Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET **March 30, 2005**
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

NOTICE
TO
CONTRACT NO. 071B4200254
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR **Sequioa Voting System** **767 Oakport St.** **Oakland, CA 94621**	TELEPHONE: Amanda Pitney **(205) 737-0866** VENDOR NUMBER/MAIL CODE **(2) 37-1274619 (001)** BUYER/CA (517) 373-1455 **Laura Gyorkos**
Contract Compliance Inspector: Thomas Luitje **Voting Systems – Department of State**	
CONTRACT PERIOD: From: **March 16, 2005** To: **April 26, 2007**	
TERMS **See Section II-G**	SHIPMENT **N/A**
F.O.B. **Delivered**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	

Estimated Contract Value: $32,000,000.00

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MINIMUM DELIVERY REQUIREMENTS **N/A**	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No.071I4001011. Orders for delivery of equipment will be issued directly by the Department of State through the issuance of a Purchase Order Form.

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

FOR THE VENDOR:	**FOR THE STATE:**
Sequoia Voting Systems	
Firm Name	Signature
	Sean Carlson, Director
Authorized Agent Signature	Name/Title
	Acquisition Services
Authorized Agent (Print or Type)	Division
Date	Date

ACQUISITION SERVICES
STATE OF MICHIGAN

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B Michigan Voting System Approval Process and Technical Requirements
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ATTACHMENTS

Exhibit A - Standard Purchase Agreement
Exhibit B - Software License Agreement

DEFINITION OF TERMS

TERMS	DEFINITIONS
AVM	Mechanical Lever Voting Devices
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.
Contractor	Sequoia Voting Systems, Inc.
County	County and the cities and townships within the county.
DMB	Michigan Department of Management and Budget
DOS	Michigan Department of State
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.
Election Cycle	Even numbered year primary and general elections in which the equipment is used.
ITB	Invitation to Bid - A generic form used by Acquisition Services to solicit quotations for services or commodities. The ITB serves as the document for transmitting the bid solicitation to interested potential Bidders.
Phase I	(Appendix C) - Consists of jurisdictions that currently use punch card ballots and lever machines, for which the State has received Title I buyout funds, and jurisdictions that currently use paper ballots. These jurisdictions will receive replacement equipment.
Phase II	(Appendix D) - Consists of jurisdictions that currently use optical scan and DRE voting systems and have not requested State reimbursement. These jurisdictions under Phase II will receive replacement equipment.
Successful Bidder	The bidder 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.

SECTION I
CONTRACTUAL SERVICES TERMS AND CONDITIONS

I-A PURPOSE

The purpose of this Contract is to provide Precinct Count Optical Scan Voting Systems and Election Management Systems to the State of Michigan. These systems shall comply with Title III of the Help America Vote Act, provisions of Michigan election law and Public Act 91 of 2002.

This Contract is established between the State of Michigan and the Contractor. Upon execution of this Contract with the Contractor, DOS will notify each county of available hardware, software, and components covered under these contracts. The county clerk and the local clerks within the county will jointly select a single vendor to provide precinct count optical scan and EMS hardware, software and components for use throughout the county. Each county will develop a countywide implementation plan by determining quantities required per jurisdiction, which will be forwarded to the State for review. Once received, the plan will be reviewed for completeness and accuracy. If approved, the county will be authorized to move forward with the acquisition process. If not approved, instructions for amending the plan will be provided.

Once the final county implementation plan is approved and the grant between the DOS and the jurisdiction is completed and signed by both parties, DOS will execute purchase orders to the contractors on behalf of the county. Once all conditions are met, DOS will release payment to the contractor for all hardware, software, and components. Items purchased under this contract shall be the property of the county, city or township for which it was purchased. The terms and conditions of the Contract will govern the purchase orders to the contractors, which shall remain in effect for the below referenced term unless earlier terminated in accordance with the terms of the Contract. The selected qualified Contractor will be paid pursuant to the terms specified in Section II-G Ordering and Contract Payment.

The Contractor is only authorized to process orders placed by DOS on behalf of the qualified jurisdictions.

The replacement process will occur in three phases. Phase I (Appendix C) consists of jurisdictions that currently use punch card ballots and lever machines, for which the State has received Title I buyout funds, and jurisdictions that currently use paper ballots. Central count optical scan precincts will also receive new equipment in Phase I. Phase II (Appendix D) consists of jurisdictions that currently use optical scan and DRE voting systems and have not requested State reimbursement. These jurisdictions under Phase II will receive replacement equipment. Optical scan equipment purchased prior to the November 7, 2000 general election will be replaced. Jurisdictions that purchased optical scan equipment after November 7, 2000 will receive a one-time reimbursement from the state. The State anticipates that all DRE equipment will be replaced regardless of when it was purchased. Equipment replacement plans are contingent upon the receipt of adequate federal funding. Phase III, not included in this contract, will provide HAVA compliant disability voting devices for each polling location in the State.

Based on the availability of funding, the State of Michigan anticipates the purchase of approximately one precinct count optical scan tabulator for each precinct in Michigan (approximately 5200). In addition, the State anticipates a purchase of approximately 500 precinct count optical scan tabulators for the processing of absent voter ballots. Based on the availability of federal funds, absent voter counting board tabulators will be purchased along with other tabulators purchased in both Phase 1 and Phase 2. Extra tabulators are defined as any amount over the 5200 estimate. These tabulators would typically be used for AV counting boards and would not require supplemental services such as training and project management.

DOS also anticipates the purchase of Election Management System (EMS) software by each of the eighty-three counties. Additional copies of the EMS may be provided to the larger cities and townships within the State. The quantities shown are estimates only. The State is not obligated to buy in these or any other quantities. Sequoia will provide the State with 1 copy of EMS, 2 tabulators, and annual post warranty maintenance at no charge to the State. This equipment and software shall be used by the State for demonstration and training purposes only not in competition with Sequoia.

In addition, the State is extending the warranty on EMS by 2 additional years by pre-paying 2 years of EMS Optional Post Warranty Maintenance. This eliminates the need for jurisdictions to pay for any EMS optional post warranty maintenance costs until 2012, if the EMS was purchased in 2005. Refer to Section II-D DELIVERABLES for more information on Warranty.

Due to the many jurisdictions that may be acquiring hardware and software in 2005, the State has added Election Administrative Support for 2005. This support is available for jurisdictions holding elections in 2005 for a not to exceed amount based on the contractor's daily rates listed in Appendix K. Refer to Section II-D DELIVERABLES for more information on Election Administrative Support.

In summary, mandatory items in this contract to be purchased by and paid for by the State include the following:

a) Precinct Optical Scan Tabulators and all related services included in Appendix G. (e.g. training, project management)
b) One EMS for each county (83) and one for each local jurisdiction (Based on a list the State will provide)
c) 2 years pre-paid of EMS Optional Post Warranty Maintenance
d) 2005 Election Administrative Support for first 2 elections in 2005 daily rate
e) Extra tabulators for Absentee Voter Counting Boards (estimate of 400-600 in addition to 5200)

Additional items are included in this contract for optional use by jurisdictions. If a jurisdiction chooses to purchase an optional item off this contract, the jurisdiction is responsible for all costs associated with the item.

In summary, optional costs to be paid for by counties and local jurisdictions include the following:

a) Items listed under "Optional Items"

b) Optional Post Warranty Maintenance
c) Ballot Printing Costs
d) Tabulator Programming

Failure to meet the provisions of HAVA will result in the DOS being in non-compliance of the law and will necessitate the return of Federal funds as outlined in Section 102(d) of P.L. 107-252. To offset any potential monetary penalties incurred by the DOS, the Contractor must submit a performance guarantee as outlined in Section I-RR.

Contract(s) awarded from this solicitation will be the following type:

Fixed Unit Priced Contract

I-B TERM OF CONTRACT

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of a Contract by all parties. The term of this Contract will cover the period March 16, 2005 through April 26, 2007. The State fiscal year is October lst through September 30th. The 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), Acquisition Services, hereafter known as Acquisition Services, for the State of Michigan, Department of State. Where actions are a combination of those of Acquisition Services and the Department of State the authority will be known as the State.

Department of State is the sole point of contact in the State with regard to all procurement at the county or jurisdiction level. DMB, Acquisition Services is the sole point of contact for contractual matters relating to the services described herein. Acquisition Services is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Contract. All communications concerning contractual issues shall be addressed to:

Laura Gyorkos, Buyer, CPPB
Strategic Business Development
DMB, Acquisition Services
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909
Phone: (517) 373-1455
Email: GyorkosL@michigan.gov

I-D CONTRACT ADMINISTRATOR

Upon receipt at Acquisition Services of the properly executed Contract Agreement, the Director of Acquisition Services 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. The Contract Administrator at the Department of State is the sole point of contact in the State with regard to all procurement at the county or jurisdiction level. However, administration of this Contract 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 Acquisition Services. The Contract Administrator for this project is:

Tom Luitje, Department Analyst
Department of State
Treasury Building – 1st Floor
Bureau of Elections
430 W. Allegan St.
Lansing, MI 48918
Phone: (517) 241-2541
Email: LuitjeT@michigan.gov

I-E COST LIABILITY

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of this Contract. Total liability of the State is limited to the terms and conditions of this 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, the Contractor shall notify the State and identify the subcontractor(s), 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 this Contract 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 TAXES

1. Sales Tax: For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

2. Federal Excise Tax: The State of Michigan may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Contractor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.

3. Contractors are expected to collect and pay all applicable federal, state, and local employment taxes for all persons involved in the resulting Contract. Also, Contractors shall maintain appropriate payroll information on a system that can produce any reports that may be needed by Acquisition Services.

I-J 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 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-K INDEMNIFICATION

1. General Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), 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 claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Contract;

b. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;

c. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;

d. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;

e. any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

2. Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any

action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

3. Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, 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 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.

4. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect not withstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

I-L 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-K with respect to third party claims, action and proceeding brought against the State.

I-M 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-N WARRANTIES AND REPRESENTATIONS

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with high professional standards in the industry;

2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;

3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;

4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;

5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;

6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;

7. The Contractor has duly authorized the execution, delivery and performance of the Contract;

8. The Contractor has not provided any gifts, payments or other inducements to any officer, employee or agent of the State;

9. The Contractor will maintain all equipment and software for which it has maintenance responsibilities in good operating condition and will undertake all repairs and preventive maintenance in accordance with applicable manufacturer's recommendations per warranty provision in Section II-D – Deliverables.

10. The Contractor will use its best efforts to ensure that no viruses or similar items are coded or introduced into the systems used to provide the services;

11. The Contractor will not insert or activate any disabling code into the systems used to provide the services without the State's prior written approval;

12. All equipment and software sold under this contract shall be new and the latest model or version available;

13. The Contractor represents and warrants that the equipment/system(s) shall be in good operating condition and shall operate and perform to the requirements and other standards of performance contained in this Contract.

I-O 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-P STAFFING OBLIGATIONS

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

The Contractor shall certify in their proposal that their Project Manager shall not change during the first 180 days of the Contract. After the first 180 days of the Contract, the Contractor shall not remove or reassign, without the State's prior written approval of Key Personnel until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by the State to be a material breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel shall be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.

The Contractor may also avoid a material breach if they Remove Key Personnel with the approval of the Contract Administrator and have the Contract Administrator's approval of replacement Key Personnel. Assignment of new Key Personnel with out prior approval of the Contract Administrator will still be deemed unsatisfactory and subject to contract cancellation. The State, in its sole discretion, may require the Contractor to provide documentation on such removal of key personnel, and such documentation may be posted on the program Web page to provide other counties with due warning of such events.

Contractor(s) shall maintain a staff and office in Michigan as long as the Contractor is fulfilling contract requirements unless otherwise approved in writing by DOS.

The State and the Contractor agree that the following personnel are Key Personnel for purposes of this Contract:

Name: Jeff Delongchamp
Title: Vice President, Miller Consultations & Elections, Inc.

I-Q RIGHTS OF OWNERSHIP

Software: All copies of data, materials, documentation and other things not including software prepared or acquired by the Contractor and delivered to the State or counties shall be non-exclusively licensed to the State or county. In addition to being non-exclusive, the licenses are also site-wide, irrevocable, and royalty-free. The State and counties may use copies, including intellectual property rights therein, consistent with the rights of a non-exclusive licensee. All rights in software, if any, shall be governed by the applicable license agreement which cannot contradict the terms of this contract.

Software Prepared by the Contractor Licensed to the State or counties: Contractor grants to the State and counties a non-exclusive, royalty-free, site-wide, irrevocable, transferable license to use any custom developed software and related documentation according to the terms and conditions of this Contract. For the purposes of this license, "site-wide" includes the State or any county regardless of its physical location.

The State or county may modify the Software and may combine such with other programs or materials to form a derivative work. The State or county will own and hold all copyright, trademark, patent and other intellectual property rights in any derivative work, excluding any rights or interest in Software other than those granted in this Contract.

The State and county may copy each item of Software to multiple hard drives or networks.

The State and county will make and maintain no more than one archival copy of each item of Software, and each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original. The State and counties may also make copies of the Software in the course of routine backups of hard drive(s) for the purpose of recovery of hard drive contents.

In the event that the Contractor shall, for any reason, cease to conduct business, or cease to support the Software, the State shall have the right to convert these licenses into perpetual licenses, with rights of quiet enjoyment.

The EMS license fee to the State, counties, and local jurisdictions shall be **$0** and the license shall be perpetual. EMS maintenance fees will apply to county only; not to those jurisdictions designated by the State to receive EMS. There will be no "double dip" on EMS post warranty maintenance costs. The counties are responsible for optional post warranty costs. The State cannot mandate the county to use EMS or pay for post warranty maintenance costs.

Sequoia will allow jurisdictions to contract with outside individuals or firms to program using the EMS system. The outside individual contractors will exclude individuals currently employed by the other election system vendors.

Equipment: All equipment shall be titled in the name of the State, counties, cities and townships.

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 and all associated intellectual property rights, shall be and remain the sole property of the Contractor, the State, counties, cities, and townships 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, counties, cities, and townships 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.

The Contractor and its subcontractor 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 subcontractor acquire and apply such information without disclosure of any confidential or proprietary information of the State, counties, cities, or townships and without any unauthorized use or disclosure of any Work Product resulting from this Contract.

I-R 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-S REMEDIES FOR BREACH OF CONFIDENTIALITY

The Contractor acknowledges that a breach of its confidentiality obligations as set forth in Section I-R 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-T CONTRACTOR'S LIABILITY INSURANCE

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract. The Contractor also agrees to provide evidence that all applicable insurance policies contain a waiver of subrogation by the insurance company.

All insurance coverage's provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The Insurance shall be written for not less than any minimum coverage herein specified or required by law, whichever is greater. All deductible amounts for any of the required policies are subject to approval by the State.

The State reserves the right to reject insurance written by an insurer the State deems unacceptable.

BEFORE THE CONTRACT IS SIGNED BY BOTH PARTIES OR BEFORE THE PURCHASE ORDER IS ISSUED BY THE STATE, THE CONTRACTOR SHALL FURNISH TO THE DIRECTOR OF ACQUISITION SERVICES, CERTIFICATE(S) OF INSURANCE VERIFYING INSURANCE COVERAGE. THE CERTIFICATE SHALL BE ON THE STANDARD "ACCORD" FORM. THE CONTRACT OR PURCHASE ORDER NO. SHALL BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor. All such Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for 10 days for non-payment of premium, having been

given to the Director of Acquisition Services, Department of Management and Budget. Such NOTICE shall include the CONTRACT NUMBER affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909.

The Contractor is required to provide the type and amount of insurance checked (☑) below:

☑ 1. Commercial General Liability with the following minimum coverage's:

$2,000,000 General Aggregate Limit other than Products/Completed Operations
$2,000,000 Products/Completed Operations Aggregate Limit
$1,000,000 Personal & Advertising Injury Limit
$1,000,000 Each Occurrence Limit
$500,000 Fire Damage Limit (any one fire)

The Contractor shall list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability policy.

☑ 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor shall have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor shall list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability policy.

☑ 3. Worker's disability compensation, disability benefit or other similar employee benefit act with minimum statutory limits. NOTE: (1) If coverage is provided by a State fund or if Contractor has qualified as a self-insurer, separate certification shall be furnished that coverage is in the State fund or that Contractor has approval to be a self-insurer; (2) Any citing of a policy of insurance shall include a listing of the States where that policy's coverage is applicable; and (3) Any policy of insurance shall contain a provision or endorsement providing that the insurers' rights of subrogation are waived. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☑ 4. Employers liability insurance with the following minimum limits:

$100,000 each accident
$100,000 each employee by disease
$500,000 aggregate disease

I-U 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-V 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 reprocurement 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 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. Non-Appropriation. 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. Criminal Conviction. 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. Approvals Rescinded. The State may terminate this Contract without further liability or penalty 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. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

I-W 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-X 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-Y 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 Director of Acquisition Services.

I-Z 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 Director of Acquisition Services has given written consent to the delegation.

I-AA NON-DISCRIMINATION CLAUSE

In the performance of any Contract or purchase order resulting herefrom, the Contractor 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 Contractor 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-BB WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

In performing services for the State pursuant to this Contract, the Contractor shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable State agency rules on these matters that the agency provides to the Contractor. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at www.state.mi.us/mdcs/Regindx.

I-CC MODIFICATION OF SERVICE

The Director of Acquisition Services reserves the right to modify this service during the course of this Contract. Such modification may include adding or deleting tasks that this service shall encompass and/or any other modifications deemed necessary.

This Contract 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.

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. The Contractor shall provide a change order process and all requisite forms. The State reserves the right to negotiate the process during contract negotiation. At a minimum, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

1. Within five (5) business days of receipt of a request by the State for any such change, or such other period of time as to which the parties may agree mutually in writing, the Contractor shall submit to the State a proposal describing any changes in products, services, timing of delivery, assignment of personnel, and the like, and any associated price adjustment. The price adjustment shall be based on a good faith determination and calculation by the Contractor of the additional cost to the Contractor in implementing the change request less any savings realized by the Contractor as a result of implementing the change request. The Contractor's proposal shall describe in reasonable detail the basis for the Contractor's proposed price adjustment, including the estimated number of hours by task by labor category required to implement the change request.

2. If the State accepts the Contractor's proposal, it will issue a change notice and the Contractor will implement the change request described therein. The Contractor will not implement any change request until a change notice has been issued validly. The Contractor shall not be entitled to any compensation for implementing any change request or change notice except as provided explicitly in an approved change notice.

3. If the State does not accept the Contractor's proposal, the State may:

    a. withdraw its change request; or

    b. modify its change request, in which case the procedures set forth above will apply to the modified change request.

If the State requests or directs the Contractor to perform any activities that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor shall notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to so notify the State prior to commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be In-scope Services, not New Work.

If the State requests or directs the Contractor to perform any services or functions that are consistent with and similar to the services being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the scope of the Contractor's responsibilities and charges as set forth in the Contract, then prior to performing such services or function, the Contractor shall promptly notify the State in writing that it considers the services or function to be an "Additional Service" for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing such services or functions. If the Contractor does so notify the State, then such a service or function shall be governed by the change request procedure set forth in the preceding paragraph.

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

I-DD NOTICES

Any notice given to a party under this Contract shall 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:

Sequoia Voting Systems, Inc.
7677 Oakport Street
Oakland, CA 94621
Attn: Amanda Pitney
(O) (205) 733-0866
(F) (205) 444-9957
(C) (888) 421-7264

For the State:
Laura Gyorkos, Buyer, CPPB
Strategic Business Development
DMB, Acquisition Services
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909
Phone: (517) 373-1455
Email: GyorkosL@michigan.gov

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

I-EE ENTIRE AGREEMENT

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

This Contract 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-FF NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of this Contract 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-GG 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-HH 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-II 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-JJ 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-KK 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-LL 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-MM YEAR 2000 SOFTWARE COMPLIANCE

The Contractor warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure year 2000 compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

I-NN CONTRACT DISTRIBUTION

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

I-OO STATEWIDE CONTRACTS

If the contract is for the use of more than one agency and if the goods or services provided under the contract do not meet the form, function and utility required by an agency, that agency may, subject to State purchasing policies, procure the goods or services from another source.

I-PP STOP WORK

1. The State may, at any time, by written stop work order to the Contractor, require that the Contractor 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.

I-QQ 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 proceeding 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 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-RR PERFORMANCE GUARANTEE

The State is concerned with the timely delivery of the agreed upon amounts of mandatory equipment (optical scan tabulators and EMS software), the performance of all equipment, and warranty coverage on all equipment. The State has an interest in assuring performance from vendors on these items and minimizing the impact of this assurance on the final delivered cost of the equipment offered under this contract. To this end, the State is expecting the contractor to provide a performance guarantee. Contract pricing is therefore, expected to include associated costs for utilization of performance bonds, insurance, or other solutions of the contractors choice.

Performance Guarantee Coverage for Phase I:

Cities and townships will be seeking to replace Phase I punch card and lever machine voting systems (this excludes paper ballot voting systems). Failure to receive timely deliverables, nonperformance of any equipment, and lack of warranty coverage on any equipment, could result in loss of federal funds. For that reason, the State is seeking the Bidder to provide protection to reimburse the State for this loss of funds.

The State will seek to be reimbursed at the rate of $3,192.22 per precinct for late delivery or nonperformance of equipment, hardware, software, or components. For that reason a performance guarantee is expected equal to the value of the warranty coverage, value of the mandatory equipment on the purchase order agreement with each county, and the reimbursement amount of $3,192.22 per precinct.

While paper ballot precincts will be included in the Phase I replacement of voting equipment, the additional $3,192.22 performance guarantee is not required for precincts in which paper ballots are used. Paper ballot precincts fall under the same minimum performance guarantees required for Phase II precincts.
Not later than 5 business days after the order is placed by DOS for the jurisdictions, the contractor will provide a performance guarantee, in a form reasonably satisfactory to the State, for an amount equal to the total purchase price of the units purchased under such order plus an amount equal to $3,192 times the number of precincts in the jurisdiction for which the order is placed.

The guarantee on the $3,192.22 per precinct shall be in effect through verification of complete delivery, successful installation and successful acceptance testing. The guarantee made on timely deliverables, nonperformance of any equipment, and lack of warranty coverage on any equipment shall be in effect through the first even numbered year November General election in which the equipment is used.

A bond that is equal to $3,192.22 times the number of units is required in addition to the minimum guarantee requirements. The individual unit amount is based on the total number of punch card and lever machine precincts for which the state has received Title I funds.

The Contractor agrees to deliver the bond to the State within five business days of the date purchase orders are placed by DOS for the jurisdictions.

Performance Guarantee Coverage for Phase II:

Cities and townships will be seeking to replace Phase II optical scan and DRE voting systems. The State is concerned with timely delivery, performance of equipment, hardware, software, or components, and warranty coverage. For that reason a performance guarantee is expected equal to the value of the warranty coverage and the value of the mandatory equipment on the purchase order agreement with each county.

The guarantee shall be made with each county and shall be in effect through the first even numbered year November General election in which the equipment is used.

The Contractor agrees to deliver the bond to the State within five business days of the date purchase orders are placed by DOS for the jurisdictions.

I-SS SOURCE CODE ESCROW

(a) Definition. "Source Code Escrow Package" shall mean:

(i) A complete copy in machine-readable form of the source code and executable code of the Licensed Software, including any updates or new releases of the product;
(ii) A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or
(iii) Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.

(b) Delivery of Source Code into Escrow. Vendor shall deliver a Source Code Escrow Package to the Escrow Agent, pursuant to the Escrow Contract, which shall be entered into on commercially reasonable terms subject to the provisions of this Contract within thirty (30) days of the execution of this Contract.

(c) Delivery of New Source Code into Escrow. If at anytime during the term of this Contract, the Vendor provides a maintenance release or upgrade version of the Licensed Software, Vendor shall within ten (10) days deposit with the Escrow Agent, in accordance with the Escrow Contract, a Source Code Escrow Package for the maintenance release or upgrade version, and provide the State with notice of the delivery.

(d) Verification. The State reserves the right at any time, but not more than once a year, either itself or through a third party contractor, upon thirty (30) days written notice, to seek verification of the Source Code Escrow Package.

(e) Escrow Fees. All fees and expenses charged by the Escrow Agent will be paid by the Vendor.

(f) Release Events. The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:

(i) The Vendor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
(ii) The Vendor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Vendor to fail to meet its warranties and maintenance obligations in the foreseeable future;
(iii) The Vendor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.
(iv) The Department of State or an authorized agent of the Department of State shall be able to obtain the software for purposes of analyzing and testing the software.

(g) Release Event Procedures. If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in Section I-SS, then:

(i) The State shall comply with all procedures in the Escrow Contract;
(ii) The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract and MCL 168.797c;
(iii) If the release is a temporary one, then the State shall promptly return all released materials to Vendor when the circumstances leading to the release are no longer in effect.

(h) License. Upon release from the Escrow Agent pursuant to an event described in Section (f) (i)(ii) and (iii), the Vendor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.

(i) Derivative Works. Any Derivative Works to the source code released from escrow which are made by or on behalf of the State shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.

SECTION II
WORK STATEMENT

II-A BACKGROUND and PROBLEM STATEMENT

Historically, decisions on the procurement of voting equipment in the State of Michigan have been made at the local level. As a result, there exists in Michigan a wide variety of voting systems. Having many different types of voting systems in the State causes several problems in election administration and voter education, among these are:

- Greater administrative burdens and cost
- Potential loss of skills and experience when seasoned election inspectors move
- Voter comfort when they move and are confronted with a different system
- Diminished ability of the State's election community to offer peer support

The National Help America Vote Act (HAVA) was signed into law in October 2002 in response to concerns regarding the way elections were conducted across the country. HAVA mandates that voting systems used in elections for national offices have certain characteristics. In addition, Michigan Public Act (PA) 91 of 2002 mandates a uniform method of voting in the State. On August 4, 2003 Secretary of State Terri Lynn Land announced the selection of a uniform voting system in Michigan. After an extensive review of current trends in voting equipment usage in Michigan, the advantages and disadvantages of optical scan and direct recording electronic voting equipment, and information on the performance of the voting systems currently used in Michigan, it has been determined that an optical scan voting system that uses "precinct-based" tabulation technology best serves the needs of the State.

It is important to acknowledge the efforts of the Department of State's Bureau of Elections, the Secretary of State's HAVA Committee that also served as the Advisory Committee on the selection of the uniform voting system, and members of the public that provided testimony during the public hearings. Their input was central to this selection process.

It merits note that as a result of HAVA and PA 91, a number of county voting systems will be replaced to meet the requirements of HAVA. The replacement process is seen as occurring in three phases. In Phase I, jurisdictions that currently use punch card ballots and lever machines, for which the State has received Title I buyout funds, and jurisdictions that currently use paper ballots, will receive replacement equipment. In Phase II, jurisdictions that currently use optical scan and DRE voting systems, that have not requested State reimbursement, will receive replacement equipment. Phase III, not included in this contract, will provide HAVA compliant disability voting devices for each polling location in the State.

II-B OBJECTIVES

General Requirements:

The objective of this contract is for the contractor to supply both Precinct Count Optical Scan Voting Systems and compatible Election Management Systems in the State of Michigan, which comply with Title III of the Federal HAVA and PA 91 of 2002. To satisfy the requirements of Title III the voting systems shall:

(A) Except as provided in subparagraph (B), the voting system (including any lever voting system, optical scanning voting system, or direct recording electronic system) shall:

- Permit the voter to verify (in a private and independent manner) the votes selected by the voter on the ballot before the ballot is cast and counted;

The system proposed by Sequoia Voting Systems fully meets the requirement specified above. The optical scan ballot system proposed allows the voter to review and verify their ballot in the privacy of the voting booth before inserting the ballot into the Sequoia Insight to be tabulated.

- Provide the voter with the opportunity (in a private and independent manner) to change the ballot or correct any error before the ballot is cast and counted (including the opportunity to correct the error through the issuance of a replacement ballot if the voter was otherwise unable to change the ballot or correct any error); and

The system proposed by Sequoia Voting Systems fully meets the requirement specified above. If the voter wishes to change his ballot or correct an error before the ballot has been inserted into the Sequoia Insight, as per Michigan Election Law, he may request a replacement ballot from the poll worker. The poll worker will issue him a replacement ballot and the original ballot will be spoiled and sealed in a Void Ballot Envelope. No identification or marks are made on the spoiled ballot to indicate the name of the voter.

- If the voter selects votes for more than one candidate for a single office (1) notify the voter that the voter has selected more than one candidate for a single office on the ballot; (2) notify the voter before the ballot is cast and counted of the effect of casting multiple votes for the office; and (3) provide the voter with the opportunity to correct the ballot before the ballot is cast and counted.

The system proposed by Sequoia Voting Systems fully meets the requirement specified above.

For most offices on a ballot, the voter is allowed to mark only one candidate position per office. If the voter marks for two or more candidates in such an office, the office is considered "overvoted", the ballot is returned, an alert/warning tone is heard and the shows a warning message.

If the option to pull the ballot out of the Insight is selected, then the voter can be issued a new ballot and instructed on the proper number of votes allowed per office. Note that the title of the over voted office is printed as part of this warning message in order to allow the poll worker to specifically instructed the voter in regard to the number of votes allowed for that specific office without having to view the voter's ballot.

If the option to override the ballot is selected (while the ballot is still partially inside the Insight), then the ballot will be read again and no candidate will receive a vote in the over voted office, but other offices on the ballot that are correctly voted will be counted properly.

(B) DOES NOT APPLY IN MICHIGAN

(C) The voting system shall ensure that any notification required under this paragraph preserves the privacy of the voter and the confidentiality of the ballot.

The system proposed by Sequoia Voting Systems fully meets the requirement specified above.

The voter's ballot remains private and confidential. Only the office title is shown on the printed report, no votes cast are displayed. The poll worker can read the contest title from the report or the voter can easily read the message and verify on his ballot the overvoted contest. The poll worker does not need to view the voter's ballot at any time.

ALTERNATIVE LANGUAGE ACCESSIBILITY

The voting system shall provide alternative language accessibility pursuant to the requirements of Section 203 of the Voting Rights Act of 1965 (42 U.S.C. 1973aa-1a)

The system proposed by Sequoia Voting Systems fully meets the requirement specified above.

The Sequoia Insight Optical Scan ballot can be printed in any language or multilingual as required by the jurisdiction. The flexibility and versatility of the ballot layout easily accommodate the space requirements of alternative languages when needed. Voting positions can be placed in any arbitrary position within the voting track to facilitate ballot layout and are not tied to a fixed spacing. Voting positions may be spaced as closely as 6 per inch or as widely as required. This results in over 700 possible voting positions.

From the list of qualified Vendors, each county will be required to select a single Vendor to provide precinct count optical scan voting equipment, Election Management System (EMS) and optional Absentee Balloting System (ABS) to each qualifying jurisdiction within the county.

Specific Requirements:

1. PRECINCT COUNT OPTICAL SCAN VOTING SYSTEM

Tabulator Programming

All tabulator programming shall be written so as to accurately tabulate the votes cast for each candidate, office, and question for which the voter is lawfully entitled to vote, in conformity with the provisions of Michigan election law section 168.794, 168.795, 168.795a, 168.795b, 168.795c and 168.797c (See Appendix B) and Electronic Voting Systems – Promulgated Rules R 168.773, Rule 3. (Available on request from the DOS.)

Performance Capabilities

The system shall:

a. Accurately report all votes cast.

The Optech Insight accurately reports all votes cast.

b. Provide for the electronic storage and tabulation of write-in votes.

All Sequoia Voting Systems voting products electronically store and tabulate write-in votes.

c. Accommodate multi-member districts whereby multiple votes are cast for more than one position in the same office (i.e. vote for two).

All Sequoia Voting Systems voting products accommodate multi-member districts and multiple votes cast of more than one position in the same office.

d. Produce zero printouts before each election and precinct totals printouts at the close of the polls.

When the Insight unit is powered on at the polling site on election morning, a Zero or Verification Report is automatically printed. This report includes the serial number and protective counter data of the Insight unit. It includes the election title (normally a 3 line title including election type, jurisdiction, and election date) and the date, hour, and minute when the EMS election database was created. The one or more acceptable ballot header codes are printed, both in numeric code form and in a graphic picture form. Each contest and candidate is printed together with the current contents of the candidate vote counters, which will be zero at this time.

A Vote Totals Report is generated automatically when the poll worker closes the polls. Multiple copies can be printed if needed at the precinct or at the central accumulation center once the results are transferred.

e. Permit recounts to be conducted pursuant to the requirements of MCL 168.803, 168.795(1)(j) and 168.794a.

The Optech Insight and Sequoia 400-C meet the requirements as specified above.

f. In the event of the failure of a unit, retain a record of all vote totals accumulated prior to the failure.

In the event of a power failure or a unit failure, the dual battery backup within the MemoryPack™ ensures the protection of the vote results from loss or corruption. Optech Insight units will be delivered with battery back-up. An optional 12-volt internal battery is available for the Insight. This battery will

provide power for up to eighteen (18) hours of voting operations. Upon recovery of power, normal operations can be resumed. The ballots themselves are the final backup and may be processed through another unit or at the central tabulation center.

g. Alert the voter to the presence of over votes, cross over votes (if applicable), or blank ballots before accepting the ballot for tabulation.

There are several ballot conditions that can, optionally, cause a ballot to be returned to the voter: error ballots (torn, wrong header code), blank unvoted ballots, overvoted ballots (more candidates marked in a contest than votes allowed), and cross voted ballots (candidates of more than one party marked in a primary). The elections administrator may set some of these return conditions when the program is created.

When a ballot is returned, an alert/warning sound is heard and a three-part message is printed. The first part describes the reason the ballot was returned, e.g. “cross voted ballot”. The second part lists the options the poll worker has in response to the returned ballot, e.g. “pull the ballot out and issue a new ballot to the voter” or “press the override key to read the ballot again and process the non-partisan contests only”.

h. Provide for multiple ballot formats on a single voting unit.

The Optech Insight allows the use of multiple ballot styles on a single voting unit. Identification header codes distinguish between and validate the different styles to allow more than one precinct in a polling location, split precincts or to accommodate Early Voting or in person absentee voting.

i. Provide for an accurate and immediate transfer of data.

