITER:

**Gregory P. Colton, President
Telephone: (248) 549-6600**

APPENDIX A

**CONTRACTOR'S TECHNICAL PROPOSAL
(EXCERPTS)**

**NOTE: REMAINING PARTS (SECTIONS) OF PROPOSAL ARE MAINTAINED AT
THE OFFICE OF PURCHASING (OOP) MAIN FILE**

Products and Services

Systems Design and Implementation Services: GSI approaches its clients' document-based information management needs from a system-wide perspective. Its first task is to understand the client's requirements considering the origination of its document-based information and the nature of its information retrieval requirements including frequency, urgency and longevity. Based on this understanding, GSI designs a system for capturing information in a medium that meets retrieval requirements while minimizing costs of capture, storage, maintenance and retrieval. This may range from a solution as simple as a convenient microfilm solution to a one as advanced as an optical digital imaging system.

Hardware Sales, Support and Maintenance Services: GSI sells and supports a range of equipment from simple microform reader-printers to digital imaging hardware configured in sophisticated document management systems. The Company represents only the finest equipment makers in the industry including Minolta, OTG, Anacomp, Fuji, and others. The Company's primary equipment vendor is Minolta, with whom it has an exclusive territory in Southeast Michigan and additional territory in Indiana. In addition to equipment, the Company also provides supplies including media.

Document Medium Conversion Services: While some clients choose to manage their own conversion of documents from the original form into the targeted medium, most turn to GSI to perform this function effectively and efficiently. Conversion work includes the traditional conversion from paper to microfilm, which GSI has done since the inception of its founding companies. Such analog conversions are more and more being replaced by conversions into more advanced digital media such as magnetic tape or optical (compact) disc. GSI offers digital conversions from paper or microfilm sources, as well as conversions from digital formats into microfilm.

Software Development Services: Through its Image Technology Group (ITG), Graphic Sciences can provide software applications to support scanning, processing, character recognition, retrieval and printing. The Company considers this offering to be key to differentiating its systems and conversions. The ITG develops solutions to customize imaging systems to meet the specific work-flow, record retention and information access requirements of each of the Company's systems clients. In addition, the ITG develops tools to customize the output of digital conversions performed by GSI for its clients.

Reprographics Services: In 1998 Graphic Sciences established its Reprographics Services Group to expand its digital imaging services into the realm of large scale architectural or engineering documents. Services include large scale direct digital print production from digital source files, conversion from large scale paper source documents to digital files in various formats and media, and document distribution and control services for project managers. The Company's Project Document Management service meets the needs of construction project managers in printing, distributing and maintaining project documents from bid through close-out:

- Bid documents are generated as prints or as digital files.

- Bid documents, addendas, construction sets and bulletins are distributed according to the project manager's direction in print or digital media.
- Document distribution is tracked and recorded to maintain the integrity of project document versions.
- During construction, project documents are digitally printed and delivered to the site.

Capabilities

Digital Imaging Capabilities

GSI has invested heavily in the people and processes within its Imaging Technology Group (“ITG”). Industry peers consider Graphic Sciences’ highly talented group of designers and developers to be among the finest in the industry. With over 100 years of combined development talent in the information management industry, the ITG provides the Company’s clients with state of the art solutions that are practical in their approach and functionality but sophisticated enough to take advantage of today’s most complex development tools. GSI’s development team is an integral part of the Company’s natural imaging system sales process, and the team’s expertise is always utilized to ensure an efficient and effective deliverable solution.

While many industry participants are just beginning to see the advantages of having a dynamic in-house development team, GSI has been building its Imaging Technology Group for the last decade. As a result, GSI can deliver robust solutions with the confidence that comes from experience and a history of successfully installed solutions.

The development team has become expert in a number of areas:

Image file format conversions: As imaging systems move to second and third generation systems, it often becomes necessary to move images stored in one file format to another format to fit the client’s current system specifications. GSI’s development team has developed significant skill in such system to system conversions. These usually incorporate both a database and an image file format conversion. Conversion expertise includes:

- a. TIFF to MODCA
- b. MODCA to TIFF
- c. Laserdata to TIFF
- d. TIFF to Laserdata
- e. TIFF to CIT
- f. Wang to TIFF
- g. TIFF to Wang

Conversion Production Systems: Graphic Sciences has continuously refined digital production processes in order to maximize the effectiveness of the digital imaging systems that it delivers. These refinements include:

1. Automatic document indexing processes
2. Bar-code indexing systems
3. Optical Character Recognition (OCR) indexing systems
4. Effective data-entry solutions when auto indexing is not possible
5. Built-in Quality Control and Quality Assurance processes

Graphic Sciences is uniquely positioned to offer these enhancements to clients who are seeking effective digital imaging systems. These refinements enable those clients to produce higher quality images at lower cost.

End-user Custom Application Development: As document imaging becomes more broadly accepted as a necessary business function, it has become more critical to provide customized implementations to meet expanding client requirements. It is no longer sufficient to provide only “out-of-the-box” solutions. GSI’s development team has responded to meet this need by creating solutions that are customized to meet its clients’ most demanding needs. The Company’s solutions capitalize on the strengths of its core family of hardware products enhanced by custom implementation and development.

- **High Speed Digital Capture of Index Data:** GSI has developed a very sophisticated “automatic indexing” package for high-speed capture of index data from both microfilm and paper source documents. The Company has used this solution in many digital conversion projects it has performed, and has integrated the package into digital systems it has developed for clients. The solution combines the accuracy of bar-code reading or OCR with the reliability of GSI’s scanning processes to provide clients the most accurate yet affordable conversion solutions. The automatic indexing system:
 - a) accepts OCR and all bar-codes.
 - b) is server-based to allow multiple machine access.
 - c) runs on an unattended basis, requiring very little operator intervention.
 - d) has built-in quality control functions to ensure complete, accurate indexing.
 - e) creates management reports for evaluation of conversion throughput.
 - f) provides output to OTG, Minolta, and Laserdata and many more imaging systems.