When the poll worker closes the polls, the election results immediately begin to print. When complete, the poll worker can unplug the Insight, remove the cartridge and return it to the central count center for tabulation. If the tabulator is modem-equipped, upon completion of the printing of the vote totals as a result of closing the polls, the unit will automatically initialize the modem, dial the phone number that is pre-programmed into the MemoryPack™, and upon successful connection, transfer the results electronically over the modem. The

central tabulation computers receive, verify, and then accumulate the transmitted results.

j. Provide for the tabulation of votes cast in split precincts, where all voters residing in one precinct are not voting the same ballot format.

The Optech Insight allows the use of multiple ballot styles on a single voting unit. Identification header codes distinguish between and validate the different styles to allow more than one precinct in a polling location, split precincts or to accommodate Early Voting or in person absentee voting.

k. Provide for identification of political parties and their associated vignettes, candidate names and party affiliation, offices, ballot questions, and all associated language and instructions.

The Optech Insight ballots provide flexible layout and formats to meet Election Code requirements for ballot presentation including all contest, candidate, party, question and instruction information.

l. Be transportable without damage to internal circuitry.

The Optech Insight meets the FEC standards for durability and is easily and safely transportable to and from the polling place. This unit was designed to withstand the rigors of election use including the transportation by various sources other than the polling staff.

m. Provide a method for immediately detecting a malfunction.

The Sequoia Insight and 400-C both provide immediate notification of any system malfunction, failure or voter error. Listed below are some examples of Election Day issues that may occur and the recovery features.

Sequoia Insight

Power failure. Upon power failure, the dual battery backup within the MemoryPack™ ensures the protection of the vote results from loss or corruption. An optional 12-volt internal battery is available for the Insight. This battery will provide power for up to eighteen (18) hours of voting. If the battery backup is not provided, then the poll worker would utilize the auxiliary

bin. The Operator will wait for the power to return. When it does, the Insight itself will recover on its own; there is no operator intervention needed other than to close the auxiliary bin. At a slow time at the polling place, the operator can unlock and remove the untabulated ballots that are in the auxiliary bin and run them through the tabulator.

Ballot rejection. Ballot rejections are of two types: mechanical, and logical. Mechanical rejections are due to either faulty hardware or faulty ballots (i.e. poorly printed, or out of specifications). Logically rejected ballots are due to a mismatch between the ballots and the coding (wrong ballot style for the precinct) or because of voter error (overvoted, stray marks, etc.). If the cause were faulty hardware, then the unit would be replaced. If the cause were a faulty ballot, then a replacement ballot would be issued, as would be the case for a wrong ballot style or voter error ballot.

Printer paper installed incorrectly. The Insight has an on board thermal printer for printing various reports on paper tape, similar to a cash register tape. Thermal paper has a print side that must be inserted into the printer face down. If inserted face up, the printer will function, but nothing will print out on the paper.

Printer Jam: Operator can attempt to recover from the jam by opening the access door and reworking the paper roll. If not successful, a technician may be called, in which time the auxiliary bin would be used until a technician to remedy the problem.

Ballot jam. Message prints on the paper tape what the machine was attempting to do when the jam occurred, and advises the operator on what to do to recover from the jam. Ballot jams can occur because of a damaged ballot, foreign debris in the ballot path, voters not letting go of the ballot when the tabulator takes it in, or because of a full ballot box preventing the ballot from dropping in.

Mechanical fault. Moving parts within the Insight that may fail include the motor; drive pulleys, belts, and the paper tape printer. Mechanical faults would require repair by a technician, however defective units can be readily and easily be swapped out with a working unit without loss or corruption of the data. In any mechanical fault that renders the unit inoperable, the poll worker would call in a technician to have the unit replaced. While waiting for the technician, the poll worker would have the voters use the auxiliary bin. Upon arrival, the technician would, in full view of the poll worker(s):

1. Unplug the unit.
2. Tear off the paper tape and hand it to the poll worker.
3. Open the MemoryPack™ door, breaking any seal that might be in place, and remove the MemoryPack™. All the election information is stored in this MemoryPack™.
4. Remove the defective unit from the ballot box and replace it with a working unit.

5. Insert the MemoryPack™ into the new unit, and put a new seal on the MemoryPack™ door (if required).
6. Plug the new unit into the wall.
7. The new unit will print out a short tape indicating the number of ballots cast and the time. Poll worker should attach tape from other machine, and if protocol requires, sign it.
8. Poll worker can resume normal operations, and feed any ballots that were in the auxiliary bin.

Central tabulation equipment/software

Power failure. Election information is safely stored on a hard disk in the PC that comes with the unit, and thus is not affected by power failure. Sequoia 400-C tabulation is conducted in batches. A batch is opened (either by individual precinct or mixed/multiple precincts), ballots are fed through the Sequoia 400-C, and then the batch is closed, storing it on the hard disk of the unit's personal computer (PC). If a general power failure occurs when there is no batch opened and being processed, there is no recovery procedure necessary other than restarting the PC and the Sequoia 400-C tabulating software. If batch is open and ballots have been processed, but not closed, and a power failure occurs, this current batch is lost, as the batch information is only stored in computer memory prior to being closed. In this situation, the ballots of this batch must be recollected and prepared to be re-run through the machine upon resumption of power.

Ballot Jam. A ballot jam is most often caused by foreign objects either attached to the ballots or that have fallen in the machine's ballot feed-hopper (i.e. unremoved stub, paper clip, rubber band, small pieces of paper, etc.). Such jams are almost always in the throat of the feed hopper.

1. If the jammed ballot is sticking out the input hopper, the operator can attempt to pull the ballot out by firmly pulling it straight back out.
2. If it is not sticking out of the input hopper, the operator should lift the feed path cover to determine the point at which the ballot jammed.
3. In either case, once the ballot has been freed, the poll worker should then review the PC screen (or printed message if a printer is attached) for information on what the machine was attempting to do and whether or not the ballot had been processed.
4. If processed, the operator would drop it in the "read ballots" bin.
5. If not processed, the operator should check the screen (printer) to see why it wasn't processed (overvoted, wrong precinct ballot, etc) and attempt to re-read the ballot.

DOS prefers the use of ovals to define the "target area" or vote position of the ballot.

Unlike some systems, the Insight does not require that a certain percentage of the voter response area be marked to a specified density. Instead, the Insight looks for

the presence of any mark in the response area that crosses that read head channel's "mark" path.

Any line within the Voter Response area that crosses the path of the "Mark" channel will be read as a vote. Lines crossing the path of the "Mark" channel outside of the Voter Response area for a given voting target will not be read. The height of the Voter Response area can be expanded or reduced (nominally) via a password protected set-up menu.

If required by DOS or our client jurisdictions, Sequoia Voting Systems will design the oval target area to provide a uniform voting experience for all voters within the specifications of the Optech Insight. This design process will be a priority item in the initial Implementation and Planning Meetings with the DOS, if mandated. Developing the target area at the installation, allows an easy transition for the voter from their previous voting system; punchcard, lever machine or paper ballot; to optical scan and provides the greatest opportunity for successful voter education.

This unique voting target response area allows flexibility in the design of the target area to best meet the needs and familiarity of the voters whether arrows or ovals are utilized on the printed ballots.

Audit

The system shall produce a paper audit log that shall contain sufficient information to allow the auditing of all operations related to ballot tabulation, election results, election result accumulation, and system reports. The audit log shall be created and maintained by the system in the sequence in which each operation is performed. The audit log shall include:

a. Identification of the program and version being run;
b. Identification of the election file being used;
c. Record of all options entered by the operator;
d. Record of all actions; and
e. Record of all tabulation and accumulation activities.

When the Insight unit is powered on at the polling site on election morning, a Zero or Verification Report is automatically printed. This report includes the serial number and protective counter data of the Insight unit. It includes the election title (normally a 3 line title including election type, jurisdiction, and election date) and the date, hour, and minute when the EMS election database was created. The one or more acceptable ballot header codes are printed, both in numeric code form and in a graphic picture

form. Each contest and candidate is printed together with the current contents of the candidate vote counters, which will be zero at this time.

The Verification report printout begins by identifying:

- the system and vendor names
- the firmware component revision codes
- the internal diagnostic test results
- the serial number and protective counter data of the Insight unit
- the current date and time
- the checksum verification results, and
  the title of the election together with the date and time of the creation of the EMS database used to create the election parameter data in the pack.

The next part of the Verification report, the Ballot report, lists the precinct number and ballot statistics. Poll workers should verify that the precinct number is correct and that all of the precinct ballot statistics are zero.

The next part of the Verification report, the Zero Vote Totals report, begins with the Acceptable Security ID Header Codes section. This shows the ballot header codes that will be accepted in this precinct. The following section of the report contains the title for the current election, the number of registered voters for this precinct (optional), the ballot count (zero at this point), and all contests in this precinct. Poll workers should verify that the header code and all contests and candidates listed on the Zero report match the official ballot for this precinct and that the vote totals for all candidate names listed on the tape have a zero total. (For measures these will be “yes”, “no”, “for”, “against”, etc.)

In addition to reports, the Insight unit prints a real time log of events as they occur including error messages, if any, such as a checksum error. The log also includes warning messages such as when a ballot is returned to the voter because it has been cross-voted. All messages are printed with a date and time stamp to facilitate subsequent auditing of events. In addition to the real time log, an electronic version of the log is stored in memory at the same time. The electronic log includes not only error and warning messages, but also events such as power on and off, report printing, the Insight serial number, program version codes, etc. This electronic log can subsequently be printed at any time by entering a keypad command.

The MemoryPack™ is fully initialized after being loaded with new election parameters. This process clears not only old vote totals but also old electronic log data. After pre-election testing, packs may be partially initialized by clearing out the vote totals but retaining the log data from the testing process. Therefore, during a post election audit when a pack is inserted into an Insight and an electronic log report generated, the log report will show not only the election day events but also the pre election testing events.

The electronic log can be one of the most useful tools available to the Insight technician in diagnosing various problems. An analysis of the log can reveal hardware problems, coding errors, ballot printing problems, and operational errors where further training is required. The electronic log can be used to positively determine which Insight unit was used to process ballots on election day, when the unit was powered on, when the first ballot was read, when the polls were closed, etc.

The ballot report that concludes the electronic log report is not actually part of the electronic log data, but is instead printed directly from the current results in the pack. When the electronic log report has finished printing, a full copy of the vote totals report can also be generated.

Security

The system security shall:

a. Permit diagnostic testing of all the major components;

Tests and Diagnostics is a built-in feature of the Optech Insight, which comprises the maintenance diagnostic tests listed in the table to follow. The Optech Insight performs hardware diagnostics testing every time it is powered on. Any failure in these tests would prompt an error and the Insight would halt the initiation process. After the Insight is powered on, a Verification report prints, which contains:

System Verification report for program versions, Insight serial number, and basic election data such as the election title, and the creation date of the EMS database.

Ballot report showing the current number of ballots cast for the precinct.

If no ballots have yet been cast in the precinct, a report prints showing the ballot security ID header codes acceptable in the precinct, and a Vote Totals report showing zero votes for all candidates in all offices.

SUMMARY OF MAINTENANCE DIAGNOSTIC TESTS	
Section	**Test Name**
Group 1 Tests: BASIC FUNCTIONAL TESTS -- No MemoryPack Required	
4.2.1	Test 0 - Printout Of Diagnostic List
4.2.2	Test 1 -Toggle Beeper On and Off
4.2.3	Test 2 - Toggle Ready Light On and Off
4.2.4	Test 3 -Toggle Motor On and Off Forward
4.2.5	Test 4 - Toggle Motor On and Off Reverse
4.2.6	Test 5 - Toggle Ballot Lights On and Off
4.2.7	Test 7A - Path Sensor Clear Check
4.2.8	Test 7B - Path Sensor Functional Check
4.2.9	Test 8 - Test Public Counter Display
4.2.10	Test 9 - Test the Printer
Group 2 Tests: BALLOT HANDLING TESTS: No MemoryPack Required	
4.3.1	Test TO - Ballots to Rear Bin
4.3.2	Test T1 - Ballots to Center Bin
4.3.3	Test T3 - Return Ballots to Voter
Group 3 Tests: DIAGNOSTIC TEST: Require a MemoryPack NOTE: The MemoryPack must contain election data for the ballots used while testing.	
4.4.1	Test F0 - MemoryPack Ram Test
4.4.2	Test F1 - Burn-In Mode W/Power Failure Recovery
4.4.3	Test F2 - Setting the Time and Date
4.4.4	Test F3 - Adjusting the Time Setting
4.4.5	Test F4 - Printing the Time and Date
4.4.6	Test F5 - Setting the Test Ballot Width
4.4.7	Test F6 - Ballot Image Test

4.4.8	Test F7 - Exit Monitor, Begin Election Processing

b. Ensure that each voter's ballot is secret and the voter cannot be identified by image, code or other methods;

The Optech Insight meets these requirements for absolute ballot secrecy. No voter information is found in the ballot image, header codes or other markings.

c. Provide for summary reports of votes cast by extracting information from a memory device or a data storage device;

When the election results from the MemoryPack™ are transmitted via modem or the MemoryPack™ delivered to the central count center, Precinct and Summary Reports can be printed at any time during the tabulation process.

d. Provide printed records regarding the opening and closing of the polls to include the following:
1) Identification of the election, including opening and closing date and times;
2) Identification of the unit;
3) Identification of ballot format;
4) Identification of candidate and/or issue, verifying zero start.

Please reference our response above to the Audit Requirements for poll opening reports.

After the polls have been declared closed and all ballots have been deposited into the Insight, the pollworker unlocks the rear door and presses the "print totals" key, which generates the following message:

08:10:01 PM, 11/04/03
REQUEST TO CLOSE THE POLLS
(Print totals, no more ballot reading)

Press 0 key if this is OK, 9 if NOT

As noted in the message, closing the polls will generate a vote totals report and ballot reading will no longer be possible. If the decision is to proceed with

the poll closing operation, the poll worker then presses the [**0**] or "yes" key. (As the 3 key does double duty as the Override key, the [**0**] key does double duty as the Yes key.)

The Insight then confirms the poll worker's action and proceeds to print the final report consisting of the ballot and vote totals reports.

e. Prevent printing of summary reports before the sequence of events required for closing of the polls are completed;

The Insight MemoryPack® can be coded in EMS to verify the poll opening and closing times. These times will be printed when the pack is initialized. Messages will be generated if a ballot is read before the poll opening time, or if the polls are closed before the poll closing time. The Optech Insight prevents these operations before the designated time.

f. Prevent the loss of data during generation of reports;

All data remains secure and unaltered on the MemoryPack™ even during the printing of reports. The dual battery backup within the MemoryPack™ ensures the protection of the vote results from loss or corruption.

g. Ensure integrity and security of data maintained according to time frames for Federal, State and local elections;

All data remains secure and unaltered on the MemoryPack™.. The dual battery backup within the MemoryPack™ ensures the protection of the vote results from loss or corruption. All results and election data is copied to the central system and may be stored on CD or other data media.

h. Prevent functions to be initiated out of sequence;

The Optech Insight prevents operations to be initiated before the designated time or out of sequence.

i. Ensure that all security provisions are compatible with administrative set up and operational use;

Sequoia Voting Systems will develop, in conjunction with the Counties, procedures to implement compatible security protections for the entire election process following FEC guidelines and other industry standards.

j. Provide an environment in which all databases are maintained and all necessary provisions are made for security and access control according to current industry standards;

Sequoia Voting Systems will develop, in conjunction with the Counties, procedures to implement compatible security protections for the entire election process following FEC guidelines and other industry standards.

k. Allow for extraction of data from memory devices to a central host; Whether paper reports are produced or not, all data is still available to be loaded into the central tabulating system.

The election data from the MemoryPack™ can be transported and extracted by AERO at the central count center, or transmitted from the polling place via modem.

l. Allow for the sealing of the programmable memory device into the tabulator using a seal approved for use by the Department of State.

The Optech Insight may be secured with a variety of security seals including numbered seals.

Security Protections - Overall

EMS and AERO have the standard password protection security measures implemented. In fact, the option exists to implement a double password requirement. This enables a jurisdiction to require, for example, both a Republican and a Democrat to be present to start the AERO accumulation system.

However, Sequoia recommends the Isolation Security Method (ISM) as being the most appropriate method of maintaining the security of the EMS and AERO. The ISM procedure allows the three Sequoia systems to be networked together, but does not

allow any other system to be connected to their network. All of the PC systems should be in the same lockable room.

On election night, a program on a PC system connected to the Internet will generate the jurisdiction's WEB page display of vote results. (The jurisdiction may use the Sequoia provided program or write their own.) The input to this WEB display program is a copy of the AERO vote result database in simple ASCII format. AERO generates this file on command from the operator. For security, the WEB display program must not have direct access to the PC system where AERO is installed. Instead, the ASCII file created by AERO is copied to a floppy, ZIP disk, or CD and hand carried out of the secure election night accumulation room to the PC system where the WEB display program is installed which is, of course, directly connected to the Internet. Therefore, the communication is one way, with no opportunity for a hacker to alter the vote total results.

Security Protections - Optech Insight

The Insight system consists of two programs, HPX and APX, which contain both application and operating system functions. The HPX program is contained in an E-Prom chip on the Insight motherboard. An unauthorized change to the program data in this E-Prom will trigger a checksum error at power on. A hardware error in reading this program data will also generate the checksum error. The APX program is contained in a flash RAM chip in the MemoryPack™. Unauthorized changes and hardware reading errors also generate checksum errors at power on. Further processing on the Insight is prevented when a checksum error occurs.

The Insight system has two kinds of data stored in memory. The fixed election parameter data is stored in a flash RAM chip in the MemoryPack™. This is the data generated in EMS that defines all of the characteristics of the election: contests, votes allowed, candidates, voting positions, header codes, etc. If the pack is a polling place pack with multiple precincts, each precinct occupies a separate area of the chip. Unauthorized changes and hardware reading errors will generate a checksum error at power on. In addition, each precinct in the pack has an associated area of variable data that is stored in a battery backed static RAM chip in the pack. These areas are used to store vote totals and other variables and the checksums for this data are verified at the

beginning and end of every ballot processed as well as at power on. Further processing on the Insight is prevented when any checksum error occurs.

Security Protections - Election Management System – Central Tabulation System

If desired, a third party product, Security Administrator for Windows 95/98, can be installed to protect against unauthorized entry into the system. This product allows different Windows users to have different security levels. This software can be configured to allow an administrator user full access to the system, while an "operator" user has permission to run the WinETP software and little else. The software also allows the operator to lock the system before they walk away, with a password required to unlock it. The current cost of Security Administrator is Forty-Nine ($49.00) Dollars per license.

System Back-up

The back-up system shall:

a. Remain in operation during power surges or other abnormal electrical occurrences;

b. Engage immediately with no loss of data in the event of disruption of electrical connection; and

c. Power all components of the voting system for a minimum of two hours.

The Sequoia Optech Insight provides for continuous operation in the event of power failure. Upon power failure, the dual battery backup within the MemoryPack™ ensures the protection of the vote results from loss or corruption. An optional 12-volt internal battery is available for the Insight. This battery will provide power for up to eighteen (18) hours of voting operations. Upon recovery of power, normal operations can be resumed.

2. ELECTION MANAGEMENT SYSTEM (EMS)

The EMS shall allow State, county, and local officials to generate and maintain an administrative database containing the definitions and descriptions of political subdivisions, offices, candidates, and ballot proposals within the jurisdiction for the production of ballots and ballot tabulation programming and election result accumulation and reporting. EMS as used in this section is a generic descriptive acronym for election management system and is not intended to represent any products produced by a vendor or other organization.

The county EMS shall have the ability to electronically receive and accumulate precinct totals and jurisdiction totals for each jurisdiction within the county, which shall become part of a countywide report.

EMS software offered in the State of Michigan shall be tested and approved by the DOS under the procedures as prescribed by the Secretary of State. Such tests shall be performed during Oral Presentations as described in Sections III-C and III-E, Step III below.

Programming

a. The EMS shall provide a mechanism for defining the ballot, including the number of allowable choices for each office and question and shall provide for all voting options and specifications; and shall accurately report all votes cast as provided for under Michigan election law and Electronic Voting Systems – Promulgated Rules.

As part of the election definition, the contests and questions are defined including the candidate names, number of allowable choices and other voting options as per Michigan election law. All parameters are tested for accuracy as part of the Logic & Accuracy testing process.

b. The EMS shall generate all required master and distributed copies of the tabulator program, including those used to count absentee ballots and ballots cast by voters with disabilities if applicable.

Single entry of all election data into the administrative database eliminates errors and produces a consistent ballot file to be distributed for the Optech Insight, Sequoia 400-C, EMS, AERO and in the future to the AVC Edge®.

c. The EMS shall provide a mechanism to verify the correctness of tabulator programming. The mechanism shall also ensure that the ballot corresponds to the tabulator program and meets all requirements as prescribed by Electronic Voting Systems – Promulgated Rules and Michigan election law.

Logic and Accuracy Testing is performed to verify the accuracy and tabulation of the election parameter coding. Sequoia tests the full system from beginning to end – precinct level to data transfer to accumulation to report generation. All contests, candidates and questions are proofread for spelling accuracy as well as ballot order.

d. The EMS shall employ control logic and data processing methods to detect errors and provide a means of correction.

In addition to reports, the Insight unit prints a real time log of events as they occur including error messages, if any, such as a checksum error. The log also includes warning messages such as when a ballot is returned to the voter because it has been cross-voted. All messages are printed with a date and time stamp to facilitate subsequent auditing of events. In addition to the real time log, an electronic version of the log is stored in memory at the same time. The electronic log includes not only error and warning messages, but also events such as power on and off, report printing, the Insight serial number, program version codes, etc. This electronic log can subsequently be printed at any time by entering a keypad command.

The electronic log can be one of the most useful tools available to the Insight technician in diagnosing various problems. An analysis of the log can reveal hardware problems, coding errors, ballot printing problems, and operational errors where further training is required. The electronic log can be used to positively determine which Insight unit was used to process ballots on election day, when the unit was powered on, when the first ballot was read, when the polls were closed, etc.

e. The EMS shall accommodate multi-member districts (i.e. vote for two) whereby multiple votes are cast for more than one position in the same race.

The EMS and OBW system allows multi-member districts where the allowable number of choices is more than one.

f. The contractor will allow jurisdictions to contract with outside individuals or firms to program using the EMS system. The outside individual contractors will exclude individuals currently employed by the other election system vendors.

Ballot Definition and Data

a. The EMS shall be able to receive data electronically from the DOS, county clerks and designated local jurisdictions and return data electronically to the DOS, county clerks and designated local jurisdictions through a medium selected by the State, whether it be storage media or modem in the format listed in APPENDIX E, that contains, at a minimum, the following data:
   1) Voting instructions
   2) Candidate names as they appear on the ballot
   3) Candidate rotations
   4) Text of ballot questions
   5) Office names and codes
   6) Number to be elected/nominated for each office
   7) Party affiliations of candidates (if any)
   8) Ballot format indicator
   9) Number of registered voters in the precinct

10) Number of votes cast for each office and question
11) Number of votes cast for each candidate
12) Number of yes and the number of no votes cast for each question
13) Number of override selections made in response to over voted, cross over voted and blank ballots

The OBW and EMS systems allow the import and export of data via modem or other storage media including the information listed above.

b. The EMS shall accommodate multiple languages to include, at a minimum, English and Spanish. The system shall allow local election officials the ability to download information from software used to translate information to the appropriate language or the system should perform translations automatically.

The OBW and EMS systems accommodate multiple languages including English, Spanish and other non-text based languages as well. Files from language translation software can be imported for ballot information and election parameter coding.

c. The EMS shall provide for programming in the case of split precincts.

The OBW and EMS systems allow for programming such as split precincts, rotations, straight party voting and other special voting situations.

d. The EMS shall allow the user to generate and maintain a candidate and proposal database and provide for the production, formatting or definition of ballots and software.

The EMS and OBW are used to build and maintain a permanent election management database consisting of over 200 tables. Included are tables for District Types, Districts, Precincts, District/Precinct Relationships, Elections, Offices, Ballot Instructions and Ballot Design Settings.

e. The EMS shall provide for the retention of previously defined elections and for the copying and modification of the retained election.

All elections can be stored on the EMS or OBW system or alternatively on another storage media for modification or copying at a later date.

f. The system shall provide for ballot rotation of candidate names as required under the provisions of Michigan election law and the Electronic Voting Systems - Promulgated Rules.

The EMS system satisfies this requirement.

g. The EMS shall provide for identification of party affiliation in primary elections; offices and their associated vignettes and instructions; candidate names and their associated vignettes and instructions; and ballot questions and their associated language and instructions.

OBW and EMS provide for the contest identifiers as required by Michigan election law including party affiliation in primary elections; offices, candidates and questions and their associated vignettes; as well as all required voting instructions.

h. Distributed copies of the tabulator program, resident or installed in each tabulator, shall include all software modules required to monitor system status and generate audit reports on all functions.

The election data stored on the MemoryPack™ of each Optech Insight has the full capability to monitor system status, notify the voter or poll worker of any error and maintain an audit report log for all functions.

i. The EMS shall allow the import/export of ballot information and voter registration totals to and from any centralized statewide database and be flexible enough to accommodate changes in that database.

The EMS and OBW systems meet the requirements as specified above.

j. The EMS shall provide individualized sample ballot information for storage on a Web site and for reproduction and distribution.

Ballot images are prepared in Visio. The Visio ballot documents are output to Adobe PDF files which may be viewed on screen or printed to a laser printer.

Election Result Accumulation and Reporting – Local Level

Note: The following apply to all candidates, offices and proposals.

a. The EMS shall provide for the accumulation and reporting of votes cast in all elections including multiple precincts, jurisdictions, counties and districts.

b. The EMS shall provide printout results containing candidates and/or questions in an alphanumeric format next to the vote totals.

c. The EMS shall provide the capability of generating a cumulative report of AV precinct totals and public precinct totals as one total.

d. The EMS shall provide for the reporting of votes cast in split precincts.

e. The EMS shall provide for unofficial and official reports and canvasses in standard or custom format, including absentee and election day vote totals.

f. The EMS shall provide the ability to custom design an election report to include, at a minimum, the following information in total or in part:
   1) Name of election;
   2) Political subdivisions;
   3) Parties involved;
   4) Date of election;
   5) Type of report;
   6) Total number of registered voters in each political subdivision;
   7) Total number of registered voters in each voting precinct, including a sub-listing when the precinct is split; and
   8) Votes by multi-member district (i.e. vote for two), legislative district or congressional district.

g. The EMS shall provide for election night reporting, a listing of precincts reporting and a listing of precincts not reporting.

h. The EMS shall provide for the removal of an already submitted precinct and a re-submission of that same precinct in the event of errors in transmission.

i. The EMS shall provide for the storage of election results in the following formats at a minimum; Access, Excel, Adobe, ASCII and HTML.

j. The EMS shall provide for election results to be produced in such a manner as to allow for easy copying.

k. The EMS shall allow for authorized access to election results after the close of the polls and prior to the completion of the official canvass.

l. The EMS shall be designed to allow for the transfer of election results to an alternate database or device. Access to the alternate file shall in no way affect the control, processing, and integrity of the original file or allow the original file to be affected in any way.

m. The EMS shall provide for all paper reports to print on standard 8.5" by 11" paper unless otherwise specified.

EMS/AERO and OBW meet all of the requirements for Election Result Accumulation and Reporting at the local level as specified above.

The central tabulation system can produce a number of reports that may be customized in a report writer. The Precincts Counted/Not Counted Report can be printed at any time during the tabulation process. The Precinct and Summary Reports can be printed at any time during the tabulation process. They will display zero counts until after a precinct or number of precincts have been tabulated. Statistics Canvass, Insight Canvass, Local Office Canvass, System Log and the Results Correction Log Reports can be printed at the end of the tabulation process.

Precinct Report: A list of statistics and results of all contests in a precinct. (See Report EL30)

Summary Report: A list of statistics and accumulated results of all contests in the jurisdiction. (See Report EL45)

Canvass Report: Sometimes referred to as the "Statement of Vote", a detailed report of statistics and contest results by Precinct, and which can contain subtotals by district, ward, etc. (3 formats – See Reports EL52, EL111, EL116)

Statistics Canvass: Similar to a Canvass Report, but showing Statistics only, and not contest results. (See Report EL52)

Insight Statistics: A statistical report of the number and types of ballots that have been processed, e.g. the number of write-in ballots, over voted ballots, blank ballots, etc. (Two formats – See Report EL113H – ballot statistics listed vertically, precincts horizontally, Report EL113V – ballot statistics listed horizontally, precincts listed vertically)

Precincts Counted/Not Counted: Lists precincts that have been tabulated, or yet to be tabulated, or both. (See Report EL50)

Local Office Canvass: A Canvass report showing the results of local (precinct level) offices only, by precinct.

System log: A print of the log, which records events of a given election that occurs in AERO. Each election has its own log, and is created by EMS in the "Create AERO Files" menu option of that program. (See Report EL68A)

Results Correction Log: Precinct results can be manually adjusted in AERO. This report is a log of those adjustments. (See Report EL68)

EMS/AERO allows for system administrator authorized access to remove a processed precinct and replacement of that same precinct in the event of an error. All actions and functions are reported in the audit trail event log.

Election Result Accumulation and Reporting – State Level

The State has provided the file format that is referenced throughout this section as APPENDIX E. This represents the State's current requirements. However, minor changes to these requirements are anticipated in the near future. The State's requirements will be finalized within sixty days of contract award. The Contractor(s) shall provide technical advice to the State during this time frame to assist in ensuring compatibility of the State's file format with the EMS software. The State is looking for a cooperative relationship with the Contractor(s). Within ninety days following the finalization of the State's file format the Contractor(s) shall deliver the EMS software to the State for compatibility testing. The State will review the software within fourteen days of delivery and report any conflicts to the Contractor(s) at which time the Contractor(s) will be given the opportunity to make any necessary adjustments to the software, which will then be re-submitted to the State for final testing within seven days. An extension to this time frame may be requested by written request directed to the project manager. This process will continue until all issues are resolved to the satisfaction of the State. At that time the Contractor will receive written notification of State approval.

The following apply to all candidates, offices and proposals that are reported by the counties to the State.

a. The EMS shall provide for the import of the State provided file of candidate information and statewide ballot proposal information in its entirety. The import must be easy enough that a non-technical customer can perform the operation with minimal effort. (See APPENDIX E).

b. The EMS shall provide for the import of a replacement file which incorporates any and all changes in the State provided file. The import of the file cannot affect any of the local candidate information or local ballot proposal information already entered into the system.

c. The EMS shall provide for the manual update of the State provided file information after it has been imported. The manual update shall be easy

enough that a non-technical customer can perform the operation with minimal effort.

d. The Contractor(s) shall provide the DOS with training and written documentation on the procedures for importing and exporting the State provided file format into the local EMS within 45 calendar days of the issuance of State approval.

EMS and OBW allows for the import and updating or replacement of the ballot information including candidate, question or other ballot information from the State. Additionally, election data may be manually updated as needed and is easily used by non-technical elections staff. All training and documentation is provided to the customer as specified.

e. The EMS shall provide for the export of the precinct by precinct vote totals of the candidate and proposals as required by the State provided file format. (See APPENDIX E). The export must be easy enough that a non-technical customer can perform the operation with minimal effort.

f. The EMS shall provide for the export of the county-wide totals of the candidates and proposals as required by the State provided file format (See APPENDIX E). The export must be easy enough that a non-technical customer can perform the operation with minimal effort.

g. The EMS shall provide for the export of precinct by precinct totals and county-wide totals on election night or as the county is able. The EMS shall not limit the number of time a file can be exported.

h. The EMS shall provide for the official report of countywide vote totals for State offices and proposals in the form prescribed by the State. The report shall provide for the vote totals to be reported in numeric and in written form. For example, the vote total of 500 would also be written out as “Five Hundred”.

i. The EMS shall provide for a report which can be used to verify that the totals, whether precinct by precinct or county-wide, are assigned to the correct candidate or proposals as it related to the State provided file. The EMS shall provide for the verification report to be printed or exported in a CSV or other format prescribed by the State.

j. The EMS shall provide for a report of precincts reporting and not reporting on election night. The EMS shall provide for the report to be printed or exported in a CSV or other format prescribed by the State.

EMS, AERO and OBW meet all of the requirements for Election Result Accumulation and Reporting at the local level as specified above.

The central tabulation system can produce a number of reports that may be customized in a report writer. The Precincts Counted/Not Counted Report can be printed at any time during the tabulation process. The Precinct and Summary Reports can be printed at any time during the tabulation process. They will display zero counts until after a precinct or number of precincts have been tabulated. Statistics Canvass, Insight Canvass, Local Office Canvass, System Log and the Results Correction Log Reports can be printed at the end of the tabulation process.

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Statistics Canvass: Similar to a Canvass Report, but showing Statistics only, and not contest results. (See Report EL52)

Insight Statistics: A statistical report of the number and types of ballots that have been processed, e.g. the number of write-in ballots, over voted ballots, blank ballots, etc. (Two formats – See Report EL113H – ballot statistics listed vertically, precincts horizontally, Report EL113V – ballot statistics listed horizontally, precincts listed vertically)

Precincts Counted/Not Counted: Lists precincts that have been tabulated, or yet to be tabulated, or both.

Local Office Canvass: A Canvass report showing the results of local (precinct level) offices only, by precinct.

System log: A print of the log, which records events of a given election that occurs in AERO. Each election has its own log, and is created by EMS in the "Create AERO Files" menu option of that program.

Results Correction Log: Precinct results can be manually adjusted in AERO. This report is a log of those adjustments.

EMS/AERO allows for system administrator authorized access to remove a processed precinct and replacement of that same precinct in the event of an error. All actions and functions are reported in the audit trail event log.

Audit and Security

The environment in which all databases are maintained shall include all necessary provisions for security and access control according to current industry standards.

Sequoia Voting Systems will develop, in conjunction with the State, Counties and jurisdictions, procedures to implement compatible security protections for the entire election process following FEC guidelines and other industry standards.