Microfilm Production Capabilities

GSI maintains a state of the art microfilm production facility to meet the needs of its film-based clients. The Company processes on the order of 8,000,000 images each month in 16mm and 35mm roll microfilm, aperture cards, microfiche, microfilm jackets, CAR systems and a wide variety of duplication services. With its wealth of experience, the Company has developed the process controls to ensure accurate and reliable delivery of filmed images.

One important control implemented by Graphic Sciences is daily measurement of operator performance. The Company monitors a variety of yield measures by operator, by job, and by day. Operators are given daily quotas and top performers each month are rewarded with recognition and financial bonuses. Each operator's performance against quota is considered in annual job reviews and compensation levels.

In addition to maximizing operator performance, these measures are used by the Company to determine job pricing that reflects the particular complexities of each job. The measures also allow for accurate job testing to ensure first-time compliance with client requirements and to minimize rework. These management tools have been mastered by the Company's production managers and shift managers to enable them to make optimal production decisions. All microfilm produced and delivered is in compliance with applicable ANSI/AIIM standards. Inspection is governed by ANSI/AIIM MS-23.

Digital Conversion Production Capabilities

Graphic Sciences has integrated its skills in digital imaging and its discipline in conversion production management to apply them to digital production, including back-file conversions and day-forward document conversions. GSI has been converting analog-based documents to digital images since 1991. The Company's particular strength is in

the conversion of various microforms including 16mm and 35mm roll film, microfiche, microfilm jackets, updateable microforms and aperture cards to a wide variety of digital image file formats.

GSI's Imaging Technology Group has perfected automatic document indexing processes, bar-code indexing systems, OCR indexing systems, and other production tools that the Company uses to efficiently and effectively execute digital conversions. The Company combines these tools with effective management of its production operators to meet and exceed the requirements of the most demanding digital conversion client.

Management believes that one of the Company's unique competitive strengths is its ability to integrate microfilm technology and digital imaging technology in order to deliver maximum benefit to the client. GSI can convert paper documents to digital images by performing an intermediate conversion to microfilm and then scanning the film; this method can yield high quality digital images in instances where direct conversion from paper to digital image would not. In these instances, Graphic Sciences can cost-effectively deliver because of its efficiencies in both microfilm production and digital conversions from microforms.

Increasingly, clients make two competing demands of their document management systems: high-speed document access and long-term document storage. By understanding the relationship between microfilming and digital scanning of microfilm, GSI can efficiently and effectively satisfy both of those competing demands. By creating microfilm in a precisely controlled environment, GSI provides its clients a secure and stable record for the long-term retention of vital records. To satisfy the need for high-speed access to that vital information, the Company has perfected processes to digitize that film for daily use in a digital imaging system. The Company expects that this solution will be used more frequently as users come to understand the volatility of digital solutions. This unique capability has created market opportunities as conventional microfilm service bureaus across the country have begun to rely on GSI to convert their microfilm output to digital media for their clients.

System Implementation Capability

Graphic Sciences considers its ability to seamlessly implement the imaging systems it sells to be critical to its success. To ensure that system installations and on-going support are executed in as flawless a manner as possible, the Company formed its Implementation Team. The Team consists of senior management, sales management, service management and systems engineering personnel. Each system and the client requirements for the system are completely understood by all members of the Implementation Team from very early-on in the sales cycle. Schedules for ordering, delivering, development, training and on-going maintenance are thoroughly discussed at the weekly Team meeting. Assignments are distributed and reviewed at each meeting. Any changes or deviations from established schedules are openly discussed and appropriately managed.

By creating an environment where each step of the process is reviewed by the entire Implementation Team, Graphic Sciences can monitor and control not only the delivery of the system but the ongoing support as well. This enables the Company to deliver digital imaging solutions on time, within budget and to the complete satisfaction of the client. The Company believes the effectiveness of its Implementation Team is a unique competitive advantage.

Service and Support Capability

GSI is widely regarded as having one of the finest service support organizations within the Minolta distributor channel. The Company has been recognized for its expertise in micrographic, hybrid and digital support services year after year and has been awarded the Minolta *Service Excellence Award* five out of the last seven years. In addition to its expertise in Minolta systems, the Company is also expert in many of the products offered by Canon, 3M, Bell and Howell, and Kodak.

Graphic Sciences' Service Department currently maintains over 3,000 individual machines under service agreements and hundreds more on a time and materials basis.

Operations

The Company conducts its operations in two facilities, one in Royal Oak, Michigan and one in Southfield, Michigan. The Company's main office is a leased light industrial facility at 4208 Normandy Court in Royal Oak, Michigan. This facility is 14,000 square feet, comprised of 2,000 of office space and 12,000 feet of production and processing space.

In addition to administrative activities and sales, the Company's operations conducted in Royal Oak include receiving, testing, and configuring equipment for systems implementations at client sites; software development for internal and client applications; all reprographics production and all microform conversions. The Company's production staff works in two shifts and performs all receiving, preparing, and processing of client documents for conversion to microform media.

Graphic Sciences maintains its digital conversion operations in Southfield, Michigan. This state of the art facility houses all of the hardware and software necessary to convert virtually any analog media to digital images. Production equipment includes the following:

- Fujitsu, Canon, Ricoh, Kodak and Bell and Howell document scanners
- Océ 9800 Scanner/printer
- Mekel roll microfilm scanners
- Wickes and Wilson rollfilm scanner
- Mekel microfiche scanner
- Photomatix Aperture card scanner
- Kodak Archiver
- Data entry workstations for index capture

At the Southfield facility, a skilled production staff performs tasks associated with the scanning of paper documents of all sizes and virtually all microforms. This includes 16mm and 35mm roll microfilm, microfiche, microfilm jackets, updateable microfiche and aperture cards. The staff manages all quality control and quality assurance functions, and indexing services are performed in the facility as well.

Graphic Sciences manages the quality of its digital and microfilm production utilizing a package developed by its Imaging Technology Group. The package is based on the standards established in MIL Standard 105. This quality assurance tool not only provides accurate measurement of the quality of converted images, but also allows clients to determine the exact quality standard for each attribute of their conversion. The software tool then determines the frequency of examination of each of the attributes. Once the attributes are established and the examination frequency is set, the Company can determine the costs associated with such an examination. The client can then "value" the cost/benefit relationship between increased accuracy and increased cost and conclude final quality standards for the conversion. The software then sets up the work flow process to execute examinations in production and report the results to both GSI's production management and to the client.

Management

The Company's management team is comprised of the following individuals:

President: Greg Colton Mr. Colton, 51, is co-founder of the Company and has been involved in the document management industry since 1973. He is responsible for the Company's overall business strategy and is directly responsible for developing strategic client opportunities. He

supports the sales staff on complex, large-scale conversion or system sales, and guides the development of new products and markets. In particular, Mr. Colton guides the Company's digital imaging development efforts. During his career, Mr. Colton has designed and implemented a variety of digital and micrographic imaging systems; for example, he was among the first in the country to utilize bar-code technology to reduce data entry requirements for microfilm computer-aided-retrieval systems. Mr. Colton is on the faculty of the Detroit College of Business, and is a guest lecturer at Wayne State University. He is an active participant in key industry associations and has been a frequent speaker on information and image management issues. He is a past-president and past-board member of the Michigan Chapter of the Association for Image and Information Management (AIIM). AIIM recently awarded him its Distinguished Service Citation and its Master of Information Technologies award. Mr. Colton performed his undergraduate studies at Michigan State University and graduate studies at the University of Michigan.

Vice President: Tom Liebold Mr. Liebold, 53, is co-founder of the Company and is responsible for the general management, financial management, and overall administration of the Company's activities. Mr. Liebold has been instrumental in developing and implementing GSI's production controls for micrographic and digital conversions. He has been active in the industry since 1969 and has broad experience with in digital conversion management and with a variety of micrographic systems including computer output to microfilm (COM), source document microfilm services, micrographic hardware and microfilm-based computer aided retrieval systems. Mr. Liebold is also active in industry associations, having served on the boards of AIIM and the Association for Records Managers and Administrators (ARMA). He is also past-president of AIIM. Additionally, he has served on the Dealer Advisory Board for the Minolta Corporation. Mr. Liebold performed his undergraduate studies at Wayne State University.

Director of Imaging Technology: Tom Kelley Mr. Kelley, 52, manages Graphic Sciences' Imaging Technology Group. Mr. Kelley is responsible for overseeing the Company's development efforts for both client and internal applications. He also oversees the design of client imaging systems, and provides critical technical expertise to the Company's digital production efforts. Mr. Kelley has 28 years of experience in document imaging, application development and system development. He managed a backfile conversion team for the Canadian Patent Office responsible for converting 33 million pages to microfilm and digital images. Mr. Kelley also served as project manager for a film-to-digital backfile conversion of 3 million images for the State of Michigan Department of Commerce. Mr. Kelley also performed as project manager for the University of Michigan Payroll and Benefits Department including a backfile conversion and implementation of a 65 user imaging system. Mr. Kelley performed his undergraduate studies at the University of Michigan and earned his MBA from the University of Detroit.

Director of Sales and Implementation: Terry Buchanan Mr. Buchanan, 45, manages the Company's sales staff and oversees its Implementation Team. Mr. Buchanan has over 18 years of experience in the document management industry and prior to joining Graphic Sciences he was with Bell & Howell in imaging sales. He has expertise in the full range of the Company's products and services from micrographic equipment to full-scale digital imaging systems; from microfilm conversions to custom digital image production. Mr. Buchanan's skills bridge from

selling solutions to implementing them; as Director of the Company's Implementation Team, he oversees and coordinates the delivery of complex imaging systems to ensure fulfillment of client expectations. Based on his direct and daily interaction with clients and prospects across many market segments, Mr. Buchanan provides the Company with valuable strategic guidance. Mr. Buchanan is a member of the Michigan Chapter of AIIM as well as ARMA. He earned his bachelor's degree from the University of Missouri.

Mr. Colton, Mr. Liebold, Mr. Kelley, and Mr. Buchanan form the Company's Executive Management Team. The team meets regularly to assess the overall performance of the Company and implement measures to improve or maintain performance as needed.

The Company has additional departmental managers who directly oversee Micrographic Production and Processing, Digital Production, Reprographics, Service, and Accounting and Administration. These managers have on average 15 years of experience in the industry and most have been with Graphic Sciences from the beginning of their careers.

STATEMENT OF THE PROBLEM

From the information provided in the original RFP and the ITB modifications it is clear that the State has the desire to enter in to a contractual agreement with a qualified provider who can perform a variety of digital image conversion services. The State understands that there are a number of departments and agencies that may derive benefit through the use of digital image management systems. If those systems are implemented, those departments may have need for backfile conversions of their historical information as well as on-going services to keep their imaging system information current. The exact nature of each of the needs of each department or agency is unknown at this time. Additionally, the current media that is used to maintain the historical information is variable and may be contained on a variety of microforms as well as in paper form. Microfilm formats and paper document sizes have been clearly detailed in the RFP. Additionally, the output formats have been detailed as well as possible without having completely examined the specific needs of each potential end user department or agency.