It is recommended, for security purposes, that EMS system including AERO and OBW be operated on its own closed network. This recommendation is in line with the Federal Election Commission Voting System Standards Section 5.6.1, Standards for Punch Card, Mark Sense and DRE System. This recommendation is intended to ensure that a reasonable security environment exists. Any operation of the system on existing networks will require the jurisdiction to conduct a thorough security analysis to ensure that the application environment is secure.

The jurisdiction, ideally, should configure the network such that it is a closed and dedicated operating environment. Specifically, it is recommended (FEC Voting System Standards 5.6.1) that:

- The EMS network contains only the hardware components necessary to operate the EMS system and that it NOT be connected to any other network.
- The EMS network contains only the software components necessary to operate the EMS system.
- The EMS network should NOT be connected to the Internet or any other external gateways or networks.

In the event that the network configuration is NOT a closed and dedicated operating environment, the jurisdiction should conduct a full security analysis of their operating environment to ensure that an adequate level of system security exists. Upon completion of the security analysis, the jurisdiction must implement measures to ensure that any deficiencies noted in the report have been addressed.

Sequoia Voting Systems will work with the county and the state to develop and implement security procedures and features that will provide the secure physical and logical environment needed.

Both Sequoia and the County or jurisdiction will conduct a security site survey and put into place a system-wide security plan to provide the absolute protections required in the administration of elections. In the guidelines below, we address the various accesses and how the vulnerabilities are addressed and protected.

Additional Security Guidelines and Procedures address the following topics:

Physical Access to System Components

The jurisdiction should implement physical security measures that ensure that only authorized election personnel can gain physical access to the components of the EMS system. This should include but not be limited to:

- House the system components in a locked room such as a computer center with a security monitoring system.
- Ensure that only authorized system users have authorization to the secured storage/operational areas.
- Remote tally workstations in the system configuration should not be unattended. They should be stored in a secure area until they are needed at the remote site. Following the completion of Election Night tally, they should be returned promptly to the secured storage area.
- If the tally workstations have local input/output devices such as floppy disk drive or CD-ROM, these devices should be protected and locked to prevent unauthorized uploads and downloads.

COMPONENT CONFIGURATION

The jurisdiction should configure each system component according to the manufacturer's guidelines and recommendations. The documentation for each system component, both hardware and software, shall be organized and secured in a manner appropriate for easy access for authorized personnel. This should include licenses,

manuals, software and documentation CDs, warranty information and vendor contact information. Where appropriate, any documentation regarding specific configuration settings should also be archived.

Operating System Security

The jurisdiction should evaluate operating system security options and develop a security policy that is appropriate for their operating environment. At a minimum, the following items should be considered and included in the policy development:

- Password length and format (recommend a minimum of 6 characters, 8 preferred)
- Use of power up passwords on all system components with password capability (recommended)
- Use of unique user password for operating system password
- Use of unique user password for Network logon
- Develop maximum password age (password expires every *"x"* number of days –30 days recommended)
- Determine if system will lockout account after "*x"* number of bad logon attempts (optional)
- Determine if system will restrict logon to certain times of the day (optional)
- Determine if system will restrict logon by users to certain workstations (optional)
- Determine policy for access to temporary or seasonal employees via disable account option
- Determine policy for "sharing" resources. Under what situations can shares be created, who has permission to the share and what privilege level will they be granted
- Create and monitor security log events to detect login failures and unauthorized access.

Network Security

The jurisdiction should evaluate network security options and develop a security policy that is appropriate for their operating environment. At a minimum, the following items should be considered and included in the policy development:

- Assign a Network Administrator and a backup Network Administrator. Outline duties and responsibilities
- Use of unique User password for Network logon
- Password length and format (recommend a minimum of 6 characters, 8 preferred)

- Determine which network protocols should be running. (Recommend that only the minimum required should be running) Determine users can gain access to EMS network resources
- Evaluate hub, router and firewall configurations to ensure appropriate levels of access and security
- Develop a security test plan that can be periodically conducted to monitor the current security level.
- Monitor security logs to determine unauthorized access to shared resources. Jurisdictions may deploy automated monitoring tools for this purpose.

Database Management System Security

The jurisdiction should evaluate Database Management System Security or DBMS options and develop a DBMS security policy that is appropriate for their operating environment. At a minimum, the following items should be considered and included in the policy development:

- Assign an EMS Administrator and a backup EMS Administrator, outlining duties and responsibilities.
- Use of unique user logins for DBMS login.
- Restricting the client Net Library Configuration to the minimal protocols necessary to operate the system.
- Develop a process for limiting the System Administrator (SA) password to EMS Administrator and backup EMS Administrator and storing a copy the current password in a secured vault or area that is accessible by only Senior Management personnel.
- Develop a DBMS security test plan that can be conducted periodically to ensure that only authorized personnel can gain access to the DBMS.
- Monitor user login permissions to detect unauthorized access.

Application Login Security

The jurisdiction should evaluate EMS user login options and develop an Application Login security policy that is appropriate for their operating environment. At a minimum, the following items should be considered and included in the policy development:

- Each user should login with a unique login/user I.D. (recommended)
- Use of unique user logins for EMS login
- Determine how frequently passwords expire (30 days recommended)
- Determine login attempts before application terminates (3 recommended)

- Concurrent logins (1 recommended)
- Determine policy for access to temporary or seasonal employees via disable account option. (Recommend setting seasonal employees to inactive status in non-election periods)
- Monitor application event log for security breaches and unauthorized access.

Application Role Security

The jurisdiction should evaluate EMS user role definitions and develop a user role policy that is appropriate for their operating environment. At a minimum, the following items should be considered and included in the policy development:

- Create roles that provide access to system functions that allow a single task to be performed
- Document the functions that each role will have access to and which job functions and users will be assigned which roles
- Assign as many roles (specific tasks) to each user as required to conduct their job function
- Only assign the Administrator role to the EMS Administrator and the backup Administrator
- Avoid logging into the application as the System Administrator. Each user should always login using their user login
- Monitor Role and User permission to detect unauthorized access

Application Workstation Security

The jurisdiction should evaluate EMS workstation security and develop a workstation security policy that is appropriate for their operating environment. At a minimum, the following items should be considered and included in the policy development:

- Determine if workstation security is desirable in your operating environment
- Determine which users should be able to login from which workstations and make the appropriate user/workstation assignments
- Determine which roles can be performed from which workstations and make the appropriate role/workstation assignments
- Monitor user and role assignments to detect unauthorized access

- The Optech Insight and 400-C have numerous security features built in. Physical security of the machines is also important; since that is under the control of each jurisdiction, we offer the following recommendations:
- House the machines in an access-controlled area
- Keep all spare parts, especially CPU boards and firmware sets, locked up at all times
- Keep all MemoryPacks™ locked up when not being used
- Limit access to the machines, cartridges, spare parts, etc. as much as possible
- Make use of numbered security seals to ensure that Results Cartridges cannot be removed from the machines without evidence
- Perform a full inspection of each machine, including validating the firmware version, before election use.

As part of the pre-election setup process, the MemoryPack™ is sealed in the voting unit. Any tampering or attempt to alter election or vote data within the MemoryPack™ will be immediately detected by the EMS/AERO system.

II-C TASKS

The following is a preliminary analysis of the major tasks involved for developing the end product of this project. The Contractor is not, however, constrained from supplementing this listing with additional steps, sub tasks or elements deemed necessary to permit the development of alternative approaches or the application of proprietary analytical techniques.

The Contractor shall supply the State of Michigan with precinct count optical scan and EMS systems needed to respond to the State's commitment to meet the voting system standards of HAVA. The Contractor shall also provide training and overall knowledge transfer to State, county and local election officials. The Contractor shall provide State, county and local election officials with training materials for use in voter education programs.

The scope of work includes:
1. Equipment installation and acceptance testing
2. Training and training materials
3. Administrative and technical support

Timeline Dates:

- Hardware, software and components shall be installed and tested no later than 3 months prior to the first election in which it will be used which shall precede the date of the first November election in which it is used.
- Hardware, software and components that will be used in the November 2006 general election shall be installed and tested no later than January 1, 2006.
- Hardware, software and components that will not be used in the November 2006 general election shall be purchased no later than the expiration date of this contract.
- All equipment sold to Phase I jurisdictions (see Appendix C) shall be installed and tested no later than January 1, 2006
- By December 31, 2005, all hardware, software, and components shall by certified to meet 2002 standards as established by the Federal Election Commission.

The above deadlines may be extended upon written agreement with the DOS.

II- D DELIVERABLES

The following deliverables are included in the scope of work:

1. Installation and acceptance testing of precinct count optical scan and EMS systems

To confirm successful installation and acceptance testing of all precinct count optical scan and EMS systems, the Contractor will:

a. Comply with all delivery and set-up dates detailed above.
b. Submit a completed receipt of delivery form signed by a duly authorized local representative attesting to the successful installation and acceptance testing of the equipment delivered to each local jurisdiction. Acceptance testing will consist of accuracy tests as prescribed under the Electronic Voting System – Promulgated Rules, for both primary and general elections. To complete the tests, the Contractor shall provide the necessary programming and test ballots. (Sample ballots will be provided by the DOS). Please refer to Section II-G for additional information.
c. Forward a copy of the completed receipt of delivery form to the DOS within seventy-two hours of delivery.

Acceptance Testing

Before the first delivery of equipment, Sequoia will instruct the designated County or jurisdiction or State technicians on the Acceptance Testing procedures. This familiarizes the technicians with the application of preparing for an election, since Acceptance Testing is essentially conducting the steps of election preparation. There is minor troubleshooting that is taught during this initial technician training.

All documentation including receipt of delivery and validation of Acceptance Tests will be provided to the DOS within seventy-two hours of delivery as required.

2. Training and User Information

a. Within 30 days of contract award, the Contractor shall provide to the DOS copies of user manuals and step-by-step procedures for the precinct count optical scan voting system and the EMS software.

b. Within 30 days of contract award, the Contractor shall provide a training program outline and an implementation schedule for the training of State, county and local election officials.

c. Within 30 days following delivery, the Contractor shall provide extensive training programs on all phases of the voting system(s). The training shall provide State, county, and local election personnel with the ability to operate the precinct count optical scan voting system and EMS without continuous support by the Contractor. The Contractor may provide training on a regional basis with the written approval of the DOS in consultation with each county clerk involved.

The training shall include, but shall not be limited to, the following topics:

1) Training on the use of the EMS to design and layout ballots.
2) Programming of tabulators.
3) Preparation of tabulators including set up and pre-election testing.
4) Election day operations from the opening to the closing of the polls.
5) Processing of voters, and absentee ballots.
6) Troubleshooting to solve temporary problems.
7) Hot points for system errors.
8) Safeguards to prevent and detect tampering.
9) Tabulation of results.
10) Electronic transmission of election results.
11) Printing, designing and reformatting election reports.
12) Methods of ensuring the accuracy of precinct results.
13) Full understanding of the audit procedures.
14) Conduct of a recount.
15) Records preservation.
16) How and when to place service calls.

d. The Contractor will assist county and local election officials (if requested) in conducting comprehensive training for election inspectors for their various precincts prior to the primary and general elections in the first year of use.

e. On or before March 15, 2005, the Contractor will provide a training video (DVD or VHS, at the option of each county) to the DOS and to the clerk of

each county in which the equipment has been sold under Phase I. A copy of the above referenced video shall be delivered to the clerk of each county in conjunction with the delivery of equipment sold under Phase II. The video will provide basic instruction on the preparation, set up and use of the voting equipment. The State anticipates that the video shall be 15-20 minutes in duration and will be suitable for use as part of a training program for election officials.

Refer to Section III-H, III-I, and Appendix H for more information on training.

3. Warranty and Maintenance

The Contractor shall provide:

a. A warranty on all parts, labor, and equipment shall, at a minimum, be in effect for the first two even numbered year election cycles in which the equipment is used.

b. The $900,000 is the amount the State is willing to pre-pay for two years of post warranty EMS optional maintenance; therefore, extending the current warranty by two years. This total amount is based on a statewide total. The actual amount paid to the vendor will be a per precinct cost based on the number of precincts that choose the contractor as their vendor of choice. For example, $900,000 for 5200 precincts calculates to $173.00 per precinct. The contractor would be paid for the extra two years of warranty according to how many precincts choose the contractor as their vendor. See the table below for further explanation.

EMS Warranty Coverage (If jurisdiction acquired EMS in 2005)

Warranty Coverage						**Optional Post Warranty**	
Standard Warranty Coverage (through first 2 even numbered year elections)				State Pre-Paid 2 Additional Years of Warranty		EMS Maintenance Fees Apply	
2005	2006	2007	2008	2009	2010	2011	2012

EMS Warranty Coverage (If jurisdiction acquired EMS in 2006)

Warranty Coverage					Optional Post Warranty	
Standard Warranty Coverage (through first 2 even numbered year elections)			State Pre-Paid 2 Additional Years of Warranty		EMS Maintenance Fees Apply	
2006	2007	2008	2009	2010	2011	2012

c. All hardware and software patches to repair defects in the system, at no charge to the using entity throughout the term of this contract.

d. One complete set of user and technical documentation for all hardware and components required to operate each system for the DOS and each local election official, in both a printed format and an electronic format.

e. Well-trained support personnel for all activities that are the Contractor's responsibility.

All service technicians shall:

a. Be well trained and experienced in the maintenance and repair of optical scan tabulators, and capable of replacing malfunctioning equipment in the polling place.

b. Have reliable dedicated transportation of sufficient size to accommodate the transport of voting equipment.

c. Unless an earlier response time is provided for under the terms of the warranty or post warranty maintenance agreement, response to calls placed on election day is required within two hours of receipt of the call.

d. Be prepared, on election day, to replace voting equipment that cannot be repaired within one hour following arrival at the polling location at which the equipment is used.

e. Maintain, on election day, a reasonable supply of spare parts and components necessary to repair malfunctioning equipment and return it to service.

f. Have cellular telephones or other means of real time communication, on election day, so that they may be dispatched to polling locations that are experiencing system problems.

Sequoia Voting Systems understands and agrees to meet the requirements as specified above.

WARRANTY INFORMATION

Sequoia Voting Systems will provide a warranty in conjunction with the terms of the contract for all system components from the date of acceptance for each unit with the availability of optional post warranty maintenance. The pricing for this optional post warranty maintenance can be found in Appendix F. A copy of our standard Warranty Agreements and Extended Warranty Agreements can be found in the Information Booklet provided by Sequoia.

During the warranty period, Sequoia Voting Systems will train technicians on the application and the technical functionality of the voting equipment. These training sessions are conducted at your location or at regional locations convenient to multiple jurisdictions.

After contract award, Sequoia will come to the State and each jurisdiction and provide Staff Training. These are the basics of what a poll worker and voter need to know about using the system. This will get you to the point of starting to show the public the new system and the technicians an understanding of what the voter faces, along with the poll worker.

Prior to the first delivery of equipment, Sequoia will come to each jurisdiction to instruct the technicians on the Acceptance Testing procedures. This familiarizes the technicians with the application of preparing for an election, since Acceptance Testing is essentially conducting the steps of election preparation. There is minor troubleshooting that is taught during this initial technician training.

If a piece of equipment fails during the warranty period, it is set aside and periodically a Sequoia Voting Systems trained technician will come to the jurisdiction and repair the equipment. This is used also as training experience for the technicians. In some rare cases, a piece of equipment might be sent back to the factory, but for most cases, the repairs are done on-site.

After several deliveries of voting units have been received and the Acceptance Tests preformed, the technicians are ready for formal Technician Training. They learn the theoretical design of the system and practice hands-on disassembly and re-assembly of the equipment. Troubleshooting is the

finale and the technician is presented a certificate, deeming them a factory-trained technician. They are now authorized to perform any and all maintenance functions on Sequoia voting equipment in accordance with the warranty agreement.

After the initial warranty period, the State or jurisdiction may choose to continue with an Extended Warranty or to have parts repaired through our Returned Merchandise Authorization Program. Sequoia Voting Systems offers the RMA program to all customers. This helps provide an adequate level of parts for a long period and at the same time reduce the cost of replacement parts for the customer to a minimum.

If the customer chooses the Extended Warranty Plan, they still request and return parts using these procedures. The difference is that there is no cost for the parts. If after the initial warranty period the customer has chosen not to take the Extended Warranty plan, they will pay the Pool Part Price.

The following is a description of this RMA Plan:

PROCESSING

Any Sequoia Voting System user may call their Account Manager and report a problem or system failure. This can be handled either as a phone call, e-mail or through the customer service Internet site. A standardized form is available for reporting problems and failures prior to receiving authorization to return material for replacement. The Account Manager will be available to answer questions about returns and help fill in the supporting data on the failure report.

As a part of the process of collecting the data or filling out the return form, certain important information will always be required.

- Did the failure occur during Acceptance Testing of new product?
- Did the failure occur during normal functional testing during preventive maintenance or machine set-up?
- Please supply the Machine Serial Number of the unit in which the failure was experienced.

- Please supply the Part Number and description of the failed part or assembly.

The failure should be documented with as much detail as possible, including any reports generated describing the failure, in order to help the Account Manager resolve the problem and effect repairs.

After all of the data has been collected and recorded, the Account Manager will begin the process of the material dispensation and return authorization.

MATERIAL RETURNS

Sequoia Voting Systems will make every effort to ship replacement parts or assemblies to support the RMA process in two to three business days. We will require the cooperation of the users to successfully complete the process. When you receive and open the package with the replacement part, you will find the following material:

An RMA tag for each part to be returned.

A sticker with the legend RMA for the outside of the return package.

Pre-printed express shipping label.

Return Material packing list.

Fill out the RMA tag with the information provided by the Account Manager, the RMA number, a brief failure description, and a part number and description. Attach a separate tag to each part being returned. Replace each part in the protective packaging provided. The box used to ship you the parts can be reused in many cases as well. Enclose a completed “packing list” with each box, detailing the parts that are actually in the box being returned. Close and seal the box and apply the express shipping envelope to the outside of the box along with the “RMA Sticker.” You will be advised which of the “express mail services” to call for package pick-up. The shipping label provided would already have addresses, account numbers and other shipping instructions filled in for the agent picking up the parcels. Again, if there is any question or misunderstanding contact the Account Manager.

TRACKING AND FOLLOW-UP

Maintain a record of each RMA transaction by retaining the following information:

- A copy of the RMA report for each part or assembly returned.
- A copy of the Packing List.
- A copy of the Express Mail bill.

It will be assumed, that unless otherwise advised, for every part or assembly sent to the system users that Sequoia will receive a like failed part or assembly in return. Each user availing them of this service will have 15 days to return the failed parts or assemblies to the RMA Depot. In the event that the parts are not returned as prescribed, Sequoia reserves the right to invoice the user at full retail for the parts in question. If there is pre-knowledge of the likelihood of a late return, please advise the Account Manager to avoid unnecessary paper work and confusion.

4. Election Administrative Support

The Contractor shall provide:

a. An overall Project Manager who will serve as the principal point of contact for the Contractor with the DOS.

b. A staff (minimum of one) and office in Michigan as long as the Contractor is fulfilling contract requirements unless otherwise approved in writing by DOS.

c. A plan designed to provide State, county and local users with the training and technical support necessary to administer the 2005 election (if necessary) in addition to first two even numbered year election cycles in which the equipment is used. Support shall include training and assistance on the following:
   1) Pre-election programming and ballot set-up;
   2) Pre-election logic and accuracy testing;
   3) Election day support during entire time the polls are open; and
   4) Post election reporting.
   5) Vendors are not responsible for the preparation of test decks.

d. The State will set aside $75,000 for vendor support of the first 2 elections held by cities moving to optical scan or changing optical scan systems in 2005. The $75,000 is the maximum cap on the amount to be paid by the State. Support will be based on Appendix K prices that were submitted by the contractor and the State's definition of the level of support required. The

amount paid to vendors will be based on the vendor's daily rates applied to each jurisdiction with an election in 2005 for the first 2 elections. This amount paid by the State to the vendor for the first 2 elections will not exceed $75,000. The State will not provide payment for support on a date other than Election Day.

In providing payment for support for the 2005 elections, the State has taken into consideration the following:

- The State believes 2005 election support needs will be minimal.
- The State believes most EMS support will include vote accumulation only.
- It's the State's position that any support in 2005 will lessen support requirements in both 2006 and 2008 for which vendors are already contractually obligated to provide. This fact is reflected in support costs the State is willing to pay.
- Jurisdictions will be free to purchase additional 2005 support if they wish to do so.
- The State will require verification from vendors of all 2005 support provided.

The State will evaluate the impact of election consolidation. Based on the same Schedule K pricing, the State may pay for vendor support for other elections held in 2005 for jurisdictions moving to optical scan for the first time or changing optical scan systems. Vendors will be notified when applicable.

Sequoia Voting Systems understands and agrees to meet the requirements as specified above.

Implementation and Customer Support

Project Management and System Development

A Project Manager is identified and introduced to the State, County and/or jurisdiction during the selection or contract process. After contract award, the Project Manager assumes responsibility for the account.

Sequoia Voting Systems certifies that the Project Manager jointly appointed will not change during the first 180 days of the contract without prior written approval by the State.

Sequoia Voting Systems would designate Jeff DeLongchamp as State Project Manager for the initial period and full implementation of the countywide systems. Jeff has been involved in election management and is well regarded for his skills in this area.

Logistics is the Project Manager's primary focus. They must effectively coordinate all aspects of the installation including the following: product delivery, training, assisting with warehouse design, public relations, election management system database setup and training, and administering to the special needs of the customer. It is our expectation that the State and local jurisdiction will assign its own Project Manager to the implementation to serve as a main point of contact.

Project Managers rely on an internal support infrastructure to accomplish successful installations. This includes being assigned an election management system specialist for the project, utilizing the skills of the training specialist, receiving support from the salesperson when necessary, and the support of the Miller Consultations & Elections, Inc. President and Sequoia Operations Manager and Vice President of Operations for manufacturing deadlines and development needs. Each member of the team is responsible for his or her individual specialty area. It is the project manager's job to keep everyone on task, coordinated, and most importantly informed.

Implementation Strategy & Timeline

As stated above, a successful implementation begins with the assignment of a Project Manager for both Sequoia and the County. The following points list the ingredients to a successful installation:

Well-organized infrastructure at the State, County, local jurisdiction and vendor level

Developing a project plan

Understanding jurisdictional requirements

Determining the Election Department's computer specifications

Warehouse logistics and design

Creating the County database

Pollworker training

Election staff training

Onsite support

Voter outreach and public relations

Ongoing customer support

Training Approach

Customer Support Services

Sequoia's general ongoing support philosophy remains the same. Ongoing account management (post-installation) is the responsibility of Account Managers. They are responsible for managing and monitoring accounts within their region. They are familiar with, and responsible for every aspect of an assigned account including: Returned Merchandise Authorizations (RMA), election management system, machine maintenance, request for training, maintaining an election calendar, software updates, sales orders, responding to election needs, product shipment and deliveries, tracking and monitoring customer calls, periodic visits, etc.

The Regional Managers will have a strong working knowledge of the accounts he/she is responsible for, and of the related products. However, as with Project Managers, the Regional Managers rely on the various specialists, especially at peak elections times, for additional support. Phone support is included as part of the software licensing/maintenance agreement.

5. Modification Requirements

a. During the contract period, if changes occur in Federal voting systems standards and they require modifications to hardware, software or components, such changes will be accepted through the change notice process and included in the Contract as described in Section I-CC Modification of Service. The Contractor shall perform the following:
   1) Make system modifications to comply with new requirements.
   2) Obtain re-certification from DOS in time to comply with Federal time lines.
   3) Apply modifications to all previously installed systems at no cost to the DOS or users.
   4) Apply modifications to all systems sold during the term of this contract.

b. During the contract period, if changes occur in Michigan's voting systems standards and they require modifications to hardware, software or components, such changes will be accepted through the change notice process and included in the Contract as described in Section I-CC Modification of Service. The Contractor shall perform the following:
   1) Make system modifications to comply with new requirements.
   2) Provide a cost proposal for implementing required changes on a statewide basis.
   3) Obtain re-certification from DOS in time to comply with the requirements of State law.
   4) Make the changes available for local jurisdictions to purchase based on statewide pricing as negotiated with the DOS.

c. Notify the DOS of any system modifications made on behalf of jurisdictions outside the State of Michigan.

d. The State requests that in the event that any modifications become necessary after delivery due to changes in applicable federal and/or state laws that occur during the three year contract period, as long as such modifications are both technically feasible and commercially reasonable to perform, Sequoia will provide such modifications to the State at no additional cost. In the event, however, those modifications are not technically feasible, commercially reasonable, or require a hardware change, Sequoia and the State will need to jointly review and agree upon the scope of, and cost for, any modifications required by such subsequent changes in federal and/or state law. However, the State will not agree to pay for any modifications as a result of meeting FEC 2002 standards during the three year contract period, nor will the State pay for modifications during the three year contract period to the hardware to allow such hardware to function with any other Sequoia equipment or equipment marketed by Sequoia designed to meet the disability requirements of HAVA. As part of this determination process, Sequoia would thoroughly review the impact of such changes and develop a scope of work and cost analysis for review and agreement by the State before proceeding with any applicable modifications.

Changes made must maintain the protections in place that ensure the accuracy and integrity of the system. All such modifications shall be owned exclusively by Sequoia. The Customer shall not modify, or permit a third party to modify, any Software, unless it is authorized by an amendment to the contract and license agreement.

Firmware/Software upgrades are installed when the unit is prepared for the next election at the time that logic and accuracy testing begins, and takes no longer than five minutes per unit. Software and firmware upgrades are included in the cost of annual optional post warranty maintenance.

6. Delivery Requirements

The Contractor shall deliver system equipment, hardware, software, and necessary components and perform required services to implement the required new voting system during the stated implementation phases outlined in this contract according to the time line dates listed in Section II-C, TASKS.

The deliverables shall be shipped directly to each jurisdiction, unless otherwise requested, and the exact locations shall be specified in the purchase order. The Contractor will assume the responsibility of providing the resources required to unload and remove voting systems from their packaging. The Contractor will also be required to dispose of the packaging.

The DOS shall approve the State provided equipment quantities to be delivered to each county. Counties and local jurisdictions requesting additional quantities above the DOS specified quantity shall be responsible for the ordering of and payment for said equipment, however such equipment shall be provided at a cost that does not exceed the terms of this agreement.

The contractor shall establish a means to track delivery, testing and acceptance of voting system deployment and shall communicate this information to the DOS Contract Administrator in compliance with provisions of Section II-E, PROJECT CONTROL AND REPORTS, Project Control, Item c.

II-E PROJECT CONTROL AND REPORTS

1. Project Control

a. The Contractor will carry out this project under the supervision of the DOS through the Contract Administrator.

b. Although there will be continuous liaison with the Contractor team, the Contract Administrator will meet as required 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. A copy of this report will be forwarded to the named buyer in Acquisition Services.

d. Within one month following the completion of the selection process each qualified Contractor will submit a work plan to the DOS Contract Administrator for final approval. The final plan shall mirror Section IV-C subsection 2 as

proposed by the Contractor and accepted by the State, and shall 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 as detailed in Section IV-C subsection 4.

2. Reports

Reporting and Complaint Resolution;

The Contractor shall inform the DOS Contract Administrator on a per occurrence basis of any hardware or software system error occurrences resulting from design or manufacturing defects in any jurisdiction outside of Michigan in which the voting system is being used. All such errors shall be fully analyzed as to their cause and remedy.

The Contractor shall ensure continuous and immediate access to its project manager for the purpose of receiving complaints from the using entities. Such access shall be by the manner described in the Contractor's proposal or as may subsequently be agreed to by the DOS in writing.

For the period covered by the warranty, the Contractor shall develop a complaint resolution tracking process that will be submitted for the DOS Contract Administrator's approval within 20 working days after the DOS has signed and returned the contract to the Contractor.

The Contractor shall provide a monthly Summary Complaint Report to the Contract Administrator. However, during July, August, October, and November of 2004 and 2006, these reports will be required on a weekly basis. If there are no complaints, the Contractor shall provide a statement to that effect. The summary report shall include:

a. The name of the person issuing the complaint;
b. The using entity represented by the person;
c. Complaint type;
d. Complaint resolution;
e. Pending and unresolved complaints; and
f. Other information specified by the DOS.

Sequoia Voting Systems understands and agrees to meet the requirements and commitments as specified above.

A Consolidated Customer Support Center (CCSC) has been established at our Systems Support Facility. The ability of the CCSC to effectively and efficiently resolve issues and increase accurate communications is based upon support database customization, problem escalation procedures, and reporting flexibility. Initially, hardware and software profiles of your county are examined. This includes different types of hardware and software, hardware capabilities and physical location, software

versions, Voter Registration system version and attributes, reporting parameters, etc. Information relating to past and current hardware and software issues may then be gathered.

As a clear customer profile emerges, the information is evaluated, and placed into a unique database. The database is used by the CCSC for issue resolution and tracking. As issues are resolved, the solutions are added to the database, increasing the knowledge base and efficiency of the CCSC. Recurring problems may be identified quickly and dealt with effectively.

The CCSC staff will perform first level problem resolution for most general inquiries and problems. It is anticipated that most problems can be resolved with an initial call to the CCSC. In accordance with established problem escalation procedures, the CCCS staff will assign one of three priorities to each problem "ticket".

Priority 1 is assigned to severe problems or malfunctions that directly effect continued operations during critical processing periods.

Priority 2 is assigned to problems or malfunctions that effect efficient systems and network performance, causing bottlenecks or delays.

Priority 3 problems are typically transparent to end-users and are usually resolved remotely by the CCSC. They may be addressed and even prevented through after-business hour routine preventive maintenance

Customized reports may be generated to illuminate requirements and detail trends. These reports are detailed to the appropriate manager and are generated daily, weekly, monthly, yearly, or on demand. In this way, reports are tailored to the requirements of the county.

FEATURES

The CCSC enables Sequoia's System Support Group the ability to quickly track and respond to calls for technical assistance. The CCSC automatically logs the caller's identification number, phone number and location. The CCSC provides a comprehensive system for messaging, reporting, and linking with other applications and systems. It will greatly improve both the county staff's ability to spot trends, track, and maintain important statistical information, as well as provide Sequoia with concise communication and resolution criteria.

As calls come in, tickets are opened and assigned to the appropriate technician. First level support databases or knowledge packs are used to resolve minor problems. Problems that are more complex may require a higher level of support. When a ticket remains unanswered for an extended period of time it is moved to a higher priority level for quicker response. Tickets may automatically page the appropriate technician if left unresolved for a specified amount of time. In addition, second and third level support managers may be paged based upon call ticket priority. The CCSC uses an Automatic Call Distribution (ACD) system. Should all Help Desk technicians be engaged, the caller will be placed in the queue. Any caller queued will have information provided for priority expedition. The system is designed for an average on-hold time of less than one minute

BENEFITS

The CCSC processes lead to clear and valuable benefits. The type of detail generated will lead to a better knowledge base of your policies, procedures, and management criteria. *It will also help you determine your requirements for future software enhancements and process improvements*. It will help Sequoia accurately address your needs and concerns. Flexible reporting capabilities allow you to tailor your reports in an efficient manner. The CCSC also gives you the ability to have consolidated response times. This means each ticket or call that comes in is not left open or undiscovered. It is a win - win situation. You will have a better understanding of your staff's issues and they will have Sequoia's immediate expertise. All will benefit. *Risk factors are minimized and control of your environment is maximized.*

The CCSC offers you the ability to have Improved Hardware Control, Improved Software Control, Stronger Management Control, and Comprehensive Trend Analysis Reporting at your disposal.

The CCSC Benefits of Configuration Management
Hardware Control

- Ability to manage your hardware configuration. This helps in resolving problems more efficiently.
- Ability to track issues with new hardware and record resolutions for easier implementation the next time.

- Keep track of maintenance agreements and expiration dates. Ability to notify Help Desk immediately for maintenance renewal
- Keep track of your internal licenses, support and maintenance
- Repair tracking.
- Trend analysis of logistics, shipment or polling location issues
- Documented hardware issues vs. hearsay issues

Software/Database Control

- Ability to quickly know what software, software version, and database version your staff is using. This helps in resolving problems more efficiently.
- Ability to conduct change management and track software life cycles. See what process the latest release is in at any given moment. Determine more effectively the period for releases and fixes.
- Ability to track issues with software and new releases and record resolutions for easier implementation and resolution next time.
- Keep track of Service Level Agreements. Escalate problems and issues to ensure that you always complete work before the required time of the agreement.
- Keep track of your internal software licenses, support and maintenance.

The CCSC Benefits of Management Control

- Trend analysis. Ability to see peak days and hours, and staff accordingly.
- Ability to see how well Sequoia is meeting the County's needs by comparing Service Level Agreements against actual results.
- Ability to see how much your staff is utilizing the CCSC.
- Ability to report on any field or combination of fields that you wish to track. For example: How many hardware calls vs. software calls in an election year? How many calls resulted from the latest software release? How long did those calls take to resolve on average? What was the average duration of a software call in 2002? November 2003?

3. Business Reports

To ensure that the State is getting the lowest possible price, approved Contractors shall forward, on a quarterly basis, to the Contract Administrator, a list of customers and sale prices of equipment (that match or are equivalent to equipment sold to the State) sold outside the State during the term of this contract. The contractor must report all prices of sales of 50 tabulator units or more to non-federal government customers on a quarterly basis during the three-year contract period.

II-F PRICE PROPOSAL

Prices/rates quoted in APPENDIX F Cost Proposal Form for all items are the maximum for the duration of the Contract and shall be no higher than the prices charged to any non-Federal government purchaser during the last eighteen months. The prices quoted shall be firm for the duration of the contract.

Sequoia Voting Systems agrees that the prices/rates quoted in Appendix F Cost Proposal are the maximum for the duration of the Contract and are not higher than the prices charged for the same quantity of identical equipment and software than the prices charged to any non-Federal government purchaser.

The Contractor shall guarantee that, for the term of the contract, the prices quoted in Appendix F Cost Proposal Form for all items shall be no higher than the prices that are charged to any customer other than the Federal Government. If at any time after the commencement of this contract, the Contractor charges any lower price(s) to any other non-Federal customer for the same or equivalent item(s), it shall adjust its Michigan price(s) for the same item(s) purchased thereafter to no more than the price(s) charged to any other non-Federal customer.

Sequoia Voting Systems agrees that the prices/rates quoted in Appendix F Cost Proposal will not be higher than the prices charged for the same quantity of identical equipment and software that it charges to any non-Federal government purchaser during the term of the contract.

All prices/rates will be the maximum for the duration of the contract. The State will receive the benefit of any decrease in price that may occur.

The unit price (APPENDIX F, Cost Proposal Form, column A) listed shall include all delivery costs, management and oversight, hardware, software, licenses, back-up system, election management equipment, training and required bolt-on software, with a full warranty. Bolt-on software refers to any software, third party or propriety, necessary

to make either the EMS or tabulators function as required in the technical requirements of the contract. Separate cost provisions for travel and/or per diem will not be accepted.

The unit price including General and Administrative costs (G and A) (APPENDIX F, Cost Proposal Form, column B), shall include profits, travel, per diem, and all costs associated with this contract on a per unit basis.

In addition to the information provided in APPENDIX F Cost Proposal Form, Contractor shall also provide a breakdown of unit costs as specified in APPENDIX G Unit Price Breakdown.

Costs, on a per unit basis will be provided for the cost of a performance bond, performance insurance, or other solutions presented by the Contractor.

The Contractor shall guarantee that, for the term of the contract, the prices quoted in Appendix F Cost Proposal Form for all Optional Items, Post Warranty Maintenance, tabulator programming, and ballot printing, represent the maximum amounts that will be charged.

Ballot printing and programming costs shall be based on the primary and general election ballots used during oral presentations. This information will be used by counties in the selection of a countywide system. This information will also be used by counties and local jurisdictions in making later decisions regarding the utilization of authorized Contractors to provide these services. Ballot prices will be charged by total quantity ordered by the county or local jurisdiction and not be charged per ballot style. Ballot prices are not to exceed prices. Counties and local jurisdictions have the ability to negotiate lower prices.

The State is liable to refund to the Federal government $3192.22 for each precinct that has not replaced its punch card and lever voting systems. Contractor must make provision for reimbursing to the State this amount in addition to the contract price for failure to supply voting systems to punch card and lever machine precincts by January 1, 2006. This reimbursement provision shall be part of the performance guarantee cost provided in items a., b., and c. below.

The State chooses the performance guarantee proposal of a Performance Bond. Performance Bond (APPENDIX F, PERFORMANCE GUARANTEE, column C) includes all costs associated with obtaining a performance bond on a per unit basis, as specified in Section I-RR Performance Guarantee.

The contractor agrees that all costs are included on Appendices F, G, J, and, K and that no other costs will be charged as specified by the requirements of this contract.

The EMS license fee to the State, counties, and local jurisdictions shall be $0 and the license shall be perpetual.

EMS maintenance will apply to county level only not to those jurisdictions designated by the State to receive EMS. There will be no “double dip” on EMS post warranty maintenance costs. The counties are responsible for optional post warranty costs. The

State cannot mandate the county to use EMS or pay for post warranty maintenance costs.

Extra tabulators are a base price of $4,530.00, which includes 3-year warranty and shipping. Only post warranty annual maintenance charges per tabulator will apply. There shall be no EMS maintenance charges applied on these tabulators.

II-G ORDERING AND CONTRACT PAYMENT

This contract is the "master contract" between the vendor and the State that secures pricing for the distribution of equipment to local jurisdictions.

The Contractor will be required to enter into a contractual "purchase agreement" with each local jurisdiction and county that selects that vendor for their choice. Typically, this document is the purchase agreement provided by the vendor. Each vendor's purchase agreement will be used for this purpose, and should be reviewed and accepted by the State before the execution of the master contract. The terms and conditions of this agreement shall not contradict the master contract. The terms of the master contract will supercede any conflicting terms in the purchase agreement.

Each vendor will enter into a software license agreement with the state, counties, and any local jurisdictions that receive EMS. Each vendor's standard license agreement will be used for this purpose, and shall be reviewed and accepted by the State before the execution of the master contract. The license agreement shall not contradict any terms contained in the master contract. The terms of the master contract supercede any conflicting terms in the license agreement.

The Department of State will enter into a "grant agreement" with every local jurisdiction that will authorize distribution of total mandatory equipment. This grant agreement will contain terms that designate ownership responsibilities by the local jurisdiction. The grant will also prescribe receipt and testing procedures for mandatory equipment which must be followed by the local jurisdiction. This grant agreement shall not contradict any terms in the master contract. The terms of the master contract supercede any conflicting terms in the grant agreement.

The Department of State will develop a master plan for each county (county plan) which will establish annual purchasing schedules for all jurisdictions within the county. The Department of State will initiate annual purchase orders for the jurisdictions in each county based on the schedule established in the county plan. The Department of State will issue the purchase order directly to the vendor on behalf of each county and the jurisdictions in each county. Purchase orders will include the shipping address, billing address, and items specified for each jurisdiction in the county. No partial shipments are to be made unless approved in writing by the Department of State.

The contractor will notify the county and local jurisdictions within the county to make delivery arrangements. Each jurisdiction will certify delivery of all tabulators ordered and, in some cases, EMS software and forward the certification to the Department of State within 10 days of delivery. The Contractor is responsible for invoicing the Department of State directly for each county after delivery is complete for all

jurisdictions within the county based on the county plan. The invoice will contain a listing of total equipment and charges for each jurisdiction within the county that has taken delivery. The Contractor will reference the original Purchase Order Number on all invoices for payment. All invoices will be sent directly to the Department of State and shall reflect actual work completed.

Every tabulator and each vendor's EMS software must successfully complete acceptance testing before payment is made to the vendor. Acceptance testing should be completed by the counties and local jurisdictions within 10 days after delivery and will consist of tests prescribed by the Bureau of Elections. (To complete the tests, the Contractor shall provide the necessary programming and test ballots. Sample ballots will be provided by the Bureau of Elections.) Acceptance testing can be performed in a central location but the vendor must make final delivery to the local jurisdiction. Each jurisdiction shall forward successful acceptance certification to the county clerk within 2 days of completion of successful acceptance testing.

The Department of State will release payment directly to the vendor in the following manner:

- 80% of the total purchase order amount will be released upon verification of delivery and successful acceptance testing.
- The remaining 20% will be released upon verification from the Department of State of demonstration of successful acceptance testing of the EMS software
    - Payment for the EMS shall be released after the first completed acceptance test of each vendor's EMS at the county level. This shall be verified by the Department of State.
    - Each vendor's EMS will only be tested one time. Once initial EMS approval is granted, 50% of future payments will be released upon successful acceptance testing of the tabulators (rather than the original 30%).
- The State may elect to combine the receipt and acceptance payments into one payment if receipt and acceptance testing documentation is received at one time from the counties and local jurisdictions.

The State will pay the contractor within 45 days of the invoice date upon meeting all prescribed requirements.

SECTION III
VENDOR RESPONSE

III-A MANDATORY REQUIREMENTS

1. The Bidder shall state their unconditional acceptance of the indemnification and insurance requirements as listed.

   Sequoia Voting Systems unconditionally accepts the indemnification and insurance requirements as specified in the subject ITB.

2. The Bidder shall have a minimum of three years experience in the sale, delivery and support of electronic voting systems for use in public elections.

   Sequoia Voting Systems has over 100 years election systems experience.

3. The Bidder shall certify in their proposal that their Project Manager shall not change during the first 180 days of the contract.

   Sequoia Voting Systems will not change the named Project Manager within the first 180 days of the contract resulting from this ITB.

4. The Bidder shall maintain a staff and office in Michigan during the equipment warranty period sold under this contract.

   Sequoia Voting Systems exclusive Michigan agent, Miller Consultations and Elections (MCE), with offices and staff in both Pentwater and Grand Rapids, will remain on contract with Sequoia in this capacity for the period of this contract. Additionally, the Sequoia Corporate Senior Project Manager, Veronica Spencer, resides in Detroit and is based at her home office in that City.

5. The Bidder shall clearly demonstrate and document within their technical proposal and the Executive Summary of their technical proposal that the Voting System they wish to propose to the State for the purpose of this ITB satisfies the requirements of this ITB. Executive Summary shall include reference to the page number(s) in the proposal where such evidence can be found.

   Sequoia Voting Systems is confident that our response satisfies all requirements as outlined in the ITB. Section 3 IV-C Management Summary, found on pages 88-130 of the Sequoia proposal contains these details.

6. All voting systems not currently approved for use in Michigan elections may be considered if the voting system(s) is approved and can meet the delivery timelines described under Section II-C TASKS. All voting systems shall be approved in accordance with the provisions of Michigan Compiled Law, as outlined in Appendix B, prior to the Bidder receiving status as an approved voting system Contractor under the terms of this proposal.

All hardware and software included in the Sequoia Voting Systems response to the subject ITB has been certified by the State of Michigan Bureau of Elections.

7. All EMS shall be ITA approved. All EMS not currently approved by an ITA may be considered if the EMS is approved and can meet the delivery timelines described under Section II-C TASKS. In addition, all EMS shall be approved by the DOS in accordance with the provisions of Michigan Compiled Law as outlined in Appendix B, prior to the Bidder receiving status as an approved voting system Contractor under the terms of this proposal.

   All hardware and software included in the Sequoia Voting Systems response to the subject ITB has been certified by an ITA and by the Michigan Bureau of Elections.

III-B BUSINESS ORGANIZATION

Sequoia Voting Systems, Inc. is a wholly owned subsidiary company of Smartmatic International Corporation.

Smartmatic International Corporation

Corporate Headquarters

6400 Congress Ave., #1300
Boca Raton, FL 33487
www.smartmatic.com

Sequoia Voting Systems, Inc.

Corporate Headquarters
7677 Oakport Street, Suite 800
Oakland, CA 94621
Phone: 510.875.1200
Fax: 510.875.1226
www.sequoiavote.com

Sequoia Voting Systems, Inc. is based in Oakland California. In addition, we have branch offices in Denver, Colorado; Jamestown, New York; Marlton, New Jersey; Little Rock, Arkansas; Columbus, Ohio; and Naples, Florida.

Subcontractors

Miller Consultations & Elections, Inc. (MC&E)

Corporate Headquarters	Jeff DeLongchamp,
6318 Iroquois Rd.	Vice President
Pentwater, MI 49449-9410	6119 28TH ST SE, Suite 2D
Phone: 888.874.8037	Grand Rapids, MI 49546
Fax: 616.742.8038	Phone: 616. 464.2283
	Fax: 616. 464.2263
	jeffdelongchamp@aol.com

Miller Consultations & Elections, Inc.(MC&E) is the exclusive Sequoia agent in the State of Michigan. MC&E is headquartered in Pentwater, Michigan with a branch office in Grand Rapids. Their current staff numbers over 15 employees who provide election services to the municipalities of Michigan.

During the scope of this project as identified in this contract, Miller Consultations & Elections, Inc. will be jointly responsible for the project management, logistics, unpacking, configuration, testing, installation and training for both the Optech Insights and the EMS Software. Any coding/programming for the units that is needed and for providing all service and maintenance will be handled by MC&E staff. It will be their responsibility to coordinate all ballot printing through Sequoia certified vendors in the state. Below is a list of their responsibilities:

III-C SECURITY

The resulting Contract may require frequent visits to State of Michigan facilities. Contractors shall discuss in their proposals all measures utilized by their firm to ensure the security and safety of these buildings. This shall include, but is not limited to, performance of security background checks on all personnel assigned to State of Michigan and how they are performed, what the security check consists of, the name of the company that performs the security checks, use of uniforms and ID badges, etc. If security background checks are performed on staff, Contractors shall indicate the name of the company that performs the check as well as provide a document stating that each employee has satisfactorily completed a

security check and is suitable for assignment to the State. Upon request by the State, Contractors shall provide the results of all security background checks.

If a Contractor is awarded the contract, the State will decide whether to issue State ID badges to the Contractor's personnel or accept the ID badge issued to personnel by the Contractor.

The State may decide to also perform a security background check. If so, Contractors will be required to provide to the State a list of all people that will service the State of Michigan, including name and date of birth (social security number or driver license number would also be helpful).

Sequoia Voting Systems understands and agrees to comply with the requirement specified above. Sequoia Voting Systems and Miller Consultations & Elections will implement all necessary securities to insure the protection of the complete election system and processes involved. At the beginning of the project planning, along with the State, County and local jurisdictions, Sequoia will contract, if necessary, with an accredited securities firm to conduct a site survey and assessment of the security and safety of the buildings and all election related facilities to determine the necessary measures to be taken. In addition to physical security and access, personnel background checks will be conducted as needed.

These protections are in addition to the system design securities, administrative security and physical security procedures to be implemented for the network, election data and all voting equipment.

The Contractor and its subcontractors shall comply with the security access requirements of individual State facilities.

III-D AUTHORIZED EXPEDITOR

Sequoia Voting Systems has designated **Phil Foster** as the authorized representative to expedite the proposed Contract with the State. His contact information is listed below:

Phil Foster
Vice-President Sales Administration & Strategy
Sequoia Voting Systems, Inc.
2009 Lakemoor Drive
Birmingham, Alabama 35244
(O) (205) 733-0866
(F) (205) 444-9957
(C) (888) 421-7264
pfoster@sequoiavote.com
www.sequoiavote.com

III-E TECHNICAL SUMMARY

Sequoia Voting Systems, Inc.

Sequoia Voting Systems is a diversified organization whose basic philosophy revolves around services and support. Our commitment to our customers is unmatched in the elections industry. Our Mission is to "Consistently supply our customers with quality products and services by means of total employee involvement, open communications, and use of process measures". Sequoia has been a main stay throughout the election history due to this philosophy.

In 1997, Sequoia acquired the rights to the Optech technology and access to the employees and manufacturing capability of the Berkeley facility then owned by Business Records Corporation. Sequoia now employs the former BRC staff of highly trained and experienced administrators, engineers, and technicians who developed the Optech system and have supported it for the past decade. These individuals are uniquely well equipped to offer the State of Michigan their expertise in the implementation of the statewide optical scan voting system.

Miller Consultations & Elections, Inc.

During the scope of this project as identified in this contract, Miller Consultations & Elections, Inc. will be jointly responsible for the project management, logistics, unpacking, configuration, testing, installation and training for both the Optech Insights and the EMS Software. Any coding/programming for the units that is needed and for providing all service and maintenance will be handled by MC&E staff. It will be their responsibility to coordinate all ballot printing through Sequoia certified vendors in the state. Below is a list of their responsibilities:

- Project Management
- Logistics
- Training – Staff, technicians and poll workers
- Optech Service
- Optech and EMS Support
- Ballot Printing
- Coding/Programming

The strength of experience and elections knowledge in Michigan as established election services providers that Miller Consultations & Elections brings to the project ensure the success of the implementation at all levels.

PROPOSED PRODUCTS

The Optech Insight - Optical Scan System

The Optech Insight is the successor to the popular Optech III-P Eagle optical scan voting machine. The Optech IIIP Eagle was labeled the most rugged, accurate and reliable unit in the country, which can be attested to by the over 20,000 units in use in over 500 jurisdictions nationwide and in Canada. In the State of Michigan, of the 62 counties currently using optical scan to cast their votes, 2,136 units of the 3,367 units are an Optech Eagle or Optech Insight product. Now with the release of the Optech Insight, Sequoia Voting Systems is the only vendor offering new solutions in the field of Optical Scan Technology.

Voters are given a preprinted 1, 2 or 3-column ballot which they mark with a pen or pencil. Voters record their selections by completing the voting target opposite the candidate of their choice.

After voting the voter feeds his or her ballot into the Optech Insight, where it is tabulated and automatically stored in the locked ballot box. Incorrectly, marked ballots can be returned to the voter for review and correction.

Election results are stored on the memory of the machine and on a proprietary Optech MemoryPack™. Results can be transmitted to an election center via a built-in cellular or landline modem, or by simply removing the MemoryPack™ and transporting it to a tabulation center, where it is read within a matter of seconds.

The Optech Insight works interchangeably with existing Optech III-P Eagles and other Sequoia optical scan systems.

- Lightweight and portable, the Insight weighs only 24 lbs
- Visible light read heads record virtually any pen or pencil mark
- The expanded MemoryPack allows for an unlimited number of precincts and contains the electronic audit log
- Provides quick, jurisdiction-wide election results
- Allows voters to review and correct their mistakes

- Designed to accurately tabulate ballots with less than one error per million votes
- The locking ballot box has removable, sealable storage bins and contains the optional 18-hour backup battery

Election Management System

EMS/AERO

EMS is an election package that enables you to create elections, define districts, specify election contests and candidates, and create ballot styles. The system performs a wide range of tasks that record, monitor, report, and protect all election information.

OBW imports the election parameters from the administrative database created through EMS. From the database, information can be viewed immediately on the screen or retrieved in printed report form. Entry into EMS can be password protected if the user chooses. Password protection guards against entry of invalid information or the deletion of valuable election information by those who are not authorized to use EMS.

The Election Management System software generates computerized ballot styles and reports based on the type of election and the districts within a given jurisdiction. Additionally, the system collects and organizes election information in preparation for tabulating election results on both a precinct-by-precinct basis and on a cumulative basis.

Ballot styles are generated based on the districts, precincts, and contests. General precinct and district identifier information is usually entered into the system first. Specific district and precinct information is then generated by the system. The districts are later linked by the system to contest, party, and candidate information. After all the information is entered, ballot styles for differing districts can be produced.

Ballot style data is exported to OBW for ballot layout and ballot preparation. Ballot layout data is then exported back to EMS.

To complete the tabulation process, the information above is formatted into an information database, which in turn, is used to tabulate election results and generate reports. The Election Management System is designed to allow election information to be saved with a backup program that copies election information onto diskettes or other media for permanent storage and easy access when needed for reference.

Election results are accumulated in AERO for report generation by precinct, district, summary, vote canvass or other reporting formats including HTML for website import.

BALLOT PRINTING SYSTEM UPDATE

The first generation, the Ballot Layout System, was developed beginning in 1980 for Burroughs mini computers using COBOL as the programming language.

Beginning in early 1988, development began on the second generation Ballot Printing System for DOS PC's. This system also was developed using COBOL as the programming language.

Development began in 1996 on BPSII, a ballot preparation system for Windows PC's, the third generation system. BPSII was developed with Visual Basic for applications on Microsoft Office Professional and Microsoft Visio.

The Optech Ballot Wizards (OBW) is the fourth generation of ballot preparation software.

OBW:

- Is developed in C++ using an Access database.
- Maintains certain ballot printing related supplemental data.
- Imports ballot content and ballot style data from EMS.
- Matches imported EMS data with stored supplemental data.
- Performs ballot layout and ballot preparation using Microsoft Visio.
- Exports ballot layout data to EMS.
- Supports external system data import/export functions.
- Supports expanded election results distribution functions:
    - Data export in Access, Excel (CSV), and ASCII formats.
    - Reporting in PDF, RTF and HTML.

The Sequoia 400-C - High Speed Optical Scan Absentee Tabulation System

The Sequoia 400-C is PC driven and is proposed to be used at the central tabulation location for counting absentee ballots with results being directly down loaded to a host computer to be combined with precinct totals. The Sequoia 400-C can virtually handle an unlimited number of ballot combinations.

The Sequoia Voting Systems Sequoia 400-C is a fourth generation marksense vote tabulation device. The attendant software, which is the product of over twenty-five years of software development, incorporates the speed, security and ease of use required to tabulate precinct votes or absentee ballots at a central location. Upgrades and modifications allow the Sequoia 400-C to continue to meet the greater and changing demands and requirements of the elections community.

An internal battery-powered clock-calendar provides the date and time for the audit trail. The mechanical components include an AC motor that runs the feeder and ballot transport system along with sensors, read heads, and diverter gates. Several proprietary electronic boards that interface with the computer control bus control the sensors, read heads, and motor. Two read heads are used to simultaneously read the top and bottom of the ballots. Each read head has four reading stations, corresponding to the four columns of marks on a three-column ballot.

The Sequoia 400-C tabulates 1, 2, or 3 column folded and non-folded ballots of variable length and has a high speed rating of 400 ballots per minute. Ballots can be processed in any of four orientations, reading the back and front simultaneously. The Sequoia 400-C is completely compatible with the Eagle system, OBW, EMS, AERO software using and the same election parameter coding.

The Sequoia 400-C will outstack misreads, write-ins, blanks, and overvotes without stopping the count. The 400-C tabulator has three compartments into which ballots are transported by the ballot transfer path. There are nine sensors located at various positions in the ballot path. These sensors keep the computer informed of the exact location of the ballots as the ballots move through the ballot path.

The Sequoia 400-C is designed to count ballots in one of two modes, Precinct Header Mode or Mixed Precinct Mode.

The precinct header mode is designed to count ballots from a single precinct only on a precinct-by-precinct basis. Each precinct is initiated with a precinct header card (or a simulated precinct header card). When the ballots from a given precinct have all been counted, the precinct is ended with a Precinct End Card (or simulated Precinct End Card). Ballots which do not belong in the precinct initialized are outstacked. Additional ballots from a precinct already counted can be added to the previous precinct totals, at any time.

The Mixed Precinct Mode is designed to count ballots intermixed from more than one precinct. Ballots from any number of precincts can be read together in a batch. Totals are accumulated separately for each precinct, i.e., absentee ballots are counted by precinct without having to separate ballots by precinct prior to tabulation.

Memory quality and reliability is assured using a standard commercially available computer system from a quality manufacturer. The design of the Sequoia 400-C provides for the highest possible level of protection against mechanical, thermal, and electromagnetic (EMI) stress, consistent with system usage and cost constraints. The Sequoia 400-C accurately records votes and produces accurate reports of all votes cast. Parity checks and check-sums are utilized to detect errors.

Each transfer is monitored for quality and data read/write quality. Errors, which are not recoverable, are identified and indicated. The system log records any operator intervention necessary to correct the error condition. Data transferred from the read heads is tested for integrity to ensure that the ballot has been correctly interpreted. Any detected deviations result in the ballot being outstacked and the appropriate error counter is updated. These errors are recorded on the 400-C audit logs. Diagnostic counters are maintained to show totals of various kinds of errors.

The Sequoia 400-C produces standard election reports and displays in accordance with state requirements.

Pre and post tests may be run on election night to verify the election is being tabulated correctly. The election results are backed up to hard disk, tape or floppy so that the result files can be re-initialized between tests.

The Sequoia 400-C uses a continuous checksum procedure on its internal copy of the precinct election parameters to insure that no inadvertent or intentional changes in the memory will alter data or control flow in the tabulation process.

The Sequoia 400-C is designed with audit trail redundancy to verify election results:

a) Data storage on the system PC hard drive
b) Data backup on floppy diskette
c) The actual voted ballots
d) Election night reports generated by the 400-C tabulation program
e) Extensive audit log which captures all election night activity

Again, the audit log is recorded on disk and on the printer. This process cannot be shut off and the file cannot be edited or altered in any way. It is an exhaustive record of the entire election process showing all activity down to the keystroke-by-keystroke level. It includes the date and time for each entry from the system clock. All errors and recovery steps are noted as well as the beginning, ending and current totals for each precinct.

General System Security Functions

The Sequoia 400-C uses physical security to control access. Locks on the front and back covers secure the CPU, floppy drive and the electronics from unauthorized access. The keyboard may also be locked inside. The CPU case can be set up and changed at any time to control access within the application. Optionally, two passwords control initial entry and two more can be set to restrict access to reports.

Future Upgrades

The Sequoia Optech Insight optical scan precinct count tabulators and EMS can be integrated with disabled voter equipment in the future when the State has determined how it will implement the HAVA requirements. The AVC Edge® Touch Screen Voting System with the Audio Component meet the FEC and HAVA requirements for accessibility.

The AVC Edge® Touch Screen Voting System with Audio Component

The AVC Edge® provides accessibility to all voters equally and meets the Federal Election Commission (FEC) standards for disability access.

The AVC Edge® is equipped with side shields to assure privacy when voting. The voting screen pivots easily to a vertical position to accommodate the best viewing position and absolute secrecy for the elderly, physically challenged and wheelchair voters. The voting machine legs are spaced and positioned to allow face forward accessibility, allowing wheelchair voters to vote comfortably and in privacy. A chair may be placed in front of the voting machine to allow voters to sit to cast their vote.

Large font sizes allow greater readability for those with reduced or limited visibility. The AVC Edge® allows the voter to select the option of using larger fonts on the ballot from the opening screen.

We recommend a minimum of 16-point to 18-point type for a large font size ballot. The AVC Edge® can accommodate font sizes up to a 24-point type depending upon the number of contests, candidates, questions and the amount of text.

The Audio Voting Handset Control & Headset can be attached to any AVC Edge® voting unit. The AVC Edge® provides visually impaired or illiterate voters with a simple and easy to use feature that allows them to cast their ballot unassisted and in absolute secrecy. The audio component supports multilingual ballots.

The voter uses a headset, connected to a four-button handset. The buttons are easy to discern, unique shapes (triangle, square and circle) in bright primary colors (green, yellow, blue and red). Braille labels indicate the NEXT, BACK, SELECT and HELP buttons. The voter listens to the audio instructions and uses the handset to scroll through the instructions, the ballot, make selections, review selections and cast the ballot.

Through the audio voting interface, the AVC Edge® accommodates curbside voting. Not only is the audio interface extremely light, just 0.5 lb., but there are no issues with glare as may be experienced by a touch screen unit placed on a voter's lap in direct sunlight.

This feature was developed in conjunction with the National Federation of the Blind in Baltimore, Maryland.

III-F TECHNICAL WORK PLAN

Provide a technical plan for accomplishing the work. Indicate the number of person-hours allocated for each EMS and precinct count optical scan tabulator installation to include set up, acceptance testing and training.

In conjunction with the State and each County, a Sequoia Voting Systems Project Manager and Elections Support Team will develop a mutually agreed upon calendar for the system implementation.

In addition to all aspects of the training, we will jointly conduct initial and on-going status meetings to determine priorities, deadlines, task assignments, schedules, responsibilities and procedures considering the following:

1. Conduct initial and on-going status meetings to determine priorities, deadlines, task assignments, schedules, responsibilities and procedures.

    - Management strategies
    - Schedule of election events/responsibilities
    - Staffing requirements
    - Ballot requirements
    - Absentee requirements/procedures

- System preparation and testing
- Equipment delivery and retrieval
- Equipment maintenance, storage, repair routines
- Ballot handling, delivery, retrieval and storage
- Public test procedures/requirements
- Election Day troubleshooting
- Election central procedures
- Election reporting/display procedures

2. Develop and implement Voter Education Program

- Establish local concerns and objectives
- Prepare voter education materials
- Contact civic organizations
- Contact Media
- Provide on-going Voter Education Program assistance

3. Develop and implement internal/external public relations

- Establish local concerns and objectives
- Prepare informational materials
- Media information package
- Candidate information package
- Political party information package
- Public demonstration planning
- Publicity planning

4. Provide on-going support

Pre-election phase:

- Project management
- On-site training and assistance
- Election preparation/testing
- Hardware preparation/testing

Election phase:

- On-site Election Day support

- Hardware/software troubleshooting
- Spares inventory
- Election central procedures and assistance

Post election phase:

- Election critique

III-G PROJECT MANAGEMENT PLAN

Miller Consultations and Elections is the sole agent for Sequoia in Michigan. The State of Michigan Project Manager is Jeff Delongchamp, Vice President of MCE. In this capacity, Jeff will coordinate the activities of all full and part time MCE employees (see pp 107) who will work exclusively in Michigan. Additionally, Sequoia Sales and Operations employees will be available to provide assistance as required.

The personnel that make up Sequoia Voting Systems and Miller Consultations hold elections to the highest standards and protections. Our experience, dedication, knowledge and integrity are utilized to its fullest potential in providing solid and successful solutions to our customers and the voters they serve. Sequoia Voting Systems employs 220 people full time. During peak election periods, the total will rise to approximately 400. Miller Consultations & Elections employs 15 people, increasing to approximately 25 during peak election periods. Many of these people will provide some level of support or service to this project. Several people will play a key role in the each jurisdiction. They have many different talents with diverse backgrounds and education. Many will take key roles in the State of Michigan project.

We see the organizational structure to start with our State Project Team Manager. The State Project Team Manager will coordinate the shipping of equipment and software with each jurisdiction. The State Project Manager will then turn over coordination of setup and training of voting equipment to the County Project Manager who will then oversee this process.

Our County Project Managers will work with each county to develop and implement a plan that best suits the needs of all the municipalities within the county. We will then provide progress reports via email or U.S. mail to each of the counties on a regular basis. Our County Project Managers will work with all our team leaders and support technicians to provide the necessary training and support needed by each county.

Our goal is to provide a level of training that will allow the municipalities to be self-sufficient needing only minimal support from our technicians.

Currently the owners and regional managers of Miller Consultations & Elections, Inc. have an excellent relationship with the county and local clerks in Michigan. It is our hope that the implementation of the voting equipment will foster yet stronger relationships that will allow our staff to work easily with the staffs of those at the county and the municipalities.

Service and Support personnel for projects for the State of Michigan will be drawn from our local Michigan Agent and our nationwide support pool within Smartmatic Corporation. The front line of which will be the internal staff of Sequoia Voting Systems.

Dedicated Election Support Staff

- Elections are Sequoia's *only* business
- Staff dedicated to 24/7 Election Support
- 55 Full Time Hardware and Software Engineers
- 80 Full Time Integration and Support Specialists
- Service offices in Oakland, Los Angeles, Chicago, Detroit, Philadelphia, Charlotte, Jacksonville, Dallas, Jamestown, New York; Washington, DC; Birmingham, AL; Little Rock, Arkansas; Naples, Florida and Denver, Colorado.
- Miller Consultations & Elections services offices in Grand Rapids and Pentwater, Michigan.
- Long term knowledge and experience in systems implementation with a time-tested products.

Sequoia Voting Systems has the development and support resources necessary for this project. We employ over 55 full-time hardware and software engineers, dedicated to the election industry. Our staff is committed to developing the highest quality products possible. Our extensive engineering resources enable us to respond rapidly to market requirements with the right product technology at the right time.

Sequoia Voting Systems works very closely with our customers to verify that specific product development requirements are accurately met and delivered on time.

Sequoia Voting Systems has dedicated software and systems support. Over 80 professionals staff our integration and support organization. These people are dedicated to providing the software products that meet the specific needs of our customers. We take a "Total Solution" approach, supplying a wide range of capabilities, including:

- Product Customization
- Consulting Services
- Installation Support
- Product Maintenance
- System Integration
- System Training
- Election Support

Sequoia Voting Systems support staff is supplemented by Smartmatic Corporation who have successfully worked with Sequoia staff in many large elections in 2002. A nationwide support network of 265 System Engineers thoroughly trained for system implementation is one of the resources from which we can draw to successfully implement and support this project.

Nationwide Support Network

- 265 Systems Engineers
- -Smartmatic Corporation assisted in elections related support in Florida, California, and Washington in preparation, training and support for the Primary and November General Elections in 2002.

Sequoia Voting Systems and its agents employ one of the finest support organizations in the election industry. This extensive network of highly trained personnel enables us to provide the prompt response the State requires. Our dedicated professionals are on the job 24/7, every day of the year, ready to respond to your call.

Sequoia Voting Systems provides extensive and refined customer training. Customer education is a major element of the Sequoia Voting Systems support offering. We develop courses that are designed to meet the specific needs and requirements of each of our customers.

Sequoia Voting Systems will work with the State of Michigan to determine the best location for training. Regional training is usually a preferred method for obtaining optimum benefit. We believe strongly in the benefits of good training and include for your review a document describing in better detail our training structure.

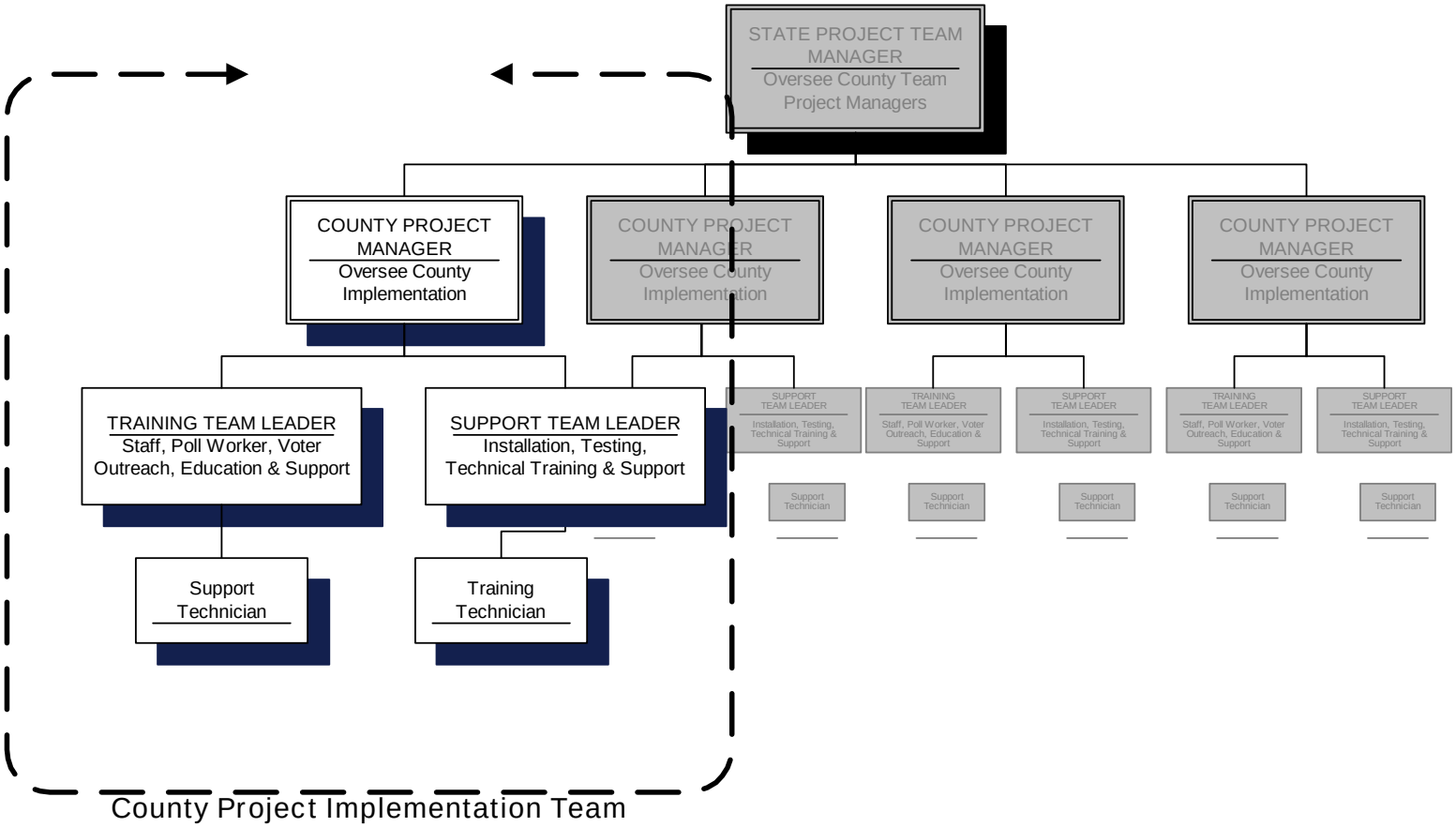
These trained representatives use the latest training processes and techniques to ensure your staff will have a complete understanding, confidence and working knowledge of the system operation.