The specific challenges presented by the work associated with the fulfillment of this RFP is to individually respond to the need of the end user community within the confines of the general pricing structure. We completely understand that the success of a backfile conversion or of an on going capture and indexing project is in the result of coming to a thorough understanding of the needs of the individual end user. Having been involved in hundreds of digital conversion projects we know that each project must be designed, implemented and executed in very unique ways to successfully meet the needs of the user. While many of the projects we have been involved in share certain functional attributes, we know that each project will in deed be unique. It is functionally impossible to meet the needs of the end user without understanding their current and future operations and their ultimate expectations. Once you have an understanding of the conversion requirements you must have the appropriate hardware, software and most importantly the skilled human resources necessary to provide the end user with the digital products that will make the imaging system solution a valuable business tool. The challenge is therefore is to provide the best possible solution within the confines of the contractual pricing.

It is our practice and our intention to develop an understanding of the criteria for each end user on an individual basis and then execute according to a mutually agreed upon plan.

Following the completion of the specifications gathering activity Graphic Sciences will provide a complete Statement of Work, a Functional Specification, a process flow document including conversion time lines and a responsibilities document. Additionally, a prototype deliverable compliant with all specifications will be delivered to the appropriate State of Michigan personnel prior to the start of actual production. Once accepted, this test deliverable then becomes the model for all future deliverables in the project.

MANAGEMENT SUMMARY

The specific work required and effort can only be described on an individual project basis. Considering that the needs of each agency or department may vary in nature, the specific effort cannot be described until the requirements are known. However, the effort can be described in general terms that can be applied to any project.

1. Requirements Gathering
2. GSI internal evaluation and proposed conversion design solution
3. Presentation to end user of the proposed conversion solution.
4. Upon acceptance of the proposed design, provide the end user with the complete functional specifications, the statement of work, the process flow documents and the conversion time line.
5. Assign job to appropriate staff and schedule required equipment.
6. Acquire the media to be converted from the end user. Assign the job number.
7. Transport media to GSI.
8. Record all incoming media in our job log and job tracking system.
9. Execute all functional capture operations including: preparation, image capture from the provided media
10. Perform Quality Control on converted images
11. Index in compliance with job specifications
12. Perform Index Quality Control functions
13. Integrate index data with image files.
14. Q.C. the image-data integration
15. Create the specified delivery media.
16. Perform Quality Assurance on the deliverable product for all defined attributes
17. Deliver final product to the end user or other authorized State Agent.
18. Execute final disposition of original material as directed.

Please see attached a typical Process deployment document that we utilize. Again, each document would be individually created to fully describe the conversion process to be used in any individual conversion. Considering that the exact nature of each conversion is unique, each process flow document is created to meet the needs of the client.

Prior Experience

Graphic Sciences has a customer base of over 1200 high quality businesses, institutions and governmental agencies primarily located in Michigan, Ohio and Indiana. A sampling of these clients include:

General Motors	EDS
Bank One	Daimler-Chrysler
Comerica	Detroit Edison
Ford Motor Company	First American Title Co.
Federal Mogul	Guardian Industries
Michigan National Bank	Landamerica
University of Michigan	Wayne State University
State of Michigan	Canadian Government

Graphic Sciences clients also include approximately 75% of all of the counties in the State of Michigan.

Specific Project References:

Michigan Consolidated Gas Co. :

In this project we converted a large collection of gas service orders from the locations throughout the State of Michigan. Many of the documents were in very poor condition due to continuous use and age. Additionally, the documents were in a variety of intense colors. As a result of the document condition, images were captured on microfilm and the microfilm was converted to a digital image format. Documents were indexed using 15 discreet attributes that required considerable skill and knowledge to decipher. The image files were linked to the data files in accordance with the project specifications and delivered to the client. Images and index information was then to be loaded to the Mich Con imaging system. The project was completed on time and under budget.

Contact : Mr. Dave Paquette Mich Con 500 Griswold Ave Detroit, Mi. 48226
313-226-9096

Dow Chemical Company:

In this project we converted the human resource files of active Dow employees. Each document of each file was scanned, indexed and uploaded into an OTG document imaging solution that was also provided by Graphic Sciences. The total image conversion volume was in excess of 550,000 pages. A unique aspect of this project was that we were able to link the clients existing employee database with the specific document type through the use of bar-coded information. The end result was that there no errors in either image capture or indexing. The project was completed on time and at budget.

Contact:

Mr. Craig Walker (517) 696-2751
4520 E. Ashman
Midland, Mi. 48641

Wayne County Register of Deeds:

In this project Graphic Sciences was contracted to perform a series of conversions to assist the Register of Deeds manage the land title recording process. Of particular interest in this series of projects is the conversion of all existing Plat maps managed by the County. The collection of 23,400 maps represent the entire map collection of platted land in Wayne County Michigan. These maps are used for title recording reference and the development of a County wide GIS system. Each plat was indexed by liber, page and drawing number. Images were delivered as a Multi-Page .tiff image. Each image was scanned using attributes that were unique to the specific page. This was necessary due to the fact that some of the maps dated back to the beginning of land recording in the County and were therefore exceptionally old. The performance criteria were exceptionally high. In the vernacular, each image

was delivered in such a way as to eliminate any doubt that it was the best image that could be made from the original. Delivered images were uploaded into the current IBM imaging platform.

A second project is the conversion of all tract book pages used in the actual land recording process. This project has 680,000 individual images. Each image is indexed by liber, page, section number, image number and number of pages within a section. Again, these pages date back to the beginning of recording history and therefore exhibit the effects of age. The goal in this project is to entirely eliminate the need to rely on the paper records for land recording purposes. This is an on-going project. It is being performed ahead of the original project completion time line and is directly on budget.

Contact:

Ms. Patricia Cwiek, Deputy Register of Deeds, Wayne County Michigan
400 Monroe St.
Detroit, Mi.
313-224-5288

Detroit Retirement Systems-City of Detroit, Mi.