The personnel that make up Sequoia Voting Systems and Miller Consultations hold elections to the highest standards and protections. Our experience, dedication, knowledge and integrity

are utilized to its fullest potential in providing solid and successful solutions to our customers and the voters they serve.

Sequoia Voting Systems

Sample Team Organizational Chart

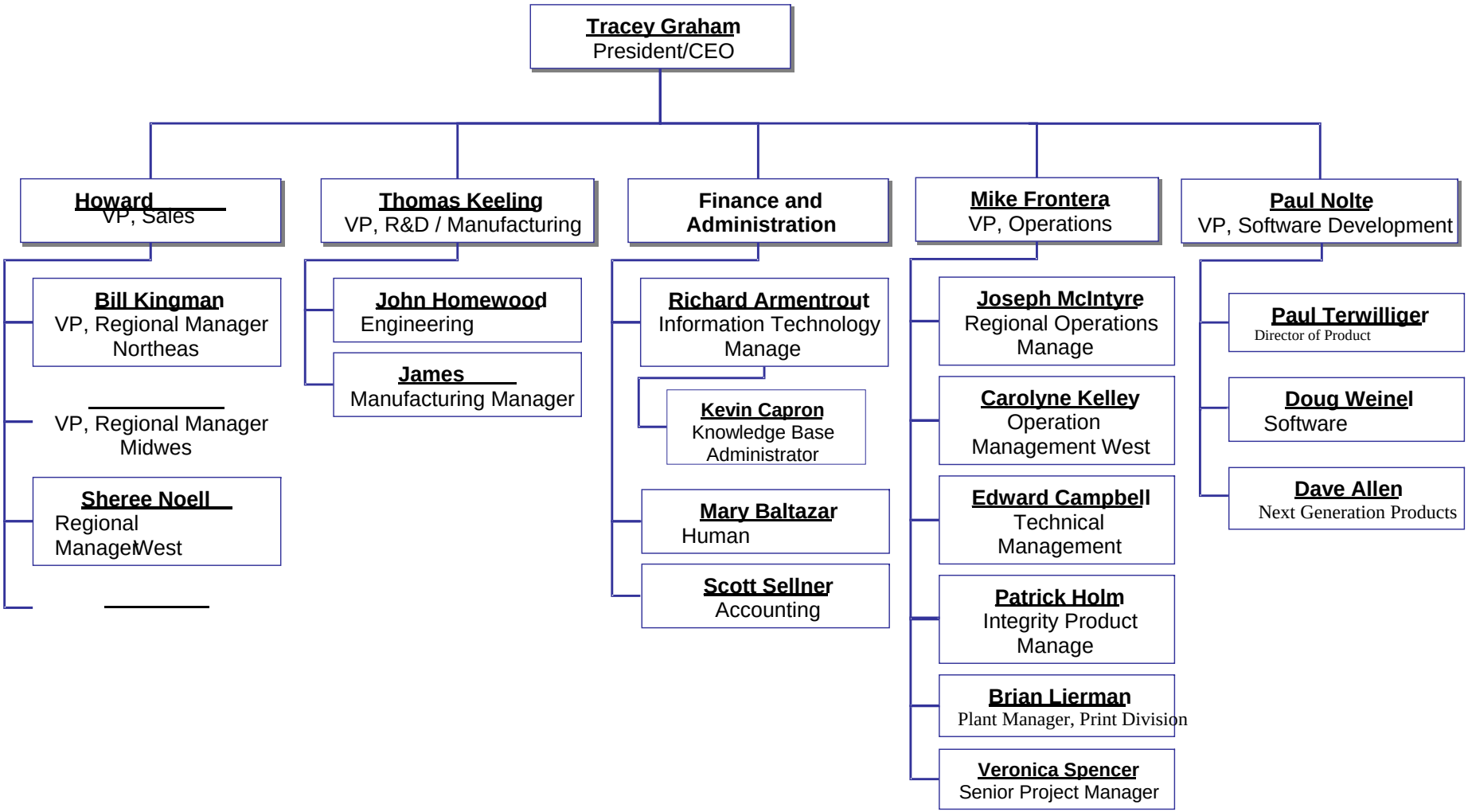


Upon contract award, Sequoia Voting Systems, as part of the joint Implementation and Planning Meetings, will determine the Project Management Team Organization Chart and the Team Members to meet the specific needs of each jurisdiction.

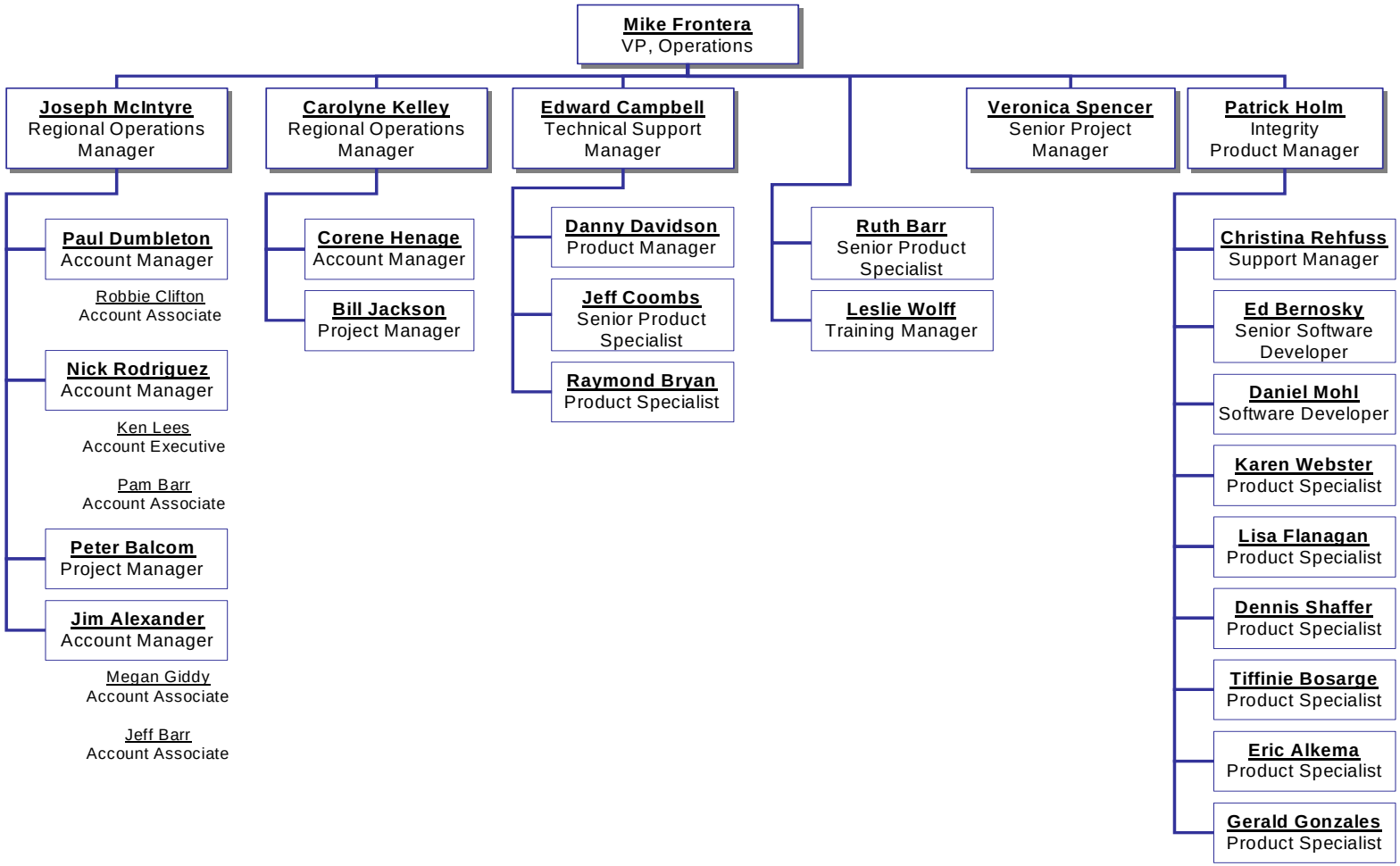
III-G PROJECT MANAGEMENT PLAN continued

Sequoia Voting Systems **Project Management Organizational Chart**

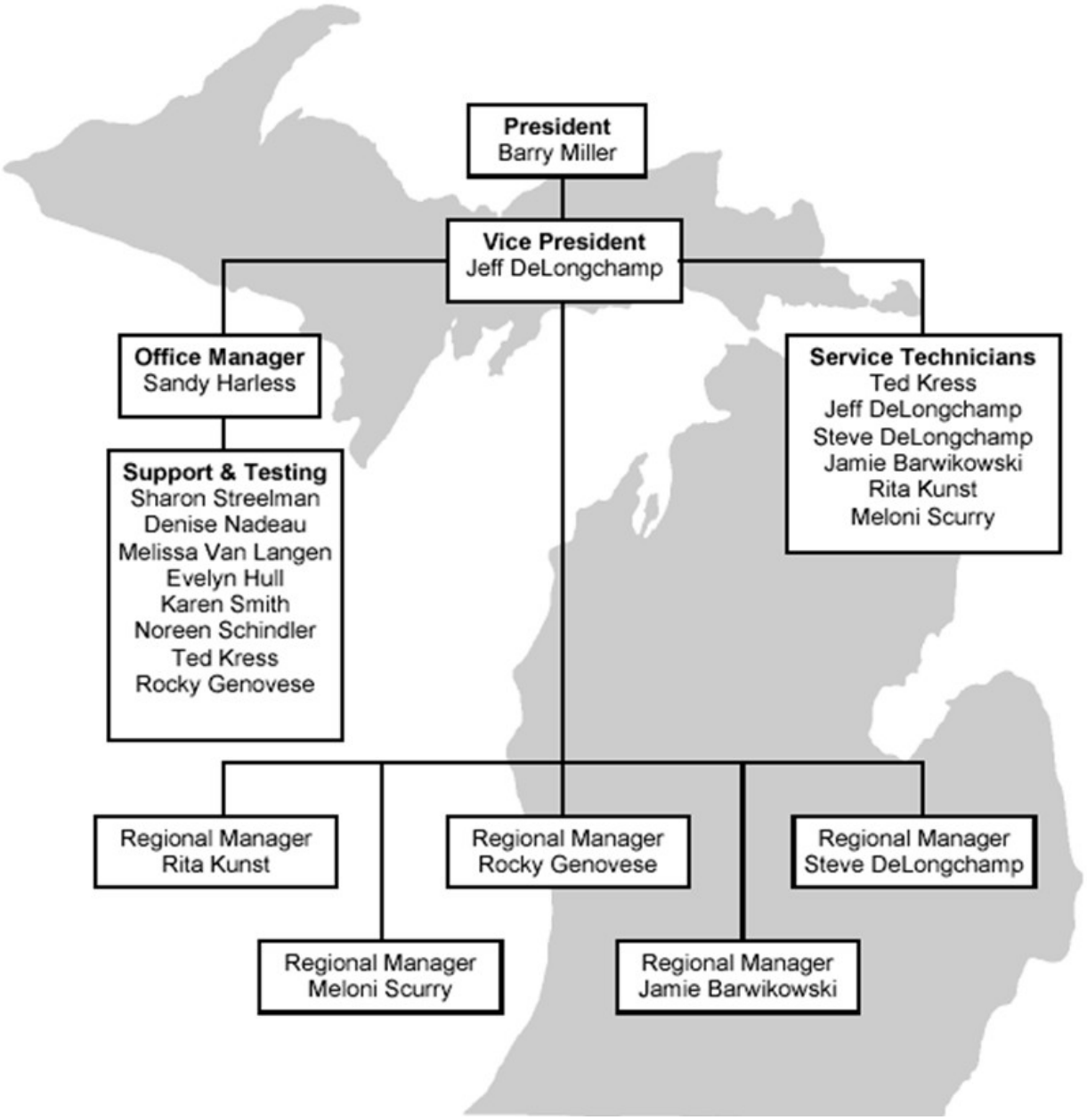
Corporate Organization



Sequoia Voting Systems
Operations Organization Chart



Miller Consultations & Elections, Inc.
Organization Chart



III-H TRAINING APPROACH

(Refer to Appendix H for Training Requirements)

Sequoia considers training to be one of the most critical elements of an election system. We will train jurisdiction personnel on both the Insight and the EMS (as required). Schedules will be set with jurisdiction personnel to ensure training is completed on a timely basis.

Training & User Information

A complete set of manuals and other support documentation will be provided to the DOS for all products contracted.

Customer education is a major element of the Sequoia Voting Systems' support. We develop courses that are designed to meet the specific needs and requirements of our customers. We have the professionals available to meet your training needs on site. These factory-trained representatives use the latest training processes and techniques to ensure your staff will have a complete understanding and working knowledge of the system operation. Training is also available at our National Training Centers in Denver, CO, Jamestown, NY and Oakland, CA. These centers provide a classroom setting where qualified instructors reinforce classroom training with hands-on lab exercises conducted on operating equipment and software.

In cooperation with the State, County and local election personnel, the Sequoia Project Manager and Support Team will develop a mutually agreed upon calendar for the system implementation. In addition to all aspects of the training, we will jointly conduct initial and on-going status meetings to determine priorities, deadlines, task assignments, schedules, responsibilities and procedures considering the following:

1. Conduct initial and on-going status meetings to determine priorities, deadlines, task assignments, schedules, responsibilities and procedures.

    - Management strategies
    - Schedule of election events/responsibilities
    - Staffing requirements
    - Ballot requirements
    - Absentee requirements/procedures
    - System preparation and testing
    - Equipment delivery and retrieval
    - Equipment maintenance, storage, repair routines
    - Ballot handling, delivery, retrieval and storage
    - Public test procedures/requirements

- Election Day troubleshooting
- Election central procedures
- Election reporting/display procedures

2. Develop and implement Voter Education Program

- Establish local concerns and objectives
- Prepare voter education materials
- Contact civic organizations
- Contact Media
- Provide on-going Voter Education Program assistance

3. Develop and implement internal/external public relations

- Establish local concerns and objectives
- Prepare informational materials
- Media information package
- Candidate information package
- Political party information package
- Public demonstration planning
- Publicity planning

4. Provide on-going support

Pre-election phase:

- Project management
- On-site training and assistance
- Election preparation/testing
- Hardware preparation/testing

Election phase:

- On-site Election Day support
- Hardware/software troubleshooting
- Spares inventory
- Election central procedures and assistance

Post election phase:

- Election critique

Sequoia Voting Systems training is extensive and will prepare the election staff in all aspects of the new election system process.

Training of the various aspects of the complete election training will consist of the following but not limited to:

Maintenance/Preparation

System hardware operations

Routine cleaning

Diagnostic testing

Replacement of consumable supplies
Replacement of system parts
System and transportation requirements
System preparation for Election Day

Poll worker Training Assistance

System operations
Poll arrangements and preparation
Poll opening routines
Voting procedures
Ballot issuing
Voter demonstration and assistance
Ballot control
Poll closing routines
Reporting routines

System Training (Software/Hardware)

System overview and operations

OBW TRAINING

1. Import/Export Operations:
   - Import State Data
   - Supplemental Data
   - Create EMS Export
2. EMS Operations:
   - Import Data
   - Supplemental Data
   - Ballot Styles
   - Export Data to OBW
3. OBW Training:
   - Supplemental Data
   - Import Data from EMS
   - Ballot Design
   - Ballot Layout

Ballot Printing

Export Layout Data to EMS

4. EMS Operations:

Memory Pack preparation

AERO preparations

5. AERO Operations:

Accumulation

Reporting

Export ASCII results

6. Import/Export Operations:

Import AERO Results

Export State Results File

7. Extended Reporting:

Import AERO Results

Create Results output (HTML, Rich Text, ASCII, CSV)

Other Operations

Early voting system and tabulation procedures
Absentee ballot tabulation procedures
Ballot printing requirements
Logic and accuracy testing
State reporting procedures

How We Train

Through each stage of the implementation process, Sequoia technical support staff assigned to the implementation project will provide hands-on training to election staff for the operation of the election management system, which includes the topics indicated above. Training is approached from a practical application standpoint so that instruction is immediately followed by real election, hands-on application of components.

Training will include on-site, one-on-one, hands-on training as well as small student/trainer ratio classroom lecture and demonstration sessions conducted off-site. At the onset of the implementation project, Sequoia sets various key component milestones to aid in practical application and retention of processes in manageable pieces.

As each jurisdiction's implementation may comprise the full 2004 or 2006 election cycles, Sequoia support staff support will continue to be dedicated to the counties and jurisdictions in the provision of training and hands-on application for each election through 2004 or 2006 as applicable. This gives election personnel repetitive practice and experience in practical application over this election cycle and builds confidence in the system and their abilities.

On-site training will be conducted through the entire duration of the implementation project by the assigned project support personnel who are experienced in technical election management, while off-site training will be led by product developers and specialists, so that the overall training approach provides a well-rounded, comprehensive instruction to facilitate county self-sufficiency beyond the implementation.

Staff and Materials

Sequoia Voting Systems trains the trainers. In addition we help design all needed training material which includes poll worker manuals, poll worker video films, quick step instructions and website instructional courses.

Sequoia will assist in training the poll workers to comfortably and confidently operate the voting machines and readily provide voters with simple instructions and assistance in voting on them.

Training agendas and curriculum particular to the resources, staff and needs of each jurisdiction will be developed as part of the implementation meetings.

Instructional Video

Poll worker training support includes a continuously updated instructional video that has been successfully used in Riverside County, California; Florida Counties, and in the United Kingdom for the Greater London Borough of Newham, Basingstoke and Deane Council and the Town of Chester.

State Staff Training

Sequoia provides in-depth, hands-on training to elections staff personnel in all functional areas of the voting system(s) implementation. Sequoia will work with the State and support department personnel to determine which key staff members receive specialized training. We recommend that all department personnel receive training on how to operate the Optech Insight so that they will feel part of the implementation and can answer questions from and give instructions to the general public.

With regard to specific functional areas, we recommend limiting the training to those departmental personnel with responsibilities in those functional areas. Cross training can be performed at a later date.

Poll Worker Training

Sequoia recommends that each jurisdiction break the poll worker training program into classes with as few poll workers as is feasible given the available trainers and training facilities, and the limited time on the election calendar. We have found from past implementations that it very important for all poll workers to have a chance to operate the machines “hands-on” in class, or at least participate in a small group review of the machine where at least some members operate the machines while the others look on and ask questions.

Sequoia will assist each jurisdiction in integrating the new voting system training into its current poll worker-training program content and format. We will assist in the development of training materials and will train the trainers. We will provide on-site training assistance to individual trainers as needed or until they become proficient at training on the Optech Insight.

Such a change in voting systems requires a change in polling place forms and procedures, and Sequoia will provide sample forms from previous implementations and will assist in redesigning its forms and procedures accordingly.

Formal Staff Training

Formal training generally involves the following:

Course

EMS and AERO (Election Management Software)

OBW (Ballot Preparation Software)

Optech Insight (Voting Machine Training)

Sequoia 400-C Absentee Training – *(optional)*

There is on-site warehouse logistic training and training to conduct Acceptance Testing

In Warehouse Logistics Training, the workers are trained to work as a team. It is impossible to place a time for each task that would be realistic. The time it takes to perform the task on one single unit versus the time when workers work together on 50 units is significantly different because of the use of efficient, time and motion techniques. We will work with the warehouse teams to develop election preparation and testing procedures to optimize the time spent and insure the accuracy of the testing process.

The Optech family of election equipment is designed to be nearly maintenance free. Any changes to the configuration of the equipment will be sent to the County in the form of a Field Service Bulletin, which will describe the reason, and nature of the change. Sequoia Voting Systems personnel usually do upgrade and configuration changes but training could be available if the County desires. Additional training and refresher courses are available as your staff progresses.

Sequoia will work with the State of Michigan to utilize a mutually agreeable process for sign-off and deliverable completion.

III-J VOTER OUTREACH AND EDUCATION

Sequoia has developed an on-line demonstration capability for our DRE products. This site is located at http://www.sequoiavote.com/democenter.php. Sequoia's CIO, Richard Armentrout, will work with the State of Michigan to expand this site to include Optical Scan hardware and software products

Sequoia confirms that there is no additional cost for joint development with the State of Michigan for the development of Optical Scan website demonstration and demonstration modules.

III-M PRINTER CERTIFICATION

The chosen vendor will qualify the printers who the State feels will best fit and are most capable of handling the printing of the ballots. The state will not mandate who is allowed to print ballots.

Michigan election law does not require counties or local jurisdictions to contract solely with vendor approved printers for the production of ballots. Each vendor shall maintain a list of qualified printers within the state which shall be available to local jurisdictions. The state will not identify printers of preference.

Ballot Printing Solutions

Miller Consultations & Elections, Inc. will utilize the printing capabilities of ballot printers across the State of Michigan to meet the absent voter deadlines for all state, federal and local elections. MC&E will coordinate the production of ballot proofs, printing and delivery. Whether the county or MC&E is using Sequoia's Ballot Printing System (BPS), a PDF file can be sent directly to us for disbursement to the following list of printers for printing. Based on load, location and capabilities we can choose any of these printers to produce a quality ballot, fast.

Additional printing resources will be developed for the State of Michigan as needed.

Current Certified Printers

Inland Press	Gage Printing	Michigan Election Resources
2001 West Lafayette Detroit, MI 48216 Attn: Bruce Hack Phone 313-961-6000	220 Buckner Drive Battle Creek, MI 49015 Attn: Mike Fatt Phone 296-965-4279	1616 Construction Drive Kalamazoo, MI 49048 Attn: Jeff Karns Phone 269-553-9393

Custom Printers, Inc.	D&D Printing, Inc.	Dayton Legal Blank
2801 Oak Industrial Drive Grand Rapids, MI 49505 Attn: Jerry Vanveen Phone 616-454-9224	342 Market St. Grand Rapids, MI 49503 Attn: Mike Bardwell Phone 616-454-7710	875 Congress Park Drive Dayton, OH 45459 Attn: Dave Keeler Phone 800-262-8480

PRINTER CERTIFICATION PROCESS

Sequoia's qualification process for ballot printing requires that potential printers purchase a "print kit" costing $1500. This kit is used by Sequoia's Optical Scan personnel when working with printers to ensure that all standards for ballot printing are met. A listing of qualified printers is located on PP 135 of Sequoia's Technical Proposal. The Sequoia MI Project Manager will work with jurisdictions and printers to ensure that all deadlines are met both for printed ballots and for programming of memory packs.

APPENDIX A
HAVA REQUIREMENTS
TITLE III – UNIFORM AND NON-DISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS

Subtitle A – Requirements

SEC. 301 VOTING SYSTEM STANDARDS

(a) REQUIREMENTS – Each voting system used in an election for Federal office shall meet the following requirements.

(*Readers Note*: *These requirements shall apply to all precinct count optical scan, ABS, and EMS systems and components used in Michigan elections*.)

IN GENERAL

(A) Except as provided in subparagraph (B), the voting system (including any lever voting system, optical scanning voting system, or direct recording electronic system) shall:

- Permit the voter to verify (in a private and independent manner) the votes selected by the voter on the ballot before the ballot is cast and counted;
- Provide the voter with the opportunity (in a private and independent manner) to change the ballot or correct any error before the ballot is cast and counted (including the opportunity to correct the error through the issuance of a replacement ballot if the voter was otherwise unable to change the ballot or correct any error); and
- If the voter selects votes for more than one candidate for a single office (1) notify the voter that the voter has selected more than one candidate for a single office on the ballot; (2) notify the voter before the ballot is cast and counted of the effect of casting multiple votes for the office; and (3) provide the voter with the opportunity to correct the ballot before the ballot is cast and counted.

(C) DOES NOT APPLY IN MICHIGAN

(C) The voting system shall ensure that any notification required under this paragraph preserves the privacy of the voter and the confidentiality of the ballot.

AUDIT CAPACITY

(A) IN GENERAL – The voting system shall produce a record with an audit capacity for such system.

(B) MANUAL AUDIT CAPACITY – The voting system shall produce a permanent paper record with a manual audit capacity for such system. The voting system shall provide the voter with an opportunity to change the ballot or correct any error before the permanent paper record is produced. The paper record produced under subparagraph (A) shall be available as an official record for any recount conducted with respect to any election in which the system is used.

ACCESSIBILITY FOR INDIVIDUALS WITH DISABILITIES

(This HAVA provision is not addressed in this CONTRACT)

The voting system shall (A) be accessible for individuals with disabilities, including non-visual accessibility for the blind and visually impaired, in a manner that provides the same opportunity for access and participation (including privacy and independence) as for other voters; (B) satisfy

the requirement of sub paragraph (A) through the use of at least one direct recording electronic voting system or other voting system equipped for individuals with disabilities at each polling place; and (C) if purchased with funds made available under Title II on or after January 1, 2007, meet the voting system standards for disability access (as outlined in this paragraph).

ALTERNATIVE LANGUAGE ACCESSIBILITY

The voting system shall provide alternative language accessibility pursuant to the requirements of Section 203 of the Voting Rights Act of 1965 (42 U.S.C. 1973aa-1a)

ERROR RATES

The error rate of the voting system in counting ballots (determined by taking into account only those errors which are attributable to the voting system and not attributable to an act of the voter) shall comply with the error rate standards established under Section 3.2.1 of the voting systems standards issued by the Federal Election Commission which are in effect on the date of the enactment of this Act.

UNIFORM DEFINITION OF WHAT CONSTITUTES A VOTE (as defined under Michigan Law)

MCL 168.803(2) provides as follows:

If an electronic voting system requires that the elector place a mark in a predefined area on the ballot in order to cast a vote, the vote shall not be considered valid unless there is a mark within the predefined area. A stray mark made within the predefined area is not a valid vote. In determining whether a mark within a predefined area is a stray mark, the board of canvassers or election official shall compare the mark with other marks appearing on the ballot. The secretary of state shall issue instructions relevant to stray marks to ensure the fairness and uniformity of determinations made under this subsection. A secretary of state's instruction relevant to stray marks shall not be applied to a ballot unless the secretary of state issued the instruction not less than 63 days before the date of the election.

VOTING SYSTEM DEFINED

In this section, the term "voting system" means (1) the total combination of mechanical, electromechanical, or electronic equipment (including the software, firmware, and documentation required to program, control, and support the equipment) that is used (a) to define ballots; (b) to cast and count votes; (c) to report or display election results; and (d) to maintain and produce any audit trail information; and the practices and associated documentation used to (1) identify system components and versions of such components;, (b) test the system during its development and maintenance; (c) maintain records of system errors and defects; (d) to determine specific system changes to be made to a system after the initial qualification of the system; and (e) make available any materials to the voter such as notices, instruction, forms, or paper ballots.

APPENDIX B
Michigan Voting System Approval Process and Technical Requirements

MICHIGAN ELECTION LAW (EXCERPT)

Act 116 of 1954

168.794. Electronic voting systems; definitions

Sec. 794. As used in sections 794 to 799a: [FN1]
(a) "Audit trail" means a record of the votes cast by each voter that can be printed, recorded, or visually reviewed after the polls are closed. The record shall not allow for the identification of the voter.
(b) "Ballot" means a card, ballot label, paper ballot, envelope, or any medium through which votes are recorded.
(c) "Ballot label" means the display or material containing the names of offices and candidates or the questions to be voted on.
(d) "Counting center" means 1 or more locations selected by the board of election commissioners of the city, county, township, village, or school district at which ballots are counted by means of electronic tabulating equipment or vote totals are electronically received from electronic tabulating equipment and electronically compiled.
(e) "Electronic tabulating equipment" means an apparatus that electronically examines and counts votes recorded on ballots and tabulates the results.
(f) "Electronic voting system" means a system in which votes are recorded and counted by electronic tabulating equipment.
(g) "Escrow account" means a third party approved by the Secretary of State for the purpose of taking custody of all source codes, including all revisions or modifications of source codes.
(h) "Source code" means the assembly language or high level language used to program the electronic voting system.
(i) "Voting device" means an apparatus that contains the ballot label and allows the voter to record his or her vote.
(j) "Voting station" means an enclosure provided to ensure ballot secrecy during the voting of the ballot.
(k) "Memory device" means a method or device used to store electronic data.

CREDIT(S)

2003 Electronic Update

Amended by P.A.1990, No. 109, § 1, Imd. Eff. June 18, 1990; P.A.1992, No. 8, § 1, Imd. Eff. March 10, 1992.

[FN1] Sections **168.794** to 168.799a.

<General Materials (GM) - References, Annotations, or Tables>

HISTORICAL AND STATUTORY NOTES

2003 Electronic Update

1990 Legislation

The 1990 amendment rewrote this section.

1992 Legislation

The 1992 amendment added subd. (k).

1989 Main Volume

Source:
P.A.1954, No. 116, § 794, added by P.A.1967, No. 155, § 1, Imd. Eff. June 30, 1967.
C.L.1948, § **168.794.** C.L.1970, § **168.794.**

LIBRARY REFERENCES

1989 Main Volume

Elections 222.
WESTLAW Topic No. 144.
C.J.S. Elections § 203.

M. C. L. A. **168.794**
MI ST **168.794**
END OF DOCUMENT

168.795. Specifications for electronic voting systems

Sec. 795. (1) An electronic voting system acquired or used under sections 794 to 799a [FN1] shall meet all of the following requirements:
(a) Provide for voting in secrecy, except in the case of voters who receive assistance as provided by this act.
(b) Permit each elector to vote at an election for all persons and offices for whom and for which the elector is lawfully entitled to vote; to vote for as many persons for an office as the elector is entitled to vote for; and to vote for or against any question upon which the elector is entitled to vote. Except as otherwise provided in this subdivision, the electronic tabulating equipment shall reject all choices recorded on the elector's ballot for an office or a question if the number of choices exceeds the number that the elector is entitled to vote for on that office or question. Electronic tabulating equipment that can detect that the choices recorded on an elector's ballot for an office or a question exceeds the number that the elector is entitled to vote for on that office or question located at each polling place and shall be programmed to reject a ballot containing that type of an error. If a choice on a ballot is rejected as provided in this subdivision, an elector shall be given the opportunity to have that ballot considered a spoiled ballot and to vote another ballot.
(c) Permit an elector, at a presidential election, by a single selection to vote for the candidates of a party for president, vice-president, and presidential electors.
(d) Permit an elector in a primary election to vote for the candidates in the party primary of

the elector's choice. Except as otherwise provided in this subdivision, the electronic tabulating equipment shall reject each ballot on which votes are cast for candidates of more than 1 political party. Electronic tabulating equipment that can detect that the elector has voted for candidates of more than 1 political party shall be located at each polling place and programmed to reject a ballot containing that type of an error. If a choice on a ballot is rejected as provided in this subdivision, an elector shall be given the opportunity to have that ballot considered a spoiled ballot and to vote another ballot.
(e) Prevent an elector from voting for the same person more than once for the same office.
(f) Reject a ballot on which no valid vote is cast. Electronic tabulating equipment shall be programmed to reject a ballot on which no valid vote is cast.
(g) Be suitably designed for the purpose used; be durably constructed; and be designed to provide for safety, accuracy, and efficiency.
(h) Be designed to accommodate the needs of an elderly voter or a person with 1 or more disabilities.
(i) Record correctly and count accurately each vote properly cast.
(j) Provide an audit trail.
(k) Provide an acceptable method for an elector to vote for a person whose name does not appear on the ballot.
(l) Allow for accumulation of vote totals from the precincts in the jurisdiction. The accumulation software must meet specifications prescribed by the Secretary of State and must be certified by the Secretary of State as meeting these specifications.
(2) Electronic tabulating equipment that counts votes at the precinct before the close of the polls shall provide a method for rendering the equipment inoperable if vote totals are revealed before the close of the polls.

CREDIT(S)

2003 Electronic Update

Amended by P.A.1990, No. 109, § 1, Imd. Eff. June 18, 1990; P.A.1992, No. 8, § 1, Imd. Eff. March 10, 1992; P.A.1998, No. 21, Imd. Eff. March 12, 1998; P.A.1999, No. 218, Eff. March 10, 2000; P.A.2002, No. 91, Eff. April 9, 2002.

[FN1] M.C.L.A. §§ 169.794 to 168.799a.

<General Materials (GM) - References, Annotations, or Tables>

HISTORICAL AND STATUTORY NOTES

2003 Electronic Update

1990 Legislation

The 1990 amendment rewrote this section.

1992 Legislation

The 1992 amendment, in the introductory paragraph of subsec. (1), substituted "pursuant to" for "in accordance with"; in subsec. (1)(a), substituted "receive" for "have received"; in subsec. (1)(b), in the second sentence inserted "Except as otherwise provided in this subdivision,", and added the third sentence; in subsec. (1)(e), in the second sentence inserted "Except as otherwise provided in this subdivision,", and added the third sentence; and, in subsec. (1)(h), substituted "June 18, 1990" for "on the effective date of the amendatory act

that added this subdivision".

1998 Legislation

P.A.1998, No. 21, in subsec. (1)(h), substituted "elderly voter or a person with 1 or more disabilities" for "elderly or handicapped voter".

For contingent effect provisions of P.A.1998, No. 21, see the Historical and Statutory Notes following § 168.29.

1999 Legislation

P.A.1999, No. 218, inserted subsec. (1)(l).

For effective date provisions of P.A.1999, No. 218, see the Historical and Statutory Notes following § 168.624.

2001 Legislation

This section was amended by P.A.2001, No. 269, Eff. March 22, 2002, suspended pending result of the Nov. 5, 2002, election on a referendum petition on that act. The referendum on P.A.2001, No. 269, was rejected by the voters at the Nov. 5, 2002, election.

For effective date provisions of P.A.2001, No. 269, see the Historical and Statutory Notes following § 168.31.

2002 Legislation

For contingent effect and effective date provisions of P.A.2002, No. 91, see the Historical and Statutory Notes following M.C.L.A. § 168.2.

1989 Main Volume

Source:
P.A.1954, No. 116, § 795, added by P.A.1967, No. 155, § 1, Imd. Eff. June 30, 1967.
C.L.1948, § **168.795.**
C.L.1970, § **168.795.**

LIBRARY REFERENCES

1989 Main Volume

Elections 222.
WESTLAW Topic No. 144.
C.J.S. Elections § 203.

M. C. L. A. **168.795**
MI ST **168.795**
END OF DOCUMENT

168.795a. Electronic voting systems, approval by Board of State Canvassers, conditions; approval, requirements; field test; intent to purchase statement; instructions for local officials; disapproval

Sec. 795a. (1) An electronic voting system shall not be used in an election unless it is approved by the Board of State Canvassers as meeting the requirements of sections 794 and 795 and instructions regarding recounts of ballots cast on that electronic voting system that have been issued by the Secretary of State, unless section 797c has been complied with, and unless it meets 1 of the following conditions:
(a) Is certified by an independent testing authority accredited by the National Association of State Election Directors and by the Board of State Canvassers.
(b) In the absence of an accredited independent testing authority, is certified by the manufacturer of the voting system as meeting or exceeding the performance and test standards referenced in subdivision (a) in a manner prescribed by the Board of State Canvassers.
(2) The vendor or representative seeking approval of an electronic voting system shall do all of the following:
(a) Deposit with the Secretary of State a nonrefundable application fee of $1,500.00 for a new voting system and a fee of $500.00 for an upgrade to any existing system.
(b) File with the Secretary of State a list of all states in which the voting system has been approved for use. This list shall state how long the system has been used in the state and shall disclose any reports compiled by any state or local government concerning the performance of the system. The vendor shall remain responsible for filing this information on an ongoing basis.
(c) File with the Secretary of State copies of all standard contracts and maintenance agreements used in connection with the sale of the voting system. All changes to standard contracts and maintenance agreements shall be filed with the Secretary of State.
(d) Pay the cost for any field test required by the Board of State Canvassers.
(e) State the number of voters each component of the voting system can process per hour under each of the following circumstances:
(i) An election in which there are 10 or fewer items to be voted on the ballot by each voter.
(ii) An election in which the ballot consists of the number of items typically voted on at a presidential general election in this State.
(3) The Board of State Canvassers shall conduct a field test of all new voting systems as part of the certification process. The field test shall involve Michigan electors and election officials in simulated election day conditions. The test shall be designed to gauge voter reaction to the system, problems that voters have with the system, and the number of voting stations required for the efficient operation of an election based upon the vendor's statement provided under subsection (2)(e).
(4) The Board of State Canvassers shall approve an electronic voting system for use in this State only if it meets the conditions of subsection (1) except that in an emergency situation that threatens the ability of a county, city, or township to conduct a scheduled election, the Board of State Canvassers may approve a correction of software or firmware after testing the software or firmware performance.
(5) If an electronic voting system is approved for use before January 1, 1997 by the Board of State Canvassers, it may be used in an election. However, if the electronic voting system has its software or firmware improved or changed, the system shall comply with the requirements of subsection (1).
(6) After an electronic voting system is approved, an improvement or change in the electronic voting system shall be submitted to the Board of State Canvassers for approval pursuant to this section. This subsection does not apply to the technical capability of a general purpose computer, reader, or printer to electronically record and count votes.
(7) A county, city, township, village, or school district shall file "an intent to purchase statement" with the Secretary of State 30 days before any purchase agreement is made to purchase a new voting system. The Secretary of State shall provide all information concerning the operation of the voting system in Michigan or any other state to the local unit of government within 25 days after receiving the "intent to purchase statement".
(8) The Secretary of State shall instruct local election officials regarding the operation and use of an approved electronic voting system in order to carry out the purposes of sections 794 to 799a and the rules promulgated pursuant to sections 794 to 799a.
(9) If the Board of State Canvassers determines that an electronic voting system that was approved under subsection (1) no longer meets the requirements described in that subsection, the Board of State Canvassers may disapprove that voting system. An electronic voting system that has been disapproved by the Board of State Canvassers under this subsection shall not be

used in an election, unless it is reapproved by the Board of State Canvassers under subsection (1).

CREDIT(S)

2003 Electronic Update

Amended by P.A.1990, No. 109, § 1, Imd. Eff. June 18, 1990; P.A.1992, No. 8, § 1, Imd. Eff. March 10, 1992; P.A.1995, No. 261, § 1, Eff. March 28, 1996; P.A.1996, No. 583, § 1, Eff. March 31, 1997; P.A.1998, No. 215, Imd. Eff. July 1, 1998.

<General Materials (GM) - References, Annotations, or Tables**>**

HISTORICAL AND STATUTORY NOTES

2003 Electronic Update

1990 Legislation

The 1990 amendment rewrote this section.

1992 Legislation

The 1992 amendment inserted the subsection numbering; in subsec. (1), added the third sentence; and added subsec. (2).

1995 Legislation

The 1995 amendment, in subsec. (1), in the first sentence added "and instructions regarding recounts of ballots cast on that electronic voting system that have been issued by the Secretary of State".

1996 Legislation

The 1996 amendment rewrote this section, which prior thereto read:

"(1) An electronic voting system shall not be used in an election unless it is approved by the Board of State Canvassers as meeting the requirements of sections 794 and 795 and instructions regarding recounts of ballots cast on that electronic voting system that have been issued by the Secretary of State. After an electronic voting system is approved, an improvement or change in the electronic voting system shall be submitted to the Board of State Canvassers for approval pursuant to this section. This subsection does not apply to the technical capability of a general purpose computer, reader, or printer to electronically record and count votes.

"(2) The Secretary of State shall instruct local election officials regarding the operation and use of an approved electronic voting system in order to carry out the purposes of sections 794 to 799a and the rules promulgated pursuant to sections 794 to 799a."

1998 Legislation

P.A.1998, No. 215, added subsec. (2)(e); and, in subsec. (3), in the third sentence added "based upon the vendor's statement provided under subsection (2)(e)".

1989 Main Volume

Source:
P.A.1954, No. 116, § 795a, added by P.A.1967, No. 155, § 1, Imd. Eff. June 30, 1967.
C.L.1948, § **168.795a.**
C.L.1970, § **168.795a.**

NOTES OF DECISIONS

Approval 1
Instructions 2

1. Approval

School board was not required to obtain approval of Secretary of State before using voting machine in school bond referendum; as machine was electronic, board of canvassers were required to approve machines, and blanket approval for machines in question had been issued by Board of State Canvassers. Vorva v. Plymouth-Canton Community School Dist. (1998) 584 N.W.2d 743, 230 Mich.App. 651, appeal denied 589 N.W.2d 780, 459 Mich. 926.

Alleged noncompliance with requirement that electronic voting machine be resubmitted for approval by State Board of Canvassers, when changes were made in machine, did not mandate holding of new referendum of school bond issue when votes were tallied on noncompliant machines; change was unrelated to ability of voter to cast his vote. Vorva v. Plymouth-Canton Community School Dist. (1998) 584 N.W.2d 743, 230 Mich.App. 651, appeal denied 589 N.W.2d 780, 459 Mich. 926.

2. Instructions

Board of canvassers was not empowered to order new special election to vote on school bond issue, based on claim that votes were unnecessarily invalidated due to improper instruction in use of voting machines; local canvassers did not have responsibility for quality of instructional material accompanying machines, which was responsibility of Secretary of State. Vorva v. Plymouth-Canton Community School Dist. (1998) 584 N.W.2d 743, 230 Mich.App. 651, appeal denied 589 N.W.2d 780, 459 Mich. 926.

M. C. L. A. **168.795a**
MI ST **168.795a**
END OF DOCUMENT

168.795b. Ballot labels, materials, form, contents; electronic tabulation

Sec. 795b. (1) Ballot labels shall be printed or displayed in plain, clear, black type on white surface. Questions may be printed or displayed on red tinted surface and the names of candidates for nonpartisan offices on blue tinted surface. County questions may be printed or displayed on green tinted surface and local questions may be printed or displayed on buff surface. In a primary election to identify each political party, the titles of offices and the names of candidates may be arranged in vertical columns or in a series of separate pages or displays. The office title with a statement of the number of candidates to be voted for shall be printed or displayed above or at the side of the names of the candidates for that office. The offices and candidates shall be printed or displayed in the order provided by law, or if no such provision is made, in the order prescribed by the board of election commissioners of the county, city, village, township, or school district. If there are more candidates for an office than can be printed or displayed in 1 column or on 1 page or display, the ballot label shall be clearly

marked that the list of candidates is continued on the following column, page, or display, and so far as possible, the same number of names shall be printed or displayed on each column, page, or display. Arrows or other directional signs may be used to indicate the place to vote for each candidate or question.
(2) Ballots that are processed through electronic tabulating equipment after the elector has voted shall have an attached, numbered, perforated stub.

CREDIT(S)

2003 Electronic Update

Amended by P.A.1990, No. 109, § 1, Imd. Eff. June 18, 1990.

<General Materials (GM) - References, Annotations, or Tables>

HISTORICAL AND STATUTORY NOTES

2003 Electronic Update

1990 Legislation

The 1990 amendment rewrote this section.

1989 Main Volume

Source:
P.A.1954, No. 116, § 795b, added by P.A.1967, No. 155, § 1, Imd. Eff. June 30, 1967.
C.L.1948, § **168.795b.**
C.L.1970, § **168.795b.**

M. C. L. A. **168.795b**
MI ST **168.795b**
END OF DOCUMENT

Parts of ballots, differentiation; voting straight party ticket or split ticket

Sec. 795c. The different parts of the ballot, such as partisan, nonpartisan, and questions, shall be prominently indicated on the ballot label, and, if practicable, each part may be placed on a separate page, column, or display. If 2 or more elections are held on the same day, the ballot label shall be clearly marked to indicate the ballot for each election . In partisan elections the ballot label shall include a position by which the voter may by a single selection record a straight party ticket vote for all the candidates of 1 party. The voter may vote a split or mixed ticket.

CREDIT(S)

2003 Electronic Update

Amended by P.A.1990, No. 109, § 1, Imd. Eff. June 18, 1990.

<General Materials (GM) - References, Annotations, or Tables>

HISTORICAL AND STATUTORY NOTES

2003 Electronic Update

1990 Legislation

The 1990 amendment rewrote this section.

2001 Legislation

This section was amended by P.A.2001, No. 269, Eff. March 22, 2002, suspended pending result of the Nov. 5, 2002, election on a referendum petition on that act. The referendum on P.A.2001, No. 269, was rejected by the voters at the Nov. 5, 2002, election.

For effective date provisions of P.A.2001, No. 269, see the Historical and Statutory Notes following § 168.31.

1989 Main Volume

Source:
P.A.1954, No. 116, § 795c, added by P.A.1967, No. 155, § 1, Imd. Eff. June 30, 1967.
C.L.1948, § **168.795c.**
C.L.1970, § **168.795c.**

M. C. L. A. **168.795c**
MI ST **168.795c**
END OF DOCUMENT

168.797c. Results of votes cast, tabulation by computer program; source code of program; nondisclosure of proprietary information

Sec. 797c. A person or company providing a computer program that examines, counts, tabulates, and prints results of the votes cast by a voter on an electronic voting system shall place in an escrow account a copy of the source code of the program and any subsequent revisions or modifications of the source code. The Secretary of State or an authorized agent of the Secretary of State shall agree to use the information contained in the source code solely for the purpose of analyzing and testing the software and shall not disclose proprietary information to any other person or agency without the prior written consent of the vendor.

CREDIT(S)

2003 Electronic Update

Amended by P.A.1990, No. 109, § 1, Imd. Eff. June 18, 1990.

<General Materials (GM) - References, Annotations, or Tables>

HISTORICAL AND STATUTORY NOTES

2003 Electronic Update

1990 Legislation

The 1990 amendment rewrote this section.

1989 Main Volume

Source:
P.A.1954, No. 116, § 797c, added by P.A.1967, No. 155, § 1, Imd. Eff. June 30, 1967.
C.L.1948, § **168.797c.**
C.L.1970, § **168.797c.**

M. C. L. A. **168.797c**
MI ST **168.797c**
END OF DOCUMENT

APPENDIX C

Number of Precincts in Phase I

County	Number of Precincts/ Tabulators	Current Voting System	Number of Voting Stations	Number of Registered Voters
Alcona	14	AVM	27	9274
Total	***14***		***27***	***9274***
Alger	3	AVM	7	2512
	10	Paper	33	3457
Total	***13***		***40***	***5969***
Allegan	1	AVM	4	1861
Total	***1***		***4***	***1861***
Alpena	3	AVM	8	3297
	1	Paper	1	183
	2	Printer AVM	5	2488
	6	Punch Card	66	8505
Total	***12***		***80***	***14473***
Arenac	1	AVM	2	564
	1	Paper	1	256
	2	Printer AVM	4	1187
Total	***4***		***7***	***2007***
Baraga	4	Printer AVM	5	2286
Total	***4***		***5***	***2286***
Benzie	9	AVM	21	6349
	11	Printer AVM	20	5742
Total	***20***		***41***	***12091***
Branch	6	AVM	16	3798
	4	Printer AVM	8	4436
Total	***10***		***24***	***8234***
Calhoun	1	Printer AVM	3	801
Total	***1***		***3***	***801***
Cass	3	AVM	8	3566
Total	***3***		***8***	***3566***
Charlevoix	21	Punch Card	87	19719
Total	***21***		***87***	***19719***
Cheboygan	1	AVM	2	310
	1	Paper	2	188
	12	Printer AVM	19	5202
Total	***14***		***23***	***5700***

APPENDIX C

Number of Precincts in Phase I

County	Number of Precincts/ Tabulators	Current Voting System	Number of Voting Stations	Number of Registered Voters
Chippewa	3	Paper	8	663
Total	***3***		***8***	***663***
Clare	27	Punch Card	119	22436
Total	***27***		***119***	***22436***
Crawford	11	Punch Card	52	11766
Total	***11***		***52***	***11766***
Eaton	2	Paper	8	1054
	8	Printer AVM	32	12816
	16	Punch Card	153	26227
Total	***26***		***193***	***40097***
Emmet	22	Punch Card	100	22630
Total	***22***		***100***	***22630***
Gladwin	21	Punch Card	78	22189
Total	***21***		***78***	***22189***
Grand Traverse	1	Paper	1	278
Total	***1***		***1***	***278***
Gratiot	6	AVM	19	6608
	3	Paper	11	1285
	1	Printer AVM	2	1270
	3	Punch Card	24	5338
Total	***13***		***56***	***14501***
Hillsdale	4	AVM	10	8473
	20	Printer AVM	58	21567
Total	***24***		***68***	***30040***
Houghton	7	AVM	11	3836
	4	Paper	10	607
	8	Printer AVM	14	6070
Total	***19***		***35***	***10513***
Huron	5	AVM	10	2617
	5	Paper	14	1141
	1	Printer AVM	2	389
Total	***11***		***26***	***4147***
Ingham	139	Punch Card	850	199801
Total	***139***		***850***	***199801***

APPENDIX C

Number of Precincts in Phase I

County	Number of Precincts/ Tabulators	Current Voting System	Number of Voting Stations	Number of Registered Voters
Ionia	25	Printer AVM	72	29705
Total	***25***		***72***	***29705***
Iosco	23	Punch Card	90	23450
Total	***23***		***90***	***23450***
Iron	1	Paper	2	94
Total	***1***		***2***	***94***
Isabella	28	Punch Card	173	37834
Total	***28***		***173***	***37834***
Jackson	1	AVM	3	1535
Total	***1***		***3***	***1535***
Kalamazoo	109	Punch Card	686	166290
Total	***109***		***686***	***166290***
Kalkaska	1	AVM	7	3614
	1	Paper	3	215
	11	Printer AVM	21	8418
Total	***13***		***31***	***12247***
Kent	128	Punch Card	843	167095
Total	***128***		***843***	***167095***
Lake	19	Punch Card	53	8098
Total	***19***		***53***	***8098***
Lapeer	12	Punch Card	96	18587
Total	***12***		***96***	***18587***
Lenawee	16	AVM	46	21432
Total	***16***		***46***	***21432***
Livingston	24	Punch Card	183	41552
Total	***24***		***183***	***41552***
Mackinac	5	Paper	12	1163
Total	***5***		***12***	***1163***
Macomb	87	AVM	272	97331
	7	Punch Card	49	11039
Total	***101***		***347***	***108370***
Manistee	7	AVM	17	4964
	2	Paper	5	752
Total	***9***		***22***	***5716***

APPENDIX C

Number of Precincts in Phase I

County	Number of Precincts/ Tabulators	Current Voting System	Number of Voting Stations	Number of Registered Voters
Marquette	8	Paper	33	2004
	3	Printer AVM	7	2494
	7	Punch Card	68	13035
Total	***18***		***108***	***17533***
Mason	26	Punch Card	122	19939
Total	***26***		***122***	***19939***
Menominee	22	AIS	103	17251
Total	***22***		***103***	***17251***
Midland	50	Punch Card	279	63479
Total	***50***		***279***	***63479***
Missaukee	17	Punch Card	57	9726
Total	***17***		***57***	***9726***
Montcalm	36	AVM	71	31310
	7	Printer AVM	16	7817
Total	***43***		***87***	***39127***
Montmorency	2	Paper	5	613
	1	Printer AVM	5	1519
Total	***3***		***10***	***2132***
Muskegon	15	AVM	58	23786
Total	***15***		***58***	***23786***
Newaygo	5	AVM	14	1902
	4	Paper	9	889
	2	Printer AVM	5	1248
	1	Punch Card	6	1257
Total	***12***		***34***	***3394***
Oakland	16	AVM	39	17563
	2	Paper	4	373
	50	Punch Card	233	62515
Total	***68***		***276***	***80451***
Oceana	12	AVM	35	12632
	2	Paper	6	1693
	4	Printer AVM	9	3666
Total	***18***		***50***	***17991***

APPENDIX C

Number of Precincts in Phase I

County	Number of Precincts/ Tabulators	Current Voting System	Number of Voting Stations	Number of Registered Voters
Ogemaw	22	Punch Card	63	11540
Total	***22***		***63***	***11540***
Osceola	9	AVM	20	7387
	2	Paper	7	580
	1	Printer AVM	2	525
Total	***12***		***29***	***8492***
Oscoda	9	Punch Card	37	6829
Total	***9***		***37***	***6829***
Presque Isle	18	Punch Card	66	11066
Total	***18***		***66***	***11066***
Roscommon	1	AVM	2	220
	1	Printer AVM	2	295
Total	***2***		***4***	***515***
Saginaw	1	Paper	2	43
	1	Printer AVM	4	1443
Total	***2***		***6***	***1486***
St. Joseph	4	AVM	20	8855
Total	***4***		***20***	***8855***
Shiawassee	7	AVM	26	10236
	1	Printer AVM	2	780
Total	***8***		***28***	***11016***
Tuscola	3	AVM	12	3266
	1	Punch Card	6	811
Total	***4***		***18***	***4077***
Van Buren	9	AVM	26	12348
	20	Printer AVM	60	32342
	1	Shoup	4	2300
Total	***48***		***90***	***46990***
Washtenaw	22	Punch Card	172	32087
Total	***22***		***172***	***32087***
Wayne	118	Punch Card	655	119405
	77	Shoup	323	93943
Total	***217***		***978***	***213348***

APPENDIX C

Number of Precincts in Phase I

County	Number of Precincts/ Tabulators	Current Voting System	Number of Voting Stations	Number of Registered Voters
Wexford	2	AVM	4	730
	1	Paper	2	137
Total	***3***		***6***	***867***

State Total (63 Counties)	***1604***		***9055***	

Precinct totals should be used as estimates only. Data is based on the 2002 Precinct Report. Some upper peninsula counties use a central count optical scan system. When the jurisdictions that use a central count system are identified, they will be moved to Phase I.

APPENDIX D

Number of Precincts in Phase II

County	Number of Precincts/ Tabulators	CURRENT VOTING SYSTEM	Number of Voting Stations	Number of Registered Voters
Alger	1	Accuvote	3	1072
Total	***1***		***3***	***1072***
Allegan	36	Accuvote	288	59106
	4	Optech	24	5052
Total	***40***		***271***	***64185***
Alpena	6	Accuvote	18	8750
Total	***6***		***18***	***8750***
Antrim	1	Accuvote	10	1319
	15	Optech	45	15744
Total	***16***		***55***	***17063***
Arenac	2	Accuvote	10	1543
Total	***2***		***10***	***1543***
Baraga	2	Accuvote	6	3331
Total	***2***		***6***	***3331***
Barry	24	Accuvote	129	37058
Total	***24***		***129***	***37058***
Bay	69	Optech	464	82368
Total	***69***		***464***	***82368***
Berrien	69	Accuvote	568	113057
Total	***69***		***568***	***113057***
Branch	7	Optech	46	12338
Total	***7***		***46***	***12388***
Calhoun	56	Optech	411	88789
Total	***56***		***411***	***88789***
Cass	10	Accuvote	71	15205
	5	Optech	34	7519
Total	***15***		***105***	***22724***
Cheboygan	11	Accuvote	54	13615
Total	***11***		***54***	***13615***
Chippewa	14	Accuvote	97	20905
Total	**14**		***97***	***20905***
Clinton	2	Accuvote	18	3308
	26	Optech	196	39975
Total	***29***		***214***	***44538***
Delta	14	Accuvote	65	15644
Total	***14***		***65***	***15644***
Dickinson	17	Accuvote	124	21260
Total	***17***		***124***	***21260***

APPENDIX D

Number of Precincts in Phase II

County	Number of Precincts/ Tabulators	CURRENT VOTING SYSTEM	Number of Voting Stations	Number of Registered Voters
Eaton	22	Accuvote	161	35531
Total	***22***		***161***	***35531***
Gogebic	12	Accuvote	77	13937
Total	***12***		***77***	***13937***
Grand Traverse	34	Accuvote	191	56400
Total	***34***		***191***	***56400***
Gratiot	5	Accuvote	19	4108
	11	Optech	27	5541
Total	***16***		***46***	***9649***
Hillsdale	1	Unilect	4	1174
Total	***1***		***4***	***1174***
Houghton	13	Accuvote	72	11427
Total	***13***		***72***	***11427***
Huron	14	Optech	71	17225
Total	***14***		***71***	***17225***
Ingham	1	Accuvote	5	1259
Total	***1***		***5***	***1259***
Ionia	1	Accuvote	12	2493
Total	***1***		***12***	***2493***
Iron	13	Accuvote	40	7766
Total	***13***		***40***	***7766***
Jackson	30	Accuvote	149	48210
	36	Optech	219	48996
Total	***66***		***368***	**97206**
Kalamazoo	1	Accuvote	5	1368
Total	***1***		***5***	***1368***
Kent	123	Optech	893	188335
	15	Unilect	62	21382
Total	***138***		***955***	***209717***
Keweenaw	5	Accuvote	16	1780
Total	***5***		***16***	***1780***
Lapeer	21	Accuvote	172	34684
Total	***21***		***172***	***34684***
Leelanau	5	Accuvote	33	7085
Total	***5***		***33***	***7085***

APPENDIX D

Number of Precincts in Phase II

County	Number of Precincts/ Tabulators	CURRENT VOTING SYSTEM	Number of Voting Stations	Number of Registered Voters
Lenawee	8	Accuvote	53	16095
	6	Optech	63	13398
	4	Unilect	30	5858
Total	***18***		***146***	***35351***
Livingston	11	Accuvote	60	20044
Total	***11***		***60***	***20044***
Luce	5	Accuvote	20	4507
Total	***5***		***20***	***4507***
Mackinac	8	Accuvote	32	4498
Total	***8***		***32***	***4498***
Macomb	124	Accuvote	732	175821
	31	Optech	223	52069
Total	***155***		***955***	***227890***
Manistee	1	Accuvote	2	714
Total	***1***		***2***	***714***
Marquette	10	Accuvote	87	20972
Total	***10***		***87***	***20972***
Mecosta	22	Microvote	76	25813
Total	***22***		***76***	***25813***
Monroe	62	Accuvote	417	108535
Total	***62***		***417***	***108535***
Montmorency	4	Accuvote	27	4462
Total	***4***		***27***	***4462***
Muskegon	42	Optech	294	70042
Total	***42***		***294***	***70042***
Newaygo	16	Optech	126	22845
Total	***16***		***126***	***22845***
Oakland	57	Accuvote	325	82525
	406	Optech	2741	674196
Total	***463***		***3066***	***756721***
Ogemaw	4	Accuvote	4	5944
Total	***4***		***4***	***5944***
Ontonagon	14	Accuvote	30	6390
Total	***14***		***30***	***6390***
Osceola	1	Optech	2	1680
Total	***1***		***2***	***1680***
Otsego	13	Accuvote	89	19095
Total	***13***		***89***	***19095***

APPENDIX D

Number of Precincts in Phase II

County	Number of Precincts/ Tabulators	CURRENT VOTING SYSTEM	Number of Voting Stations	Number of Registered Voters
Ottawa	104	Optech	640	163129
Total	***104***		***640***	***163129***
Roscommon	8	Accuvote	77	14916
Total	***8***		***77***	***14916***
Saginaw	65	Optech	422	106514
Total	***65***		***422***	***106514***
St. Clair	29	Accuvote	240	48765
	31	Optech	208	52183
Total	***60***		***448***	***100948***
St. Joseph	16	Accuvote	113	29721
Total	***16***		***113***	***29721***
Sanilac	30	Optech	145	30570
Total	***30***		***145***	***30570***
Schoolcraft	8	Accuvote	27	4144
Total	***8***		***27***	**4144**
Shiawassee	16	Accuvote	111	22729
	8	Optech	70	12783
Total	***24***		***181***	***35512***
Tuscola	22	Optech	142	31138
Total	***22***		***142***	***31138***
Washtenaw	46	Accuvote	355	76460
	58	Optech	358	99538
Total	***104***		***713***	***175998***
Wayne	86	Accuvote	520	117345
	776	Optech	5637	850183
	59	Unilect	262	74092
Total	***921***		***6419***	***1041620***
Wexford	17	Accuvote	99	21153
Total	***17***		***99***	***21153***

State Total ***(62 Counties)***	***2983***		***19734***	

The number of precincts and voting stations are from the 2002 Precinct Report, these totals may change as we get more information.

APPENDIX E

State of Michigan Bureau of Elections Standard Precinct File Layout*

A standard comma-separated values (csv) file with quoted strings is used to report vote totals. Field names are *not* expected in the first row. Small Integer datatypes hold numbers up to 32,767.

One file per county named thusly: <county name>.csv, i.e. *ingham.csv* would be the expected filename for a file containing Ingham county's precinct election results.

The layout of this file follows (**except for the *first* line, see Election.txt below)**:

Field #	Field	Field Type	Data Description
Field #1	Election Year	Small Integer	1998, 2000, etc.
Field #2	Election Type	3 Character String	"PRI","GEN"
Field #3	Office Code	Small Integer	Matches office code list. Zero for poll book total.
Field #4	District Code	5 Character String	Matches office/district code list. Zero-filled for poll book total.
Field #5	Status Code	Small Integer	Matches status code list. Zero for poll book total.
Field #6	County Code	Small Integer	Matches county code list.
Field #7	City/Township Code	Small Integer	Matches county/city/township list.
Field #8	Ward/District Number	Small Integer	Numeric designation for wards. Also called "districts" in Detroit City.
Field #9	Precinct Number	Small Integer	Numeric precinct identifier. Absentee Voter Counting Boards (AVCB) are designated by a number > 900. i.e. the first AVCB in this precinct is 901, the second is 902, etc. The only exception to this rule is for Detroit City, where a Ward/District # (Field#8) of 1 signifies a grouping of ALL AVCB's, then the AVCB # is stored in Field #9 and numbered sequentially from 1.
Field #10	Precinct Alpha Identifier	Up to 10 Character String	"A", "B", often used to designate "split" precincts, or to further identify a precinct. **This is the ONLY field that is NOT required to contain a value!**
Field #11	Candidate ID#	Integer	Matches election candidate listing. May contain *negative* integers. Zero for poll book total.
Field #12	Number of Votes	Integer	Precinct vote total or poll book total.

*APPENDIX E is subject to change. All approved contractors will be notified of any changes to the file layout.

APPENDIX E

State of Michigan Bureau of Elections Standard Precinct File Layout

To aid in the creation of the above file, the Bureau will provide the following csv text files of data at election time for reference/import.

Null values will be designated #NULL#.

Basic knowledge of relational databases will be very useful in using the following files to create the desired final data file.

The layouts of these files are as follows:

Election Header File (ELECTION.TXT) Contains 1 row only.

Field #1	Election Year	Small Integer	1998, 2000, etc.
Field #2	Election Type	3 character string	"PRI","GEN"
Field #3	Election Date	Date	Date of Election
Field #4	Dump Timestamp	DTM	Date/Time stamp making the exact time this data was created. Poss. useful to store and reference back to see if Bureau has subsequent data dumps with changes, corrections to data.

The first row of your incoming file should contain this line from our Election.txt file, exactly as is! This will allow us to know which data dump of ours you processed from. All subsequent rows we receive should adhere to the incoming data layout previously described.

Candidate Listing File (CANDLIST.TXT)

Field #	**Field**	**Field Type**	**Data Description**
Field #1	Election Year	Small Integer	1998, 2000, etc.
Field #2	Election Type	3 character string	"PRI","GEN"
Field #3	Office Code	Small Integer	Matches office code list.
Field #4	District Code	5 character string	Matches office/district code list.
Field #5	Status Code	Small Integer	Matches status code list. Office Code, District Code and Status Code together uniquely define an "office".
Field #6	Candidate ID# or Ballot Proposal option #	Integer	May contain *negative* integers.

APPENDIX E

State of Michigan Bureau of Elections Standard Precinct File Layout

Field #	Field	Field Type	Data Description
	Office Detail	Up to 255 character string	Full Ballot Description of Candidate's sought office. Composite description constructed from office code, district code and status code. This information is redundant (will repeat) with respect to candidates.
Field #8	Party Code	3 character string	Matches political party list.
Field #9	Candidate Last Name	Up to 40 character string	Candidate's last name as shown on ballot *or* Ballot Proposal option ("Yes", "No").
Field #10	Candidate First Name	Up to 32 character string	Candidate's first name as shown on ballot.
Field #11	Candidate Middle Name	Up to 32 character string	Candidate's middle name/initial as shown on ballot.
Field #12	Open Seats	Small integer	Number of open positions in this office/district/status code combination. This information is redundant (will repeat) with respect to candidates.

County Codes (COUNTY.TXT)

Field #	Field	Field Type	Data Description
Field #1	County Code	Small Integer	Bureau assigned State of Michigan county code. 83 total counties.
Field #2	County Name	Up to 64 character string	"ALCONA", "ALGER", etc.

Office Codes (OFFICES.TXT)

Field #	Field	Field Type	Data Description
Field #1	Office Code	Small integer	Bureau assigned Office Code.
Field #2	Office Name	Up to 80 character string	Long string description of office.

Office/District Codes (OFFDIST.TXT)

Field #	Field	Field Type	Data Description
Field #1	Office Code	Small Integer	Bureau assigned Office Code.

APPENDIX E

State of Michigan Bureau of Elections Standard Precinct File Layout

Field #	Field	Field Type	Data Description
Field #2	District Code	5 character string	District Code uniquely defining the specified district *within office.*
Field #3	District Name	Up to 80 character string	District Name

Status Codes (STATUS.TXT)

Field #	Field	Field Type	Data Description
Field #1	Status Code	Small Integer	Bureau assigned office status code.
Field #2	Status Description	Up to 80 character string	Description of office status.