This project consisted of the conversion of the records for all active City of Detroit pension and benefits files. Each current or past employee of the city has a file that details the nature and extent of their earned benefits. The benefits are defined by the nature of the work performed by the employee and the bargaining unit that represented them. Each file was identified by name, SSN and employee number. Additionally, each document within the file had to be identified using specific attributes. Our staff correctly identified over 750,000 pages of information, scanned the images and then indexed the images using the information we identified. The completed images were up-loaded into the Retirement Systems digital imaging solution. The project was completed ahead of the projected conversion time line and on budget.

Contact::

Mr. Denis Linet, IT Director 313-224-3362 ext. 210
Detroit Retirement Systems
City County Building
Detroit, Mi.

EDS for General Motors:

This is an on-going weekly process to convert all warranty-covered work for the GM/SPO division. In this process all warranty claims are scanned during the week in which they occur. Images are captured by warranty type and indexed by claim number and warranty number. Images are delivered to GM on a CD that contains the image, the index database and an image viewer. The images are delivered to GM on a weekly basis. The current volume is approximately 1,500 claims per week.

Contact:

Ken Lorincz 810-236-8566
G 4318 Miller Rd.
Flint, Mi

Resources

Please find below a complete list of digital production hardware currently in operation in our digital-imaging department.

- | | |
|---|-------------------------------|
| (1) Kodak 3510 paper scanner | Panasonic 6045 paper scanners |
| (1) Océ' 9800 large format scanner | HP flat bed color scanner |
| (2) Canon paper scanners | Bell and Howell 80125 |
| (1) Fujitsu 3099 paper scanner | Kodak Image Archiver |
| (1) Wickes and Wilson roll film scanner | |
| (2) Mekel rollfilm scanners | |
| (1) Mekel microfiche scanner | |
| (2) Minolta MS 3000 film scanners | |
| (3) Minolta MS 1000 film scanners | |
| (1) Minolta PS 3000 book scanner | |
| (1) Panasonic 6045 document scanner | |
| (1) HP color document scanner | |
| (2) Bell and Howell 80125 document scanners | |
| (1) Kodak Image Archive Writer | |

The above operate on an internal NT system that incorporates 3 individual servers. Data is stored in RAID 5 to provide redundancy and all work is backed up to tape media on a daily basis.

There are 18 data entry workstations.

All of the above equipment with the exception of the OCE' 9800 is located in our Southfield facility.

We are constantly evaluating new capture hardware and software to either improve the quality of the services we offer or to improve the efficiency of our production. Through production process improvements we are able to offer our clients better products at lower costs.

In addition to the above digital capture equipment we also have a substantial hardware inventory for the production of source document microfilm. Additionally, we have 43 people within the source document department who are dedicated to producing micrographic products. The hardware we operate is sufficient and suitable for compliance with the long term storage requirements described in the RFP. This includes:

- (13) Minolta Micro-Auto 16 cameras
- (3) Minolta DAR 2800 cameras
- (2) Minolta DR 1600 cameras
- (2) Kodak MRD cameras
- (2) Kodak MRG cameras
- (1) Kodak Rotoline
- (3) Kodak Imagelink 70 cameras

(1) Kodak 800 microfilm camera

We have sufficient processing equipment to process approximately 8,000,000 internally generated images each month as well as processing services we perform for a long list of clients who generate their own microfilm. We are a Fuji Certified Film laboratory and perform all of our sensiometric testing and methelene-blue tests. These results are routinely reported to Fuji for maintenance of our certified status. All of the above micrographic equipment and the OCE' 9800 are located in our Royal Oak facility.

PROJECT STAFFING

The executive management of the company is actively involved in the day to day operations of our organization. All have operational responsibilities that relate to the effort required in this RFP and will allocate their own time as necessary to the successful completion of projects. The executive managers and their experience have been presented earlier in this response document. These managers will additionally rely on department managers for day to day production and operations. The average experience among department managers is 22 years with Graphic Sciences. Please find attached an organizational chart.

SUB-CONTRACTORS

Graphic Sciences, Inc. has all of the necessary hardware, software, staff and facilities necessary to perform the work detailed in this RFP. Therefore, we do are not contemplating the use of sub-contractors.

Pre-Scan preparation: The functional aspects involved in pre-scan preparations are as follows:

1. Verification of sequence of the material provided by the user department. Report any discrepancies in the sequence and correct as advised.
 2. Remove any fastening devices. This includes paper clips, staples, binders or stitching.
 3. Repair any torn or damaged documents.
 4. Unfold any documents as necessary to allow proper image capture.
 5. Insert any appropriate "flashes" as required from the needs analysis.
 6. Orient documents for correct capture
 7. If necessary, copy any documents that would benefit from copying.
 8. Insert "poor quality original" flashes when appropriate
 9. Remove unwanted, unneeded or unnecessary documents as determined by the needs analysis.
- A. Standard Image Finishing: Standard image delivery is based on several assumptions. These are, (1) all images are scanned as either simplex or duplex, one or the other. (2) in the case of microfilm conversions, we assume that all of the images in the collection are to be scanned. (3) A single scanner setting will be used that maximizes the overall image quality. The selected setting will be determined by evaluating the background normalization process, the contrast and brightness setting of the scanner. (4) All scanning is performed as an automated, attended process. Given the above assumptions, all images will be delivered at the requested resolution. All images will be software cropped and de-skewed. All images will be delivered using standard 10% QC levels.
- C. Additional image finishing services include:
1. Individual/manual image cropping.
 2. Individual/manual image rotation
 3. Individual/manual image de-skew
 4. Individual/manual image scanning necessitated by poor quality originals.
- D. Production Tracking Systems and Methods: Our production tracking system is fully integrated with our production management system. Our logistics department, production departments and administrative departments provide data for the system. The process begins with the pick-up of material at the client site. A unique job order number is assigned for each job. This number is pre-printed on a transmittal document. This number becomes the control for all information concerning any specific job. Each box of material is labeled with the job number, the job name, and the number of boxes in the job. A copy of the transmittal is left with the customer. When material reaches our production facility the data is entered into the production system. The transmittals along with the complete job description and work order information are delivered to the appropriate production facility. Each supervisor who will be in contact with any particular job is notified that the job has