Political Party Codes (PARTY.TXT)

Field #	Field	Field Type	Data Description
Field #1	Party Code	5 character string	Bureau assigned Political Party code for the selected election.
Field #2	Party Name	Up to 48 character string	Long string description of political party. i.e. “U.S. Taxpayer’s Party”

City/Township Codes (CITYTOWN.TXT)

Field #	Field	Field Type	Data Description
Field #1	County Code	Small Integer	Bureau assigned State of Michigan county code. Matches County Codes list.
Field #2	City/Township Code	Small Integer	Bureau assigned State of Michigan city/township code within county.
Field #3	City/Township Name	Up to 64 character string.	Official name of city or township.
Field #4	City/Township Designation	1 character string.	“C” = City “T” = Township

APPENDIX F

COST PROPOSAL FORM

Price Breakdown – Mandatory Items	*Model/ Version*	*A. Unit Price (ea.)*	*B. Unit Price (ea.) Including G and A*	*C. Performance Guarantee*		
				Performance Bond Cost per Unit	*Insurance Cost per Unit*	*Other Solution Cost per Unit*
Precinct Count Optical Scan voting system tabulator with modem, ballot box and memory device	**Insight Optech**	**$4,800**	**$4,800**	**Phase 1 Punch Card & Lever Machines $99** **Phase 1 & 2 All Others $48**	**Phase 1 $ 0** **Phase 2 $ 0**	**Not Applicable**
County based Election Management System (EMS)	**EMS AERO Ballot Wizard Memory Pack Reader**	**$48,095**	**$48,095**	**Phase 1 Punch Card & Lever Machines $945** **Phase 1 & 2 All Others $344**	**Phase 1 $ 0** **Phase 2 $ 0**	**Not Applicable**
Jurisdiction based Election Management System (EMS)	**EMS AERO Ballot Wizard Memory Pack Reader**	**$1**	**$1**	**Not Applicable**	**Phase 1 $ 0** **Phase 2 $ 0**	**Not Applicable**

APPENDIX F

COST PROPOSAL FORM

Price Breakdown – Optional Items	***Model/Version***	***Unit Price (ea.)***
Central Count Optical Scan voting system Absentee Ballot System (ABS) tabulator with modem, ballot box and memory device	**Sequoia 400-C Auto-Feed Optical Scan Ballot Counter or Optech Insight Manual-Feed Optical Scan Tabulator**	**$75,000.00 or $ 4,800.00**
Voting Booth	**Poll Master I with Light**	**$199.00 / FOB Delivered**
Approved Ballot Storage Container	**DOSB-3 Metal 23 ½" TR1037 Fabric Collapsible 19" Removable Insight Ballot Container**	**$115.00 / FOB Delivered $115.00 / FOB Delivered $65.00 / FOB Delivered**
Memory Device	**Insight Memory Cartridge**	**$250.00**
Memory Device Transport Container	**412WT 10x12**	**$8.75 / FOB Delivered**
Extra Optical Scan Tabulators	**Insight Optech**	**$4,530 (For use by AV Counting Boards. Includes Warranty and Shipping. Does not include any other additional priced line items listed in Appendix G.)**
Jurisdiction based Election Management System (EMS)	**EMS / AERO**	**$1**

APPENDIX F

COST PROPOSAL FORM

Optional Post Warranty Maintenance	*Year 1*	*Year 2*	*Year 3*	*Year 4*	*Year 5*
Annual maintenance price per Precinct Count Optical Scan unit	**$142**	**$142**	**$146**	**$146**	**$151**
Annual maintenance price per EMS	**$8,250 County System)** **$0 (Jurisdiction System)**	**$8,250 County System)** **$0 (Jurisdiction System)**	**$8,250 County System)** **$0 (Jurisdiction System)**	**$8,250 County System)** **$0 (Jurisdiction System)**	**$8,250 County System)** **$0 (Jurisdiction System)**
Annual maintenance price per ABS	**$5,000**	**$5,000**	**$5,000**	**$5,500**	**$6,000**
Total Maintenance Cost	**See Footnote 1**	**See Footnote 1**	**See Footnote 1**	**See Footnote 1**	**See Footnote 1**

Footnotes:

1. **The Total Annual Maintenance Cost is dependent upon how many Precinct Count Optical Scan units are purchased within a county and whether the Sequoia 400-C High-speed Absentee Counter is purchased. The following are four examples of purchases by typical counties of varying sizes and their Total Annual Maintenance Cost.**

Example 1: 25 Optech Insight Precinct Optical Scan Units ($142 @ 25) $ 3,550

1 County Election Management System	**$ 8,250**
0 Jurisdiction Election Management Systems	**$ 0**
0 Sequoia 400-C High-speed Absentee Counters	**$ 0**
TOTAL	**$ 11,800**

Example 2: 50 Optech Insight Precinct Optical Scan Units ($142 @ 50) $ 7,100

1 County Election Management System	**$ 8,250**
0 Jurisdiction Election Management Systems	**$ 0**
0 Sequoia 400-C High-speed Absentee Counters	**$ 0**
TOTAL	**$ 15,350**

Example 3: 100 Optech Insight Precinct Optical Scan Units ($142 @ 100)	**$ 14,200**
1 County Election Management System	**$ 8,250**
3 Jurisdiction Election Management Systems (3 @ $1003)	**$3**
1 Sequoia 400-C High-speed Absentee Counter	**$ 5,000**
TOTAL	**$ 30,459**

Example 4: 250 Optech Insight Precinct Optical Scan Units ($142 @ 250)	**$ 35,500**
1 County Election Management System	**$ 8,250**
5 Jurisdiction Election Management Systems (5 @ $1003)	**$ 5**
1 Sequoia 400-C High-speed Absentee Counter	**$ 5,000**
TOTAL	**$ 53,765**

APPENDIX F

COST PROPOSAL FORM

Ballot Printing Costs, (price per ballot)

2004

Volume	*100*	*500*	*1000*	*5000*	*10000*	*25000*	*50000*	*100000*	*500000*
State General Election Ballot	$ .59	**$.59**	**$ .59**	**$ .59**	**$ .59**	**$ .45**	**$ .39**	**$ .31**	**$ .25**
State Primary Election Ballot	$ .66	**$ .66**	**$ .66**	**$ .66**	**$ .66**	**$ .50**	**$ .44**	**$ .35**	**$ .28**
Local General Election	**$ .34**	**$ .34**	**$ .34**	**$ .34**	**$ .34**	**$ .30**	**$ .25**	**$ .22**	**$ .21**
Local Primary Election	**$ .38**	**$.38**	**$ .38**	**$ .38**	**$ .38**	**$ .34**	**$ .28**	**$ .25**	**$ .24**

2006

Volume	*100*	*500*	*1000*	*5000*	*10000*	*25000*	*50000*	*100000*	*500000*
State General Election Ballot	**$.63**	**$ .63**	**$ .63**	**$ .63**	**$ .63**	**$ .48**	**$ .42**	**$ .33**	**$ .27**
State Primary Election Ballot	**$ .71**	**$ .71**	**$ .71**	**$ .71**	**$ .71**	**$ .54**	**$ .47**	**$ .38**	**$ .30**
Local General Election	**$ .37**	**$ .37**	**$ .37**	**$ .37**	**$ .37**	**$ .32**	**$ .27**	**$ .24**	**$ .23**
Local Primary Election	**$ .41**	**$ .41**	**$ .41**	**$ .41**	**$ .41**	**$ .37**	**$ .30**	**$ .27**	**$ .26**

2008

Volume	*100*	*500*	*1000*	*5000*	*10000*	*25000*	*50000*	*100000*	*500000*
General Election Ballot	**$ .68**	**$ .68**	**$ .68**	**$ .68**	**$ .68**	**$ .52**	**$ .45**	**$ .35**	**$ .29**
Primary Election Ballot	**$ .76**	**$ .76**	**$ .76**	**$ .76**	**$ .76**	**$ .58**	**$ .51**	**$ .41**	**$ .32**
Local General Election	**$ .40**	**$ .40**	**$ .40**	**$ .40**	**$ .40**	**$ .38**	**$ .29**	**$ .26**	**$ .25**
Local Primary Election	**$ .44**	**$ .44**	**$ .44**	**$ .44**	**$ .44**	**$ .40**	**$ .32**	**$ .29**	**$ .28**

APPENDIX F

COST PROPOSAL FORM

Tabulator Programming Costs, (price per tabulator):

Election Year	*2004*	*2006*	*2008*
State General Election	$350 Maximum	$380 Maximum	$400 Maximum
State Primary Election	$350 Maximum	$380 Maximum	$400 Maximum
Local General Election	$270 Maximum	$290 Maximum	$310 Maximum
Local Primary Election	$270 Maximum	$290 Maximum	$310 Maximum

All pricing submitted shall be extended to county and local governments.

The above Prices represent the maximum charge for programming for an individual precinct. To calculate multiple precincts use the formula below:

Minor Elections (City & School)
Minimum $235 + $35 Per Precinct Up to 5 Precincts
5 Precincts or more use formula below to determine which is less:

Major Elections (Gubernatorial & Presidential)
Maximum 1 Precinct = $350, Maximum 2 Precincts = $700, Maximum 3 Precincts = $1,050, Maximum 4 Precincts = $1,400
5 Precincts or more: Maximum $350 Per Precinct or use formula to determine which is less:

Minumum		$ 350_____
No. of _____ Precincts/Styles X $15	+_____	
No. of _____ Races/ Proposals X $15		+_____
No. of _____ Candidates X $8		+_____
+Aero Reporting Setup (if they have it) $150		+_____
	Total	=_____

Example #1: for 5 Precincts for Small City Election
4 Offices 20 Candidates = $410
Example #2: for 5 Precincts November Presidential Election
Formula - 74 Offices, 236 Candidates = $3,363
Maximum – 5 X $350 = $1,750
Example #3 – for 12 Precincts November Presidential Election
Formula – 74 Offices, 236 Candidates = $3,528
Maximum – 12 X $350 = $4,200
All coding provided by MC&E is pre-tested against the ballots in our office before shipment to the customer. This helps eliminate any coding errors.

APPENDIX G

UNIT PRICE BREAKDOWN – Optical Scan Tabulators

Item	Sub Item	Potential Quantity	Price Breakdown	Unit Price
Optical Scan Tabulators		5200		**$4800***
	Initial Acquisition Cost		*	
	Contracting Time			
	State		**$0**	
	County		**$0**	
	Hardware		**$4388**	
	Software		**$0**	
	Warranty		**$142**	
	Documentation		**$0**	
	Training		**$150**	
	Performance Guarantee		*	
	Implementation Cost			
	Project Management		**$25**	
	Logistics			
	Logistics Travel		**$35**	
	Receiving			
	Unpacking		**$10**	
	Removal of Packaging		**$10**	
	Configuration		**$10**	
	Testing		**$10**	
	Installation		**$10**	
	Training Time & Travel		**$10**	
	Other		**$0**	
	* Performance Guarantee dependent upon what			
	type system is being replaced			

APPENDIX G

UNIT PRICE BREAKDOWN - EMS

Item	Sub Item	Potential Quantity	Price Breakdown	Unit Price
EMS Software		83		**$48,095***
	Initial Acquisition Cost		*	
	Contracting Time			
	State		**$0**	
	County		**$0**	
	Hardware		**$0**	
	Software		**$48,095**	
	Warranty		**$0**	
	Documentation		**$0**	
	Training		**$0**	
	Performance Guarantee		*	
	Implementation Cost			
	Project Management		**$0**	
	Logistics			
	Transportation		**$0**	
	Receiving			
	Unpacking		**$0**	
	Removal of Packaging		**$0**	
	Configuration		**$0**	
	Testing		**$0**	
	Installation		**$0**	
	Training Time & Travel		**$0**	
	Other		**$0**	
	* Performance Guarantee dependent upon what			
	type system is being replaced			

APPENDIX H

TRAINING MATRIX

This matrix represents the minimum guarantees for training provided to the State and jurisdictions. All costs shall be included in Appendix G. Refer to Section III-I for Training Course Descriptions for additional training and associated costs.

State Level

Category	Number of Sessions	Number of contractor staff hours per session. (Length of session)	Maximum number of participants per session.	Is a train the trainer format available? If so, indicate hours per session, maximum number of participants per session, and staff hours allocated (length of session).	Is 1 on 1 training available?	List examples of tests given to measure proficiency once training is completed.	Is Election Day troubleshooting training included?
TABULATORS--Initial Technical Training	2	4	8	Yes # of hours per session=4 Max # per session=8 (Optional offering at additional cost)	Yes (Provided at additional cost)	Demo of Skills in class	Yes
TABULATORS--Election Day Training Procedural	2	2	20	Yes # of hours per session=2 Max # per session=20 (Optional offering at additional cost)	Yes (Provided at additional cost)	Demo of Skills in class	Yes
Election Management System (EMS) Software: Initial Training	1	60	4	Yes # of hours per session=60 Max # per session=4 (Optional offering at additional cost)	Yes (Provided at additional cost)	Demo of Skills in class	N/A
Election Management System (EMS) Software: Election Day Training	1	4	8	Yes # of hours per session=4 Max # per session=8 (Optional offering at additional cost)	Yes (Provided at additional cost)	Demo of Skills in class	N/A

APPENDIX H
TRAINING MATRIX

County Level

Category	Number of Sessions	Number of contractor staff hours per session. (Length of session)	Maximum number of participants per session.	Is a train the trainer format available? If so, indicate hours per session, maximum number of participants per session, and staff hours allocated (length of session).	Is 1 on 1 training available?	List examples of tests given to measure proficiency once training is completed.	Is Election Day troubleshooting training included?
TABULATORS--Initial Technical Training	2	4	25	Yes # hours per session=4 Max # per session=25 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	N/A
TABULATORS--Election Day Training Procedural	8 (est # of sessions)	4	25	Yes # hours per session=4 Max # per session=25 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	Yes
Election Management System (EMS) Software: Initial Training	1	60	4	Yes # hours per session=60 Max # per session=4 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	N/A
Election Management System (EMS) Software: Election Day Training	1	4	8	Yes # hours per session=4 Max # per session=8 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	Yes

APPENDIX H

TRAINING MATRIX

Jurisdiction Level - 600 Precincts

Category	Number of Sessions	Number of contractor staff hours per session. (Length of session)	Maximum number of participants per session.	Is a train the trainer format available? If so, indicate hours per session, maximum number of participants per session, and staff hours allocated (length of session).	Is 1 on 1 training available?	List examples of tests given to measure proficiency once training is completed.	Is Election Day troubleshooting training included?
TABULATORS--Initial Technical Training	2	4	8	Yes # hours per session=4 Max # per session=8 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	N/A
TABULATORS--Election Day Training Procedural	48 (based on 2 inspectors per precinct)	4	25	Yes # hours per session=4 Max # per session=25 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	Yes
Election Management System (EMS) Software: Initial Training	1	60	4	Yes # hours per session=60 Max # per session=4 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	N/A
Election Management System (EMS) Software: Election Day Training	1	4	8	Yes # hours per session=4 Max # per session=8 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	Yes

APPENDIX H

TRAINING MATRIX

Jurisdiction Level - 100 Precincts

Category	Number of Sessions	Number of contractor staff hours per session. (Length of session)	Maximum number of participants per session.	Is a train the trainer format available? If so, indicate hours per session, maximum number of participants per session, and staff hours allocated (length of session).	Is 1 on 1 training available?	List examples of tests given to measure proficiency once training is completed.	Is Election Day troubleshooting training included?
TABULATORS--Initial Technical Training	1	2	25	Yes # hours per session=2 Max # per session=25 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	N/A
TABULATORS--Election Day Training Procedural	8 (based on 4 pollworkers per precinct)	4	25	Yes # hours per session=4 Max # per session=25 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	Yes
Election Management System (EMS) Software: Initial Training	1	60	4	Yes # hours per session=60 Max # per session=4 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	N/A
Election Management System (EMS) Software: Election Day Training	1	4	8	Yes # hours per session=4 Max # per session=8 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	Yes

APPENDIX H
TRAINING MATRIX

Jurisdiction Level - 5 Precincts

Category	Number of Sessions	Number of contractor staff hours per session. (Length of session)	Maximum number of participants per session.	Is a train the trainer format available? If so, indicate hours per session, maximum number of participants per session, and staff hours allocated (length of session).	Is 1 on 1 training available?	List examples of tests given to measure proficiency once training is completed.	Is Election Day troubleshooting training included?
TABULATORS--Initial Technical Training	Based on county group training	2	25	Yes # hours per session=2 Max # per session=25 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	N/A
TABULATORS--Election Day Training Procedural	Based on county group training	4	25	Yes # hours per session=4 Max # per session=25 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	Yes
Election Management System (EMS) Software: Initial Training	1 (if purchased at jurisdiction level)	20	4	Yes # hours per session=20 Max # per session=4 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	N/A
Election Management System (EMS) Software: Election Day Training	1 (if purchased at jurisdiction level)	4	8	Yes # hours per session=4 Max # per session=8 (Optional offering at additional cost)	Yes (Additional Cost)	Demo of Skills learned In class	Yes

APPENDIX H
TRAINING MATRIX

Pollworker Training

Category	Number of Sessions	Number of contractor staff hours per session. (Length of session)	Maximum number of participants per session.	Is a train the trainer format available? If so, indicate hours per session, maximum number of participants per session, and staff hours allocated (length of session).	Is 1 on 1 training available?	List examples of tests given to measure proficiency once training is completed.	Is Election Day troubleshooting training included?
TABULATORS--Initial Technical Training	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TABULATORS--Election Day Training Procedural	**Dependent upon county size (i.e. 50 precincts, 250 poll workers=10)**	4	25	Yes # hours per session=4 Max # per session=25 (Optional offering at additional cost)	Yes (Extra Cost)	Demo of skills learned in class)	Yes
Election Management System (EMS) Software: Initial Training	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Election Management System (EMS) Software: Election Day Training	N/A	N/A	N/A	N/A	N/A	N/A	N/A

APPENDIX H

TRAINING MATRIX

Additional Questions	
1. Describe your plans for assisting local and county election officials in the training for election inspectors within 20 days prior to an election pursuant to Michigan Election Law.	Training assistance would be provided by: "Teach the Teacher" as required depending on jurisdiction needs; assist in development of class agenda; teaching classes if/when required; making CD/DVD/VHS training materials available as needed; demonstrating equipment as needed.
2. Describe your plans for providing post delivery training referenced in "Section II-D DELIVERABLES, 2. c. Training and User Information" required within 30 days following delivery.	1. Create an implementation plan with the county that includes: a) training schedule for EMS, Insight technical training, election day training and pollworker training, b) set up and pre-election testing of tabulators, c) training on election day operations from opening to closing of polls, d) how to process voters, and absentee ballots, e) election day problems and how to resolve, f) election security, g) tabulation of results and electronic results transmission (if applicable). All topics that are mentioned under II-D, Paragraph 2 will be covered during action and implantation planning to ensure the counties success with the new equipment.
3. Describe the types of voter education training materials that you will provide as required in Section III-C TASKS in the ITB. Please indicate when these materials will be provided.	Training material will include a) an EMS manual for county and jurisdictions that also have EMS, b) an Insight Maintenance Manual, c) an Insight Operators Manual, d) an Insight Poll Workers Manual, e) election day poll worker Instructions, f) a diskette containing each of the manuals listed, g) a training video on the use of the Optech Insight. All of these training materials would be delivered to the County during the initial implementation plan meeting for review prior to the start of training.

APPENDIX I
PROJECT MANAGEMENT MATRIX
Page 1 of 1

The State presumes project management resources will differ based on the size of county. This matrix represents the minimum commitments for the following county examples.

County Size	Minimum number of contractor staff hours	Minimum number of contractor staff persons (FTE's)	Time Lapse of initial implementation project plan (Start date - end date)
Small County (Example - Schoolcraft Co.)	20	2	Initial Implementation should take one month. Week 1 – Implementation and Planning Week 2 – Delivery of Equipment and Software Training Week 3- Training Week 4 – Training and Set-up Continued training and support as needed through the elections.
Medium County (Example - Ingham Co.)	80	4	Initial Implementation should take 6-8 weeks. Week 1 – Implementation and Planning Week 2 – Delivery of Equipment and Software Training Start Week 3- Software and Hardware Training Week 4 – Hardware Training Week 5-8 – Election worker and jurisdiction training
Large County - (Example - Oakland Co.)	180	6	Initial Implementation should take 16 weeks. Week 1 – Implementation and Planning Week 2-3 – Start Delivery of Equipment Week 4 - Software Training Week 5-7 Hardware Training Week 8 – Evaluation Meeting Week 8-13 Jurisdiction Training Week 14-16 Poll worker Training

APPENDIX J
ELECTION COST SCENARIOS

Instructions for filling out APPENDIX J. The intent of Appendix J is to derive a total cost of ownership together with the cost of running an election with optical scan equipment and EMS software. **Fill in all un-shaded boxes, to include the "Other Costs" box if necessary.**

Each county and jurisdiction listed is assumed to have one copy of EMS software and one tabulator per precinct. List all costs for each county and jurisdiction per election year as a total cost, not as a per tabulator cost or a per ballot cost.

Counties are responsible for printing costs for the 2004 and 2008 general elections; cities are responsible for programming costs. For the 2007 city election, cities are responsible for both printing and programming costs. Using this as the criteria, enter only costs that accrue to the county in the county section, and enter only costs that accrue to the city in the city section.

Printing and programming costs for the General Elections should be based on the general election ballot used at the oral demonstration. Printing costs for the City Election should be based on the city election ballot handed out at the pre-bid meeting.

*Other costs: Include, and itemize on a separate sheet if necessary, any other mandatory items/costs (not listed) necessary to administer an election using a precinct based optical scan voting system. Do not include other "optional" items/costs already listed in Appendix F.

APPENDIX J
Election Cost Scenarios

Large County/Large City **Fill in un-shaded boxes**

County/ City	Tabulators				Cost Item	Initial Acquisition Cost	On Going Costs		
							2004 General Election	Post Warranty	
	Precincts	AVCBs	Backup	Total				2007 City Election	2008 General Election
Wayne Co. 1,368,000 Reg voters 889,200 Ballots	1229	113	69	1411	Tabulators	$6,772,800			
					Election Management System Software	$48,095			
					Vendor Contracted Programming				
					Vendor Contracted Ballot Printing		$222,300		$257,868
					Optional Post Warranty Tabulator Maintenance				
					EMS Annual License Fee		$0.00	$8,250	$8,250
					Other Costs (Mandatory Items)*	$0.00	$0.00	N/A	N/A
					Total Acquisition Cost	$6,820,895	$222,300	$8,250	$266,118
					Total County Election Cost		$222,300	$8,250	$266,118
City of Detroit 630,000 Reg voters 409,500 Ballots	620	50	6	676	Tabulators	$3,244,800			
					Election Management System Software	$1			
					Vendor Contracted Programming		$12,390	$10,807	$13,629
					Vendor Contracted Ballot Printing			$106,470	
					Optional Post Warranty Tabulator Maintenance			$95,992 1st Year of 2 Year Maint Contract	$95,992 2nd Year of 2 Year Maint Contract
					EMS Annual License Fee		$0.00	$0.00	$0.00
					Other Costs (Mandatory Items)*	$0.00	$3,380 (paper rolls)	$3,380 (paper rolls)	$3,380 (paper rolls)
					Total Acquisition Cost	$3,244,801			
					Total City Election Cost		$15,770	$216,649	$113,001

APPENDIX J
Election Cost Scenarios

Medium County/Medium City **Fill in un-shaded boxes**

County	Precincts	AVCBs	Backup	Total Tabulators	Cost Item	Initial Acquisition Cost	On Going Costs		
							2004 General Election	Post Warranty	
								2007 City Election	2008 General Election
Kalamazoo Co. 168,000 Reg voters 109,200 Ballots	110	4	5	119	Tabulators	$571,200			
					Election Management System Software	$48,095			
					Vendor Contracted Programming				
					Vendor Contracted Ballot Printing		$33,852		$38,220
					Optional Post Warranty Tabulator Maintenance				
					EMS Annual License Fee		$0.00	$8,250	$8,250
					Other Costs (Mandatory Items)*	$0.00	$0.00	$0.00	$0.00
					Total Acquisition Cost	$619,295			
					Total County Election Cost		$33,852	$8,250	$46,470
City of Kalamazoo 48,000 Reg voters 31,200 Ballots	26	2	2	30	Tabulators	$144,000			
					Election Management System Software	$1			
					Vendor Contracted Programming		$2,760	$1,177	$3,036
					Vendor Contracted Ballot Printing			$9,984	
					Optional Post Warranty Tabulator Maintenance			$4,260 1st year of 2 year maint contract	$4,260 2nd year of 2 year maint contract
					EMS Annual License Fee		$0.00	$0.00	$0.00
					Other Costs (Mandatory Items)*	$0.00	$0.00	$150 (paper rolls)	$150 (paper rolls)
					Total Acquisition Cost	$144,001			
					Total Election Cost		$2,760	$15,571	$7,446

APPENDIX J
Election Cost Scenarios

Small County/Small City **Fill in un-shaded boxes**

County	Precincts	AVCBs	Backup	Total Tabulators	Cost Item	Initial Acquisition Cost	On Going Costs		
							2004 General Election	Post Warranty	
								2007 City Election	2008 General Election
Cheboygan Co. 21,000 Reg voters 13,650 Ballots	29	0	2	31	Tabulators	$148,800			
					Election Management System Software	$48,095			
					Vendor Contracted Programming				
					Vendor Contracted Ballot Printing		$8,054		$9,282
					Optional Post Warranty Tabulator Maintenance				
					EMS Annual License Fee		$0.00	$0.00	$0.00
					Other Costs (Mandatory Items)*	$0.00	$0.00	$0.00	$0.00
					Total Acquisition Cost	$196,895			
					Total County Election Cost		$8,054	$0.00	$9,282
City of Cheboygan 3,500 Reg voters 2,275 Ballots	4	0	0	4	Tabulators	$19,200			
					Election Management System Software	$1			
					Vendor Contracted Programming		$2,400	$817	$2,640
					Vendor Contracted Ballot Printing			$841.75	
					Optional Post Warranty Tabulator Maintenance			$568 1st year of 2 year maint contract	$568 2nd year of a 2 year maint contract
					EMS Annual License Fee		$0.00	$0.00	$0.00
					Other Costs (Mandatory Items)*	$0.00	$0.00	$20	$20
					Total Acquisition Cost	$19,201			
					Total City Election Cost		$2,400	$2,246.75	$3,228

APPENDIX K

2005 ELECTION ADMINISTRATIVE SUPPORT

1. What is the daily rate (the amount of money that would be charged ON ELECTION DAY) for one person whose purpose would be to support precincts. While we have slots for this figure under Phase I and under Phase II, the dollar figures should be identical.

2. What is the daily rate (the amount of money that would be charged ON ELECTION DAY) for one person whose purpose would be to support a full suite of EMS.

3. What is the daily rate (the amount of money that would be charged ON ELECTION DAY) for one person whose purpose would be to support only the Vote Accumulation portion of EMS.

4. Appendix K calls for a "total precinct cost per election for tabulator and EMS support". Please disregard this field. A response is not required.

5. Please note there are two tabs to Appendix K, one for tabulators and one for EMS.

APPENDIX K
2005 ELECTION ADMINISTRATIVE SUPPORT

Tabulator

Phase I Jurisdictions						
		1 Pct	**2-10 Pcts**	**11-20 Pcts**	**21-50 Pcts**	**51-100 Pcts**	**101-> Pcts**
Election Day Support							
	Help Desk	No additional charge - Help desk support is covered under terms of the license agreement					
	Field Support*	1 person per 10 jurisdictions		1 person per 5 jurisdictions		1 person per jurisdiction	2 persons per jurisdiction
Daily Rate	$1500**						

Phase II Jurisdictions						
	1 Pct	**2-10 Pcts**	**11-20 Pcts**	**21-50 Pcts**	**51-100 Pcts**	**101-> Pcts**
Election Day Support						
Help Desk	No additional charge - Help desk support is covered under terms of the license agreement					
Field Support*	1 person per 15 jurisdictions		1 person per 10 jurisdictions		1 person per 3 jurisdictions	2 persons per jurisdiction
Daily Rate	$1500**					

Total Cost per precinct per election for tabulator and EMS support

*Does not include hardware support as provided under the terms of this contract and warranty agreement.

** No additional charge for tabulators under warranty or on annual post-warranty maintenance contract.

APPENDIX K
2005 ELECTION ADMINISTRATIVE SUPPORT

EMS

		Full Suite	Vote Accumulation and Reporting Only
Pre-election		Help Desk	Help Desk
	Assist with Ballot Definition, Programming, and Testing*	No additional charge - Help desk support is covered under terms of the license agreement	No additional charge - Help desk support is covered under terms of the license agreement
		Field Support	Field Support
		Support contracted for by the user	Not applicable
Post Election		Help Desk	Help Desk
	Assist with Vote Accumulation and Reporting*	No additional charge - Help desk support is covered under terms of the license agreement	No additional charge - Help desk support is covered under terms of the license agreement
		Field Support	Field Support
		1 person per 3 users	1 person per 3 users
Daily Rate Full Suite	$3,500		Daily Rate Vote Accum Only $2,500

*Post training EMS user support for ballot definition, programming and testing, and vote accumulation and reporting. This does not include any costs associated with contracts entered into by the licensee with the vendor for these services.

APPENDIX L
QUESTIONS AND ANSWERS
ADDENDUM #1
(Has been revised to reflect changes in addendums 2-4)
Page 1 of 7

Note: The term "equipment" referenced in this document shall include all applicable hardware, software, and components.

1. **Question from Sequoia**: In Phase II, will all of the optical scan and DRE equipment be replaced? If not, what is the determining factor?

   Answer: Optical scan equipment purchased prior to the November 7, 2000 general election will be replaced. Jurisdictions that purchased optical scan equipment after November 7, 2000 will receive a one-time reimbursement from the state. We anticipate that all DRE equipment will be replaced regardless of when it was purchased. Equipment replacement plans are contingent upon the receipt of adequate federal funding.

2. **Question from Sequoia:** Does the State require a bond performance guarantee for system replacement in paper ballot counties? If yes, what are the requirements?
   Answer: No. While paper ballot precincts will be included in the Phase I replacement of voting equipment, the additional $3,192.22 performance guarantee is not required for precincts in which paper ballots are used. Paper ballot precincts fall under the same minimum performance guarantees required for Phase II precincts.

3. **Question from Sequoia:** Paragraph 6 states that the State will purchase approximately 500 precinct count optical scan tabulators for the processing of absent voter ballots. When are these to be implemented – Phase I or Phase II? How will these units be used?
   Answer: Based on the availability of federal funds, absent voter counting board tabulators will be purchased along with other tabulators purchased in both Phase 1 and Phase 2.

4. **Question from Sequoia:** How will the state use the 500 tabulators?
   Answer: As indicated above, the State will authorize the additional purchase of tabulators to be used in absent voter counting boards by selected jurisdictions. These tabulators will be purchased in the same manner as those purchased for use in precincts.

5. Question from Sequoia: **I-CC Modification of Service- In the third paragraph, the last sentence asks for a detailed outline of all work to be done. Does the State want the detailed outline as a part of the response to this section?**

   Answer: This clause is not applicable to the bid response. This is a standard term that would be included in the resulting contract.

APPENDIX L
QUESTIONS AND ANSWERS
ADDENDUM #1
(Has been revised to reflect changes in addendums 2-4)

6. **Question from Sequoia:** Item 2 recommends using the label provided with the ITB to deliver the
package. How can we get a label?

   Answer: This boilerplate language predates the ability to download ITB communications via the Internet. Acquisition Services is not currently mailing bids and labels to vendors. Please use your own label.

7. **Question from Sequoia:** Does the State want information about how the proposed system may be used with an integrated HAVA compliant disability voting device available for future Phase III planning? If yes, where should that information be placed?
   Answer: As stated in Section II-B OBECTIVES, a decision on how to satisfy the disabled voter accessibility requirements in HAVA will be addressed at a later date. Bidders are to discuss in general how their optical scan precinct count tabulators and EMS can be integrated with any disabled voter equipment. Bidders are to include this information in a separate identified section as part of the "Statement of the Problem" in Section IV of the ITB.

8. **Question from Sequoia:** I-P Staffing Obligations- Do you want the Project Manager designated in this section? If so, where do you want this section in the RFP format? Can the Project Manager designation be made in Section IV-C, item 4. Project Staffing?
   Answer: Section I-P STAFFING OBLIGATIONS is filled in by the buyer once the contract is established. For the purpose of the bid response, please complete Section IV-C.

9. **Question from Sequoia:** In preparing a ballot printing price, are the ballot samples for the primary and
general election to be provided at the pre-bid, representative of the actual ballots to be used (numbering, imprints, etc.)?
   Answer: The state primary and general election ballots included in the packets distributed at the pre-bid meeting, shall be used during oral presentations. In addition, all ballots distributed in the packet shall be used in responding to the price proposal portion of the ITB for ballot printing and programming.

10. **Question from Sequoia:** On the cover sheet Form DMB 285 after the vendor information and signature lines, there is a listing by Item and commodity ID and with space for unit cost and amount. What does the state want listed here? Are we to use Appendix F & G Cost proposals for our pricing information instead?

    Answer: Please disregard the pricing portion on the DMB form 285 but be sure to fill in the top half of this form. Pricing is to be completed on Appendix F & G of the ITB document.

APPENDIX L
QUESTIONS AND ANSWERS
ADDENDUM #1
(Has been revised to reflect changes in addendums 2-4)
Page 3 of 7

11. **Question from Sequoia:** Will there be a minimum jurisdiction size for municipalities to determine who will receive Ballot Generation Software and/or EMS?
    Answer: It is not anticipated that all jurisdictions will be provided with EMS software. Prices proposed by vendors and available HAVA funding will ultimately determine which jurisdictions will receive EMS software. The State does intend to purchase EMS software for all 83 counties.

12. **Question from Sequoia:** Election Administrative Support. Would you please clarify the support requirements? What kind of support? The pre-election and accuracy testing. Does this mean creating the test decks for all precincts or just training jurisdiction staff in the conduct of pre-election logic and accuracy testing?
    Answer: Vendors are not responsible for the preparation of test decks. Vendors are expected to summarize in their proposals their plan for providing training and assistance as outlined in Section II-D, DELIVERABLES.

13. **Question from Sequoia:** Ballot printing vendors. Will the chosen vendor qualify the printers who we feel will best fit and are most capable of handling the printing of the ballots?
    Answer: Yes.
    Question from Sequoia: Will the state mandate who is allowed to print the ballots?
    Answer: No.
    Question from Sequoia: Will the counties and jurisdictions only be able to use those printers who are approved and qualified by the vendor?
    Answer: No. Michigan election law does not require counties or local jurisdictions to contract solely with vendor approved printers for the production of ballots.
    Additional clarification: As stated in Section III-E SELECTION CRITERIA, bidders shall discuss in their response, inexpensive procedures for qualifying local printers to print optical scan ballots and how they will ensure that ballots are printed and delivered in accordance with the deadlines established under Michigan election law. Each vendor shall maintain a list of qualified printers within the state which shall be available to local jurisdictions. The state will not identify printers of preference.

14. **Question from Sequoia:** The Unit Price Breakdown. For clarification, all the items listed on the
    page (i.e. software, hardware, warranty, training…) are to be included in the Overall Unit Cost at the top of the page and require a breakdown of what went into determining that unit cost?
    Answer: Bidders shall indicate overall cost, as well as a breakdown showing sub-component costs that shall add up to equal the Overall Unit Cost.