arrived in the facility. Supervisors distribute work to individual operators. Each operator identifies on his or her production log the work performed. The job passes to each of the functional areas and is identified as having completed that step. The master production log is updated each day so that we can know the exact status and location of each box of material. Each department manager and the company general manager review the master production log daily. Once work is complete, it is packaged for delivery back to the client or packaged for storage in our record storage facility. At all times in the production process we are able to immediately locate any box of material. In the event that a client needs access to the information we have in our possession, they simply need to provide the job number and the specific item required. If the person has authorized access to the records we will fax, mail or deliver the material back to the requesting party. In some specific cases, we control the conversion down to the individual page. This is accomplished through the use of bar-coded documents. Implementation of this process requires the client to apply a unique bar code to each document. The system is highly reliable and it provide us with production status, productivity and most critically location of information within our facility.

- E. Index Quality Control: In order to provide high levels of character accuracy we employ a standard, dual data entry operation. In this method two individual operators enter each record at two separate times. The results are compared through our data entry software. If the two entries are exactly the same, the record is accepted. If the result does not compare exactly, it is re entered. The results of this method routinely generate character accuracy of 99.5%.
- F. Our standard quality control process monitors each production operation as it moves through the conversion process. QC attributes are assigned to each job. These attributes are determined in the needs analysis phase. A fairly standard conversion job would be comprised of four individual steps. 1. Document preparation 2. Document scanning. 3. Document Indexing. 4. Creation of delivery media.

At the conclusion of the prep phase the completed material is inspected to ensure that the documents are sequenced properly and that all material is in a condition to be scanned. The QC operator corrects any errors.

As documents are being scanned a representation of the image is displayed on a high resolution monitor. The scanner operator is responsible for viewing the images as they are being created. Because the scan process is generally very rapid, the operator is responsible for only gross errors in image quality or appearance. For example, badly skewed or double fed pages can be detected and corrected by the scanner operator. Following the initial capture of the image representative samples are taken on a random basis in accordance with the Quality Control specification (10%) in your case.

A final review of the images is also performed at the time of indexing. The index operator has the opportunity to review the images in the course of generating the index record. Clearly, if the index operator cannot read any particular image, neither can the client. The index operator has the authority to reject any image and require it to be rescanned. Index QC is performed as described above using the dual data entry method.

Following the completion of the capture and indexing the material is ready for delivery media creation. Once the media has been created, the files on that media are reopened to verify that the image files and data files are accessible and formatted in the correct manner.

In addition to the standard QC functions we perform, we also employ a Quality Assurance process. This process was described earlier in this document. It is important to recognize that our purpose in the quality control functions is to ensure that each step of the process is performed correctly and in compliance with the customer requirements and expectations. At any time during the QC process the work can be re-done. As such, it is an integral part of the production process. The QA process is a measure of how well the deliverable product was created. As such it is not a part of the production process and it is not designed to correct errors. It is designed to evaluate the consistency of the overall production process.

- G. Graphic Sciences, Inc. maintains controlled access to its facilities. During business hours access to the building is either via the lobby of the building which is always attended or through an entrance which remains locked and is accessed only thorough correct correctly entering the proper numeric sequence on the access pad. Guests are accompanied in the building at all times. The building is manned 24 hours a day 5 days per week. Security

systems are provided through Guardian Alarm Company. Internal and external sensors located throughout the building detect heat, smoke, fire and motion. Direct feeds to the Royal Oak police and fire departments are provided through Guardian. The nearest fire station is less than ½ mile from our facility. Access to records is provided only to authorized representatives of the client. Each client is provided a unique access number. If access to records is required during the conversion we require the requesting party to provide the access number. Records are released only to authorized representatives of the client and only when they can provide the correct access number.

- H. The production systems run on an NT server. Storage is RAID 5. Production systems are backed up to tape each day on an automated basis. Completed back-up tapes are removed from the building each night. Our staff maintains all of the server, network and workstation hardware and software.
- I. Our self contained CD based software is a product know as REPORTXTENDER. The product was created by On Line Technology Group (OTG). When we deliver this product each CD contains it's own database, the images, the index data and the image viewer. The product will run on any WINDOWS machine. The product is licensed to the CD itself. Therefore, it can be used on any PC that is running WINDOWS and has a CD drive. There is no software that is loaded onto the PC. Please find enclosed a product brochure that describes the product. The costs for this product are included in the cost section of this response. Each CD is billed at \$ 45.00.
- J. Graphic Sciences, Inc. enjoys a joint marketing and production arrangement with EDS. Through this agreement we have access to capture, index and image processing equipment. In the event of a catastrophic loss we are in a position to utilize the EDS hardware for capture and indexing purposes. While EDS does not operate all of the equipment types currently in use at Graphic Sciences, Inc., document scanners, indexing hardware and software and processing systems would be available to us until we were in a position to resume production.
- K. Graphic Sciences uses a combination of off the shelf software and internally created software for document capture, finishing, indexing and delivery. Our custom applications have been developed in Delphi and Visual Basic. We utilize Digitech software when appropriate and we are currently evaluation Kofax as a front-end capture suite.

The person responsible for expediting is Gregory P. Colton, President, Graphic Sciences, Inc. He can be reached at 248-549-6600

APPENDIX B
CONTRACTOR'S PRICING

**PRICE QUOTATION
FOR
SOURCE DOCUMENT & MICROFILM TO IMAGE SERVICES**

All prices quoted to include all pick-up, delivery and distribution services (to and from the Records Center), and all testing, proofing and monitoring by the contractor for standards compliance and all output media labeling as specified on the job work statement. Prices quoted reflect 200 dpi TIF Group 4 images (or current standard) for black & white and grayscale images, and 300 dpi JPEG for Color images. Conversion to PDF is to PDF image only. Any OCR, ICR, or other data capture shall be specified and quoted on the job work statement.

Price quoted under the assumption that all documents are of high quality and are “scan ready”. Documents requiring special handling shall be identified as such on the job work statement.

Document scanning (paper) to black & white image						
Document Size	Estimated Annual Volume Of		Price			Total
Up to 4x6	2,000	X		Per image	=	
Up to 8 ½ x 11	900,000	X		Per image	=	
Up to 8 ½ x 14	50,000	X		Per image	=	
Up to 11 x 14	6,000	X		Per image	=	
Engineering Drawings						
A size (8 ½ x 11)	1,000	X		Per image	=	
B size (11 x 17)	600	X		Per image	=	
C size (18 x 24)	400	X		Per image	=	
D size (24 x 36)	8,000	X		Per image	=	
E size (36 x 48)	1,000	X		Per image	=	
Discount for volumes over 200,000 pieces per work statement						%

Document scanning (paper) to gray scale image						
Document Size	Estimated Annual Volume Of		Price			Total
Up to 4x6	200	X		Per image	=	
Up to 8 ½ x 11	200	X		Per image	=	
Up to 8 ½ x 14	200	X		Per image	=	
Up to 11 x 14	200	X		Per image	=	

Document scanning (paper) to color image						
Document Size	Estimated Annual Volume Of		Price			Total
Up to 4x6	200	X		Per image	=	

Up to 8 ½ x 11	3,000	X		Per image	=	
Up to 8 ½ x 14	200	X		Per image	=	
Up to 11 x 14	200	X		Per image	=	

Microfilm security backup from source document (including processing)						
Description	Estimated Annual Volume		Price			Total
Silver 16MM/5mil open spool (includes processing)	1,000	X		Per roll	=	
Diazo duplicate 16MM open spool	1,000	X		Per roll	=	

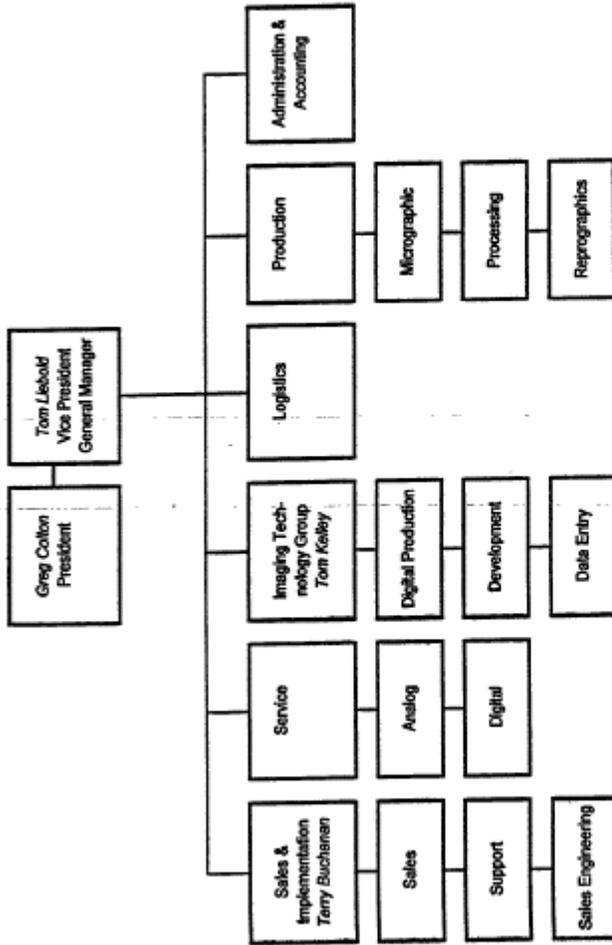
Microfilm scanning to black & white image						
Description	Estimated Annual Volume		Price			Total
16MM roll	600,000	X		Per image	=	
16MM 5-channel jackets	20,000	X		Per image	=	
35MM roll	20,000	X		Per image	=	
35MM aperture cards	100,000	X		Per image	=	
105mm microfiche	7,000	X		Per image	=	
Discount for volumes over 200,000 pieces per work statement						%

Conversion of images from CD-R to microfilm						
Description	Estimated Annual Volume		Price			Total
*To Silver 16MM roll	75,000	X		Per image	=	

*100-Ft rolls shall be used unless specified in the work statement.

Output Media						
Description	Estimated Annual Volume Of		Price			Total
CD-R (master)	1,000	X		Per unit	=	
CD-R (duplicate)	2,000	X		Per unit	=	
4MM DAT Cassette Tape	400	X		Per unit	=	
8MM Cassette Tape	400	X		Per unit	=	
3480/3490/3490E Cartridge Tape	400	X		Per unit	=	

OTHER SERVICES						
Description	Estimated Annual Volume		Price			Total
Document Preparation	5,000	X		Per hour	=	
Image finishing (standard)	400,000	X		Per image	=	
Image finishing (specialized)	1,000	X		Per hour	=	
Additional quality control (in addition to the required 10%)	2,000	X		Per Hour	=	
Data entry for indexing	100,000,000	X		Per character	=	
Full text Optical Character Recognition (OCR)	1,500	X		Per hour	=	
Image conversion to PDF (up to 11 x 14)	30,000	X		Per image	=	
Image conversion to PDF (engineering drawings)	10,000	X		Per image	=	
Imbedded retrieval software	20	X		Per license	=	
Custom Programming	100	X		Per hour	=	
Pick-up & Delivery outside Greater Lansing	10	X		Per trip	=	
Pick-up & Delivery Greater Lansing (other than Records Center)	10	X		Per trip	=	



Cross-functional teams:

Implementation Team:
System configuration, installation and training

Development Team:
Software development for client systems and internal systems for production and operations

Service Team:
Service for analog and digital equipment, and internal service

**PRICE QUOTATION
FOR
SOURCE DOCUMENT & MICROFILM TO IMAGE SERVICES**

All prices quoted to include all pick-up, delivery and distribution services (to and from the Records Center), and all testing, proofing and monitoring by the contractor for standards compliance and all output media labeling as specified on the job work statement. Prices quoted reflect 200 dpi TIF Group 4 images (or current standard) for black & white and grayscale images, and 300 dpi JPEG for Color images. Conversion to PDF is to PDF image only. Any OCR, ICR, or other data capture shall be specified and quoted on the job work statement.

Price quoted under the assumption that all documents are of high quality and are "scan ready". Documents requiring special handling shall be identified as such on the job work statement.

Document scanning (paper) to black & white image						
Document Size	Estimated Annual Volume Of		Price			Total
Up to 4x6	2,000	X	.04 EA	Per image	=	80.00
Up to 8 1/2 x 11	900,000	X	.05 EA	Per image	=	45,000.00
Up to 8 1/2 x 14	50,000	X	.055 EA	Per image	=	2,750.00
Up to 11 x 14	6,000	X	.062 EA	Per image	=	372.00
Engineering Drawings						
A size (8 1/2 x 11)	1,000	X	.05 EA	Per image	=	50.00
B size (11 x 17)	600	X	.08 EA	Per image	=	48.00
C size (18 x 24)	400	X	.18 EA	Per image	=	72.00
D size (24 x 36)	8,000	X	.29 EA	Per image	=	2,320.00
E size (36 x 48)	1,000	X	.38 EA	Per image	=	380.00
Discount for volumes over 200,000 pieces per work statement						2% %

Document scanning (paper) to gray scale image						
Document Size	Estimated Annual Volume Of		Price			Total
Up to 4x6	200	X	.08 EA	Per image	=	16.00
Up to 8 1/2 x 11	200	X	.09 EA	Per image	=	18.00
Up to 8 1/2 x 14	200	X	.11 EA	Per image	=	22.00

Up to 11 x 14	200	X	.14 EA	Per image	=	28.00
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Document scanning (paper) to color image						
Document Size	Estimated Annual Volume Of		Price			Total
Up to 4x6	200	X	.35 EA	Per image	=	70.00
Up to 8 ½ x 11	3,000	X	.35 EA	Per image	=	1,050.00
Up to 8 ½ x 14	200	X	.35 EA	Per image	=	70.00
Up to 11 x 14	200	X	.35 EA	Per image	=	70.00

Microfilm security backup from source document (including processing)						
Description	Estimated Annual Volume		Price			Total
Silver 16MM/5mil open spool (includes processing)	15,000,000.00	X	.0064	Per Frame	=	96,000.00
Diazo duplicate 16MM open spool	2,500,000.00	X	.0024	Per roll Frame	=	6,000.00

Microfilm scanning to black & white image						
Description	Estimated Annual Volume		Price			Total
16MM roll	600,000	X	.04 EA	Per image	=	24,000.00
16MM 5-channel jackets	20,000	X	.08 EA	Per image	=	1,600.00
35MM roll	20,000	X	.06 EA	Per image	=	1,200.00
35MM aperture cards	100,000	X	.78 EA	Per image	=	78,000.00
105mm microfiche	7,000	X	.08 EA	Per image	=	560.00
Discount for volumes over 200,000 pieces per work statement						2% %

Conversion of images from CD-R to microfilm						
Description	Estimated Annual Volume		Price			Total
*To Silver 16MM roll	75,000	X	.04 EA	Per image	=	3,000.00

Output Media					
Description	Estimated Annual Volume Of		Price		Total
CD-R (master)	1,000	X	10.00 EA	Per unit	= 10,000.00
CD-R (duplicate)	2,000	X	10.00 EA	Per unit	= 20,000.00
4MM DAT Cassette Tape	400	X	25.00	Per unit	= 10,000.00
8MM Cassette Tape	400	X	25.00	Per unit	= 10,000.00
3480/3490/3490E Cartridge Tape	400	X	45.00	Per unit	= 18,000.00

OTHER SERVICES					
Description	Estimated Annual Volume		Price		Total
Document Preparation	5,000	X	13.75	Per hour	= 68,750.00
Image finishing (standard)	400,000	X	.01	Per image	= 4,000.00
Image finishing (specialized)	1,000	X	25.00	Per hour	= 25,000.00
Additional quality control (in addition to the required 10%)	2,000	X	25.00	Per Hour	= 50,000.00
Data entry for indexing	100,000,000	X	.007	Per character	= 700,000.00
Full text Optical Character Recognition (OCR)	1,500	X	\$9.00	Per hour	= 13,500.00
Image conversion to PDF (up to 11 x 14)	30,000	X	\$.01	Per image	= 300.00
Image conversion to PDF (engineering drawings)	10,000	X	\$.01	Per image	= 100.00
Imbedded retrieval software	20	X	45.00	Per license	= 900.00
Custom Programming	100	X	125.00	Per hour	= 12,500.00
Pick-up & Delivery outside Greater Lansing	10	X	18.00	Per trip	= 180.00
Pick-up & Delivery Greater Lansing (other than Records Center)	10	X	18.00	Per trip	= 180.00