APPENDIX L
QUESTIONS AND ANSWERS
ADDENDUM #1
(Has been revised to reflect changes in addendums 2-4)
Page 4 of 7

16. **Question from Sequoia:** Most of the State using optical scan currently is using arrows to cast their vote. Why the migration to ovals? Will this be a county choice or is this a mandatory state requirement?
    Answer: The purpose of PA91 of 2002 is to provide a uniform voting experience to all voters. Most voters are familiar with filling in an oval when using optical scan technology. The initial decision to purchase a system that utilizes arrows or ovals will be up to each county and the cities and townships within each county. However, the state is seeking a plan for the eventual transitioning of all optical scan systems to ovals.

17. **Question from ES&S:** Section I-RR – PERFORMANCE GUARANTEE. Are we talking $3192.22 times the number of units, or are we doubling that amount times the number of units for the bond, because in reading this, I can read it either way.

    Answer: A bond that is equal to $3,192.22 times the number of units is required in addition to the minimum guarantee requirements. The individual unit amount is based on the total number of punch card and lever machine precincts for which the state has received Title I funds.

18. **Question from ES&S:** Regarding EMS software, there was no mention of third party hardware PC's.
    Will the bidder be responsible for providing the PC's?
    Answer: No. The EMS price should only include the software and any required interface.

19. **Question from ES&S:** Referring to the training video required in the ITB, our literature talks about it as a CD-ROM. Do you consider DVD the same as a CD-ROM?
    Answer: No. It is required that the video be made available in both DVD and VHS, however CD-ROM may be considered as an additional option.

20. **Question from ES&S:** Do you prefer to have the videos Michigan specific?
    Answer: Not necessarily. Our goal is to provide clerks with a training video that can be used to provide basic training information to voters and election officials on the use of the equipment in conformance with the provisions of Michigan election law.

21. **Question:** There were also samples of a city primary for the City of Hamtramck and general for the City of Trenton. Are we to produce test ballots for those two city elections as well? The instructions did not specify those.
    Answer: As addressed in response to Question 9 above, the city primary and general election ballots included in the Pre-Bid packet are only to be used for determining the ballot printing and tabulator programming costs required in APPENDIX F Cost Proposal Form.

APPENDIX L
QUESTIONS AND ANSWERS
ADDENDUM #1
(Has been revised to reflect changes in addendums 2-4)
Page 5 of 7

23. Question: Does the Performance Guarantee Coverage for Phase I require that the selected vendor(s) provide two Performance Guarantees in the amount of $3,192.22 each? One bond for "late delivery or nonperformance of equipment, hardware, software, or components," and a separate bond for "the value of the warranty coverage, value of the mandatory equipment on the purchase order agreement with each county, and the reimbursement amount of $3,192.22 per precinct"?

Answer: No. The $3192.22 reimbursement amount applies only to Phase I precincts using punch cards and lever machines as of February 2006, but excludes those using paper ballots. Thus for Phase I precincts using punch cards and lever machines, the total performance guarantee amount is comprised of three components: (1) the minimum performance guarantee that is based on the purchase order value of all mandatory equipment, (2) the value of the warranty coverage, and (3) the mandated federal reimbursement amount of $3192.22 per non-compliant precinct (if applicable). For example, if the purchase order value is $4500.00, and the value of the warranty coverage is $30, then the performance guarantee would be calculated in the following manner:

Example: For Phase I precincts using punch cards and lever machines:

$4500.00 Value of purchase order
+ $30.00 Value of warranty coverage
+ $3192.22 State's reimbursement to the federal government.*
= $7,722.22 Total Performance Guarantee Amount

*Note: The guarantee on the $3,192.22 per precinct shall be in effect through verification of complete delivery, successful installation and successful acceptance testing. The guarantee made on timely deliverables, nonperformance of any equipment, and lack of warranty coverage on any equipment shall be in effect through the first even numbered year November General election in which the equipment is used.

For all other precincts in Phase I and for all precincts in Phase II, the total performance guarantee amount is comprised of two components: (1) the minimum performance guarantee that is based on the purchase order value of all mandatory equipment, and (2) the value of the warranty coverage.

Example: For all other precincts in Phase I and for all precincts in Phase II

$4500.00 Value of purchase order
+ $30.00 Value of warranty coverage
=$4530.00 Total Performance Guarantee Amount

APPENDIX L
QUESTIONS AND ANSWERS
ADDENDUM #1
(Has been revised to reflect changes in addendums 2-4)

26. Question: The Performance Guarantee requirement in Section I-RR indicates that jurisdictions that currently use paper ballot voting systems will be excluded from voting system replacement in Phase I. However, in Section I, I-A Purpose, the following statement indicates that jurisdictions that "currently use paper ballots" will be included in Phase I replacement. Please define paper ballots, i.e., regular 8 1/2 x 11 paper or OMR ballot paper?:
Answer: Paper ballot precincts are those that use traditional paper ballots regardless of size. In addition, the State will be replacing central count optical scan systems. Paper ballot precincts and central count optical scan precincts will receive new equipment in Phase I.

The minimum performance guarantee and the value of the warranty coverage is required for precincts using the voting systems described in the previous paragraph. A performance guarantee for the State's reimbursement amount of $3192.22 is not required for these precincts.

29. Question: May an office be maintained from a residential office?
Answer: Yes.

30. Question: Does the State have a minimum requirement for the number of staff maintained in an office located in Michigan?
Answer: No.

31. Question: Will the DOS and County Clerks consider a web-based or CD program in place of a video?

Answer: No. (Please refer to Question and Answer #20).

32. Question: Is the use of ovals mandatory and can the reference in Section II-B be removed from the ITB?

Answer: No. The use of ovals is not mandatory under the conditions of this ITB. The State's intent is to provide a uniform voting experience to all Michigan voters. The utilization of arrows will not be used as an evaluation factor in this ITB. However, the State is requesting that bidders describe a migration plan to ovals in their response to the ITB.

33. Question: Can you please define the term "bolt-on" as it is used in the following excerpt from ITB #071I4001011; does it mean third party? The unit price (APPENDIX F, Cost Proposal Form, column A) listed shall include all delivery costs, management and oversight, hardware, software, licenses, back-up system, election management equipment, training and required bolt-on
software, with a full warranty.

APPENDIX L
QUESTIONS AND ANSWERS
ADDENDUM #1
(Has been revised to reflect changes in addendums 2-4)

Answer: Bolt-on software refers to any software, third party or propriety, necessary to make either the EMS or tabulators function as required in the technical requirements of the ITB. For example, if you need Crystal Reports in order to print reports from the EMS system as specified in the technical requirements, we would expect Crystal Reports to be included in the Unit Price.

34. Question: My "question", really a request, is that the reference in the RFP to the DOE "preference"
for ovals rather than arrows be eliminated from the RFP. Several of our competitors have highlighted this language and are implying that this will become the "defacto standard" for ballots in MI.

When I raised this issue in Lansing, you indicated that it was not a "mandatory" requirement, however is being represented as same by some.

Answer: Section II-B Objectives, Specific Requirements, Performance Capabilities (following letter m.)
Please change to read:

"DOS prefers the use of ovals to define the "target area" or vote position of the ballot. However, no award preference will be given to bidders currently using ovals. A bidder whose system does not use ovals will be required to describe, in its proposal, a migration plan and schedule for the eventual transitioning of the system to the use of ovals.

APPENDIX M
VENDOR CLARIFICATION QUESTIONS
Page 1 of 10

(Has been revised based on negotiation results)

1. **Can you identify teaming structure and individuals who will be working in Michigan?**

   Miller Consultations and Elections is the sole agent for Sequoia in Michigan. The State of Michigan Project Manager is Jeff Delongchamp, Vice President of MCE. In this capacity, Jeff will coordinate the activities of all full and part time MCE employees (see pp 107) who will work exclusively in Michigan. Additionally, Sequoia Sales and Operations employees will be available to provide assistance as required.

2. **Discuss the cost and the qualification process of ballot printers and compliance with the 45 day deadline on ballot printing. Quality and timely delivery of ballots, and programming are current issues, please discuss these in detail.**

   Sequoia's qualification process for ballot printing requires that potential printers purchase a "print kit" costing $1500. This kit is used by Sequoia's Optical Scan personnel when working with printers to ensure that all standards for ballot printing are met. A listing of qualified printers is located on PP 135 of Sequoia's Technical Proposal. The Sequoia MI Project Manager will work with jurisdictions and printers to ensure that all deadlines are met both for printed ballots and for programming of memory packs.

3. **Clarify training as how it relates to the SOM. How will you approach this? What is your plan? What comes standard with the purchase of the equipment and what training is an additional cost?**

   Sequoia considers training to be one of the most critical elements of an election system. We will train jurisdiction personnel on both the Insight and the EMS (as required). Schedules will be set with jurisdiction personnel to ensure training is completed on a timely basis. Duration of training is listed in the Technical Response on page 70.

   Additionally, poll workers will be trained using the Poll Worker Manual (see Information Booklet-Insight Poll Worker Manual) as a text. This will be supplemented by the instructional video discussed on page 68. Poll worker training normally consists of one ninety minute session; class size is normally limited to a maximum of 25. All training will be conducted per II-D Deliverables, #2-Training and User Information.

4. **How long will the dual battery pack last? How long will the tabulator actually run on the battery?**

   The Insight Battery life is last at least 6 years as long as a full charge is maintained.
   The Insight will run approximately 18 hours on the battery, dependent upon usage.

APPENDIX M
VENDOR CLARIFICATION QUESTIONS
Page 2 of 10

5. Does Visio come with the EMS software?

A Visio license is not required for EMS/AERO. Visio is only required for BPS II if ballot creation is to be done with BPS II. A Visio license is not included with BPS II.

6. What is Sequoia's migration plan to get to ovals?

While Sequoia is concerned about any change to ovals from arrows for those Michigan jurisdictions and voters currently using Optech ballots with arrows, we are able to read ballots using ovals today. Sample ballots are available during the oral presentation.

7. Describe how staff resources will be provided on this project. Include time frames for providing these resources.

See #1 above. Also, refer to the Microsoft Project Sample Implementation Plan included in the Sequoia's technical proposal.

8. Describe Sequoia's ability to partner with the State in using the Department of State's web presence as a communication and instructional medium. Discuss Sequoia's ability to actively participate in creating informative communiqués of public interest during the project, and their ability to develop an on-line demonstration and simulation of the new voting equipment as an additional educational tool.

Sequoia has developed an on-line demonstration capability for our DRE products. This site is located at http://www.sequoiavote.com/democenter.php. Sequoia's CIO, Richard Armentrout, will work with the State of Michigan to expand this site to include Optical Scan hardware and software products

9. Please provide examples of project control and status reports.

Copies of project control and status reports have been requested from Sequoia's Project Management Team and will be provided as soon as received.

11. What is Sequoia's quality control procedures for sign off and completion of deliverables?

Sequoia will work with the State of Michigan to utilize a mutually agreeable process for sign-off and deliverable completion.

APPENDIX M
VENDOR CLARIFICATION QUESTIONS

12. Sequoia did not address the letter "m" in performance capabilities on p29 of the proposal. Provide a method for immediately detecting a malfunction.

Sequoia regrets the omission. The following outlines the means for detection of a malfunction.

The Sequoia Insight and 400-C both provide immediate notification of any system malfunction, failure or voter error. Listed below are some examples of Election Day issues that may occur and the recovery features.

Sequoia Insight

Power failure. Upon power failure, the dual battery backup within the MemoryPack™ ensures the protection of the vote results from loss or corruption. An optional 12-volt internal battery is available for the Insight. This battery will provide power for up to eighteen (18) hours of voting. If the battery backup is not provided, then the poll worker would utilize the auxiliary bin. The Operator will wait for the power to return. When it does, the Insight itself will recover on its own; there is no operator intervention needed other than to close the auxiliary bin. At a slow time at the polling place, the operator can unlock and remove the untabulated ballots that are in the auxiliary bin and run them through the tabulator.

Ballot rejection. Ballot rejections are of two types: mechanical, and logical. Mechanical rejections are due to either faulty hardware or faulty ballots (i.e. poorly printed, or out of specifications). Logically rejected ballots are due to a mismatch between the ballots and the coding (wrong ballot style for the precinct) or because of voter error (overvoted, stray marks, etc.). If the cause were faulty hardware, then the unit would be replaced. If the cause were a faulty ballot, then a replacement ballot would be issued, as would be the case for a wrong ballot style or voter error ballot.

Printer paper installed incorrectly. The Insight has an on board thermal printer for printing various reports on paper tape, similar to a cash register tape. Thermal paper has a print side that must be inserted into the printer face down. If inserted face up, the printer will function, but nothing will print out on the paper.

Printer Jam: Operator can attempt to recover from the jam by opening the access door and reworking the paper roll. If not successful, a technician may be called, in which time the auxiliary bin would be used until a technician to remedy the problem.

Ballot jam. Message prints on the paper tape what the machine was attempting to do when the jam occurred, and advises the operator on what to do to recover from the jam. Ballot jams can occur because of a damaged ballot, foreign debris in the ballot path, voters not letting go of the ballot when the tabulator takes it in, or because of a full ballot box preventing the ballot from dropping in.

APPENDIX M
VENDOR CLARIFICATION QUESTIONS
Page 4 of 10

Mechanical fault. Moving parts within the Insight that may fail include the motor; drive pulleys, belts, and the paper tape printer. Mechanical faults would require repair by a technician, however defective units can be readily and easily be swapped out with a working unit without loss or corruption of the data.

In any mechanical fault that renders the unit inoperable, the poll worker would call in a technician to have the unit replaced. While waiting for the technician, the poll worker would have the voters use the auxiliary bin. Upon arrival, the technician would, in full view of the poll worker(s):

1. Unplug the unit.
2. Tear off the paper tape and hand it to the poll worker.
3. Open the MemoryPack™ door, breaking any seal that might be in place, and remove the MemoryPack™. All the election information is stored in this MemoryPack™.
4. Remove the defective unit from the ballot box and replace it with a working unit.
5. Insert the MemoryPack™ into the new unit, and put a new seal on the MemoryPack™ door (if required).
6. Plug the new unit into the wall.
7. The new unit will print out a short tape indicating the number of ballots cast and the time. Poll worker should attach tape from other machine, and if protocol requires, sign it.
8. Poll worker can resume normal operations, and feed any ballots that were in the auxiliary bin.

Central tabulation equipment/software

Power failure. Election information is safely stored on a hard disk in the PC that comes with the unit, and thus is not affected by power failure. Sequoia 400-C tabulation is conducted in batches. A batch is opened (either by individual precinct or mixed/multiple precincts), ballots are fed through the Sequoia 400-C, and then the batch is closed, storing it on the hard disk of the unit's personal computer (PC). If a general power failure occurs when there is no batch opened and being processed, there is no recovery procedure necessary other than restarting the PC and the Sequoia 400-C tabulating software. If batch is open and ballots have been processed, but not closed, and a power failure occurs, this current batch is lost, as the batch information is only stored in computer memory prior to being closed. In this situation, the ballots of this batch must be recollected and prepared to be re-run through the machine upon resumption of power.

Ballot Jam. A ballot jam is most often caused by foreign objects either attached to the ballots or that have fallen in the machine's ballot feed-hopper (i.e. unremoved stub, paper clip, rubber band, small pieces of paper, etc.). Such jams are almost always in the throat of the feed hopper.

1. If the jammed ballot is sticking out the input hopper, the operator can attempt to pull the ballot out by firmly pulling it straight back out.
2. If it is not sticking out of the input hopper, the operator should lift the feed path cover to determine the point at which the ballot jammed.
3. In either case, once the ballot has been freed, the poll worker should then review the PC screen (or printed message if a printer is attached) for information on what the machine was attempting to do and whether or not the ballot had been processed.
4. If processed, the operator would drop it in the "read ballots" bin.
5. If not processed, the operator should check the screen (printer) to see why it wasn't processed (overvoted, wrong precinct ballot, etc) and attempt to re-read the ballot.

13. Following letter "m", on page 30, in the discussion regarding ovals, the sentence is incomplete. Is there information missing?

Yes. Sentence should read: "This unique voting target response area allows flexibility in the design of the target area to best meet the needs and familiarity of the voters whether arrows or ovals are utilized on the printed ballots."

14. What if the SOM does not choose your or any DRE system for accommodating disabled voters, discuss the compatibility of your optical scan system with other technologies.

Sequoia's AVC Edge with audio voting capability is our current offering that satisfies the HAVA ADA requirements. Sequoia is currently investigating several other potential solutions that will satisfy these requirements. If the Edge is not selected by the State of Michigan to meet these requirements, Sequoia will work together with whichever solution is selected by the State of Michigan to ensure compatibility with installed election systems.

15. Please confirm that information will be in the electronic format as indicated by the State in Appendix E?

Sequoia confirms we will comply with the database format detailed in Appendix E.

16. Please clarify there will be no additional cost for website demonstration and communication tools.

Sequoia confirms that there is no additional cost for joint development with the State of Michigan for the development of Optical Scan website demonstration and demonstration modules as outlined during the oral presentation on 11/17/03.

APPENDIX M
VENDOR CLARIFICATION QUESTIONS
Page 6 of 10

17. Please submit examples of reports. If not yet received, indicate when we will receive them.

Sequoia commits to provide the requested project control and status reports during the 1st week of December.

18. What safeguards do you have in place to ensure that only approved voting systems and/or software are being used by your customers?

Sequoia commits to install under this contract only election systems (Optech Insight, EMS and AERO software modules) which have been both ITA and State of Michigan certified. BPS II, offered as an option for ballot preparation and enhanced reporting capability, has not been certified.

19. In layman's terms, please summarize what constitutes a valid mark in the target area. Please provide examples or samples of what marks in the target area are detected by the tabulator and what marks are not detected. If you were asked to adjust the settings on your equipment, would this effect your bid price?

A valid mark in the target area is one which will be detected by the Optech Insight read heads as representing contrast between white background and a mark. This is typically a line made by the voter that connects the head and the tail of the arrow. Additional technical clarification on this point will be provided in writing by Sequoia's engineering staff as soon as possible but no later than the end of the 1st week of December.

20. Please clarify whether the firmware and software utilized to conduct your oral presentation is currently approved by the Department of State.

The hardware (Optech Insight), EMS software (EMS and AERO) and components utilized during the oral presentation on 11/17/2003 were approved by the MI Department of State, Bureau of Elections as a result of testing done on March 11-12, 2003 at the Bureau's offices. The optional application, BPS II, offered as an option for ballot preparation and enhanced reporting capability, has not been certified.

APPENDIX M
VENDOR CLARIFICATION QUESTIONS

21. List all equipment (with memory requirements) and software required to run the tabulator and EMS software?

Sequoia believes the referenced "tabulator" is the Memory Pack Reader used to both record and read memory packs. The computer used to run the Memory Pack Reader and the EMS software modules "EMS" and "AERO" can be a minimally configured PC using Windows 98 or later operating system.

If the optional "Ballot Printing System" (BPS II) is utilized, a PC configured as: Pentium 3GHZ processor, 1 GB RAM, 30-40 GB hard drive, Microsoft XP Professional operating system is ideal. The following software is required:

- Microsoft Office 2000 Professional
- Visio 2002
- Adobe Acrobat 6.0

22. Please refer to Section III-E of the ITB, Step II- Management Summary. Parts c (Project constraints and approach to overcoming these) and d (Project risks and approach to managing them) were not addressed in your proposal, please provide further discussion.

The above referenced section states:

"The written proposal should indicate the ability of the Contractor to meet the terms of the project/program, quality, and recency of projects similar to that described in the ITB, understanding of the problem and completeness of the response to Section IV Information Required from Bidders.

This section of the proposal will be evaluated using the following criteria:" Items a-l are listed. For items c and d above, Sequoia's extensive experience in working with other clients demonstrates our ability to identify early and to resolve successfully any project constraints and risks. Specifically, the MI Project Manager, Jeff Delongchamp, will work closely with other MCE staff members, with Sequoia and with customers at the State, County and Jurisdiction levels. As part of this constant interaction, any project constraints and risks will be identified early, options discussed, consensus reached and plan(s) developed and followed to ensure successful election systems implementation.

23. At your oral demonstration, Jeff indicated that the names on GANT chart would be provided. A GANT chart with names has not yet been received. Please provide with these clarifications.

The requested GANT chart including names is included with this response. Note that the chart is prepared using Microsoft Project software, a copy of which is required to view the chart.

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VENDOR CLARIFICATION QUESTIONS
Page 8 of 10

24. Based on your oral demonstration, Sequoia indicated that the software is in three different systems: EMS, AERO, and BPSII. Separately describe the function of each system. Provide proof of ITA approval for each system or your plan and timeframe for obtaining ITA approval.

Descriptions of each software application are contained in the attached Adobe files, one for each software application.

Copies of the ITA certification for EMS and AERO are included on the Documentation CD that was provided on 11/30 with the ITB response. BPS II does not require ITA certification since it does not perform any vote tabulation.

25. BPS II is listed as an optional system (which has not been ITA certified) for ballot preparation and enhanced reporting capabilities, do any of the other systems offer ballot preparation and enhanced reporting? Is there another system that is ITA approved and available? Do you have another version of BPSII that is ITA approved? If so, please provide proof of approval.

Sequoia offers two approaches to ballot preparation. First, the current system being used by a jurisdiction, typically contacted to a print house, can continue to be used. Alternatively, the jurisdiction could chose to do the ballot preparation in house, which would require use of BPS II. BPS II does not require ITA certification since it does not perform any vote tabulation.

26. What internal (centralized) safeguards are in place to ensure that your customers only use ITA certified versions of software?

Sequoia is not clear on what additional information is required for this question beyond what was provided on 11/19. In that response, Sequoia committed to install only ITA certified election systems software in Michigan.

27. Please note that in addition to your technical answer needed as soon as possible, please answer the second portion of the question regarding whether a price change would be needed if an adjustment in settings is required.

Technical response to Question #2: Any line made on the ballot between the arrow head and tail that is visible to the human eye and made with a blue or black pen or pencil will be read as a vote. Typically, such a line will be at least 0.005" wide and with sufficient contrast from the ballot paper to be easily visible. Yellow or other pastel "highlighters" are not read.

Sequoia's Optech Insight readheads are factory preset to the correct sensitivity by selection of chip resistor values and are NOT field adjustable. All Optech Insights have their readhead sensitivity calibrated during the manufacturing process by a special readhead sensitivity ballot before being shipped to a customer.

Since readhead sensitivity is not field adjustable, the portion of the question pertaining to charges for this service are not applicable.

28. The question was posed as to what risks and constraints we see in delivering the equipment.

We currently do not see many constraints or risks at this time. The Optech system is a proven system that has been used across the state. Sequoia is prepared to deliver equipment prior to the April deadline for those counties that have ordered from us. Once the equipment has been delivered, our team will go to each county and confirm all is in good working order.

Our biggest concern is having adequate time to complete all required training. If a county plans to use the software internally for ballot layout and coding, then training will need to start as soon as possible so they are ready for either school elections or the 2004 August primary election.

29. What safeguards do you have in place to ensure that only approved voting systems and/or software are being used by your customers?

Only software that has been approved by the State of Michigan will be used in the State of Michigan. All software is checked at MC&E before it is released to our users. In almost all cases we go to the clients and load the software on their system to make sure it is working correctly with their hardware. There is currently only one version of EMS and AERO software provided by Sequoia and that is 3.54. We also maintain a statewide database of each client and the software that is installed on their system. There should never be unauthorized versions of software being used anywhere in the state.

30. Can there be field adjustment on the read heads for the Optech Insights?

As discussed at the oral presentation, the read heads are factory set to precise specifications prior to shipment. We do check these during the installation. If a read head should become misaligned due to accidental dropping of the Insight, our support team can install or realign the read heads in the field. Read head alignment must be performed by a trained technician. The read heads on the Optech Insight usually never need adjusting during the life of the machine.

APPENDIX M
VENDOR CLARIFICATION QUESTIONS

31. What percentage of mark or type can be made in the target area in order to register a vote?

The precise target area that the Insight readhead uses in reading the ballot is a circle approximately .045 inches in diameter. This circle nominally views the area in the center of the gap between the arrow head and arrow tail. Allowing for the variations in printing and cutting of the ballot, the area being checked can vary as much as .075 inches either side of the centerline between the arrow head and arrow tail. The mark that is in the viewing area and fills at least 50% of the area of the circle (such as a line approximately .018 inches thick completely across the circle) and having a black density of at least .8 as measured by a standard densitometer, will be counted as a mark. If the line is thicker, then the density requirement goes down.

Additionally the mark can appear from .015 inches above or below the body thickness of the arrow will be read. If the mark appears between .015 and .035 inches above or below the arrow body it may or may not be read based on various alignment parameters. If the mark is greater than .035 inches above or below the arrow body it will not be read.

The Insight has the inherent capability in its read heads to respond to vote marks in any of four orientations and to discriminate between valid marks and extraneous smudges and folds. Valid marks are detected while invalid marks are rejected with no detection signal. The conversion error rate for the Insight is less than 1 part in 1,000,000.

The Insight has demonstrated its ability to sustain accuracy during the required operating period as specified in section 7.3.3 of the FEC Qualification and Acceptance Test Design Criteria. In addition, the Insight has demonstrated that it can reliably read ballots that contain vote marks meeting the above stated criteria with a rate of rejection of voted ballots that is less than 0.1 percent.

Read Head
(Reference Sequoia Document #440-32003-00).

Ballots are read as they pass the read area by two read heads. The upper read head scans the topside the ballot while the lower read head scans the bottom side of the ballot. Each read head has four read stations and each station has three sensing channels. The outer two channels of each read station detect the head and tail of the voting target arrows to generate a clocking signal for the data channel. The middle channel is the data channel.

Each read station has two incandescent lamps that illuminate the ballot surface. Light reflected from the ballot surface is imaged by a lens onto the three-phototransistor channel that converts the optical image to an electrical signal. This electrical signal is amplified, and then compared to an automatic gain-controlled threshold level to determine whether clock and data marks have been encountered. The detected signals are then converted into digital signals that are input into the processor. The processor reads the ballot image by sampling the data from the read head outputs and then processes the scanned data to ascertain vote positions.

SEQUOIA

Exhibit A

2005 Contracted Purchase Order for use by the

Counties and Local Units of Government in the State of Michigan that have elected to acquire Sequoia equipment under Master Contract No. 071B4200254

Date: _____

Bill To: Bureau of Elections
Treasury Building, First Floor
430 W. Allegan
Lansing, MI 48918

Ship To: _____
_____
_____
_____

Date Needed	Customer PO #	Sales Rep	Ship Via	Contact Person P:

QTY	Description	QTY/ Unit	Unit Price	Extension
	Insight Optech: Precinct Count Optical Scan voting system tabulator with modem, ballot box and memory device	1		
	County Based EMS: EMS AERO Ballot Wizard Memory Pack Reader	1		
	Jurisdiction Based EMS: EMS AERO Ballot Wizard Memory Pack Reader	1		
	Central Count Optical Scan voting system Absentee Ballot System (ABS) tabulator with modem, ballot box and memory device	1		

Total	

Shipping Instructions: _____

Payment Terms: See Section II-G of the State Master Contract No, 071B4200254

Warranty Period: See Section II-D (3) of the State Master Contract No. 071B4200254

Sequoia Voting Systems, Inc.

_____
Authorized Signature

_____
Printed Name

_____
Title

_____
Date

County or Local Unit of Government

_____
Authorized Signature

_____
Printed Name

_____
Title

_____
Date

This Purchase Order is submitted by the County or Local Unit of Government pursuant to that certain Contract No. 071B4200254 between the State of Michigan and Sequoia Voting Systems, Inc., dated _____ ("Master Contract"). The Deliverables ordered under this Purchase Order and all rights and obligations of Sequoia and the Local Unit of Government shall be governed by the terms and conditions of the Master Contract No. 071B4200254.

This contracted purchase order incorporates by reference the entire Master Contract No. 071B4200254, including all terms and conditions. Pricing is as established in Appendix F to the State's Master Contract No. 071B4200254.

Sequoia Voting Systems, Inc.
7677 Oakport Street, Suite 800
Oakland, CA 94621
P: 510-875-1200 F: 510-875-1226

Exhibit B

AGREEMENT

BETWEEN

SEQUOIA VOTING SYSTEMS, Inc.

AND

THE STATE OF MICHIGAN

INDEX OF CLAUSES

1. Definitions
2. Grant of License
3. Delivery
4. Price
5. Prohibited Acts
6. Confidentiality
7. Termination
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9. Warranty
10. Limitation of Liability
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12. Severability
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14. Force Majeure
15. Notices
16. Assignment
17. Relationship of the Parties
18. No Third Party Beneficiaries
19. Governing Law

Appendix 1 License Fee

THIS AGREEMENT is made on __ day of ____ 2005

BETWEEN

SEQUOIA VOTING SYSTEMS Inc., located at 7677 Oakport Street, Suite 800 - Oakland, CA 94621 (the "Licensor")

AND

THE STATE OF MICHIGAN (the "Licensee").

WHEREAS

The Licensee wishes the Licensor to grant to it a license to use the Software (as hereinafter defined) and the Licensor is agreeable to granting such a license subject to the following terms and conditions:

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS

1.1 In this Agreement the following terms shall bear the following meanings:

"Documentation"	the manuals, procedures and materials accompanying the Software.
"Equipment"	the equipment sold to Licensee by Licensor under the Master Contract.
"License Fee"	the license fee payable by the Licensee to the Licensor for the license of the Software herein as specified in Appendix 1.
"Locations"	the locations in the State of Michigan at which the Equipment will be used.
"Master Contract"	that certain Agreement between Licensor, as seller, and Licensee, as purchaser, with respect to hardware, software and other components of a voting system, being contract number 071B4200254.
"Software"	EMS/AERO/Optech Ballot Wizard election management software
"Specifications"	the specifications for the Software set forth in the Documentation.

1.2 Words used in the singular shall include the plural and vice versa.

2. GRANT OF LICENSE

The Licensor grants to the Licensee an irrevocable, perpetual, non-transferable and non-exclusive license for the Licensee's own internal business purposes and solely in conjunction with the Equipment at the Locations. The license shall take effect from the date of delivery. This Agreement may not be assigned or transferred by the Licensee, voluntarily or by operation of law to any party without the Licensor's express prior written permission. The Licensee shall have no power to grant sublicenses (except as expressly authorized in this Section 2.1), prepare derivative works or modify the Software. Any use of all or any portion of the Software not expressly permitted by the terms of this Agreement is strictly prohibited. Notwithstanding the foregoing, Licensee may grant sublicenses to (i) political subdivisions of Licensee using the Equipment in elections and (ii) third-party consultants retained by Licensee in accordance with the terms of the Master Contract solely to program using the Software; provided, however, that such political subdivisions and third party consultants shall execute a written undertaking to be bound by all the restrictions and other terms contained in this License Agreement. In no event, however, shall Licensee sublicense any of the rights granted herein to any competing election systems vendors, their affiliates, employees or agents.

Licensor shall retain ownership of and all copyright and other proprietary rights in the Software and any modifications or translations thereof. Licensee shall acquire only the limited license to the Software granted under the express terms of Section 2.1 above.

No right is granted to Licensee by this Agreement to use any identifying mark (such as, but not limited to, trade names, trademarks, trade devices, service marks or symbols, and abbreviations, contractions or simulations thereof) owned by, or used to identify any product or service of, Licensor or a corporate affiliate of Licensor. Licensee agrees that it will not, without the prior written permission of Licensor, (i) use any such identifying mark in advertising, publicity, packaging, labelling or in any other manner to identify any of its products or services, or (ii) represent, directly or indirectly, any product or service of Licensee as a product or service of Licensor or such an affiliate or is made in accordance with or utilises any information or documentation of Licensor or such an affiliate.

Use of the Software shall be consistent with the escrow provisions in Section 1-SS of the Master Contract.

3. DELIVERY

3.1 The Software shall be supplied in executable form together with one back-up copy and one copy of Software documentation.

3.2 Delivery of the Software shall take place at the Location(s) or any other site of the Licensee and on the dates agreed between the parties.

4. PRICE

4.1 The Licensee shall pay all invoices according to the terms specified in Section II-G and Appendix F of Master Contract #071B4200254.

4.2 Licensee shall supply Licensor a tax exemption certificate in a form satisfactory to Licensor and all applicable taxing authorities.

5. PROHIBITED ACTS

5.1 The Licensee shall not (and shall not permit any other party to), except to the extent permitted by law, without the prior written permission of the Licensor:-

5.1.1 Transfer or copy onto any other disk or hardware or otherwise copy the Software in whole or in part except for purposes of system backup or archives;

5.1.2 Reverse engineer, disassemble, decompile, decipher or analyse the Software in whole or in part;

5.1.3 Alter or modify the Software in any way or prepare any derivative works of the Software or any part of parts of the Software;

5.1.4 Alter, remove or obstruct any copyright or proprietary notices from the Software, or fail to reproduce the same on any lawful copies of the Software; or

5.1.5 Use the Software other than on the Equipment at the Locations.

5.1.6 Export, directly or indirectly, any Software to any country outside of the United States, or make disclosure of the Software to any foreign national where such disclosure would require an export license or other governmental permit.

6. CONFIDENTIALITY

The Licensee acknowledges that the Software is the sole and exclusive property of the Licensor or its licensors, contains confidential information of the Licensor or its licensors and embodies certain valuable proprietary information and trade secrets of the Licensor or its licensors. The Licensee shall not give or make available the Software, or any part thereof, or otherwise disclose confidential information contained in, supplied with or relating to the Software to any third party except to such of its employees as are required to have access to the Software in the normal course of use of the Software for the purpose permitted under Section 2 and under like conditions of confidentiality as contained in this Section 6. The provisions of this Section 6 shall survive the termination or expiration of this Agreement.

7. TERMINATION

7.1 In the event the Master Contract is terminated, this Agreement and the rights of Licensor hereunder shall also terminate with the exception of Sections 9, 10, 11, and 19 of this Agreement. These terms shall survive the termination of the agreement.

Termination is provided for in the licensee's purchase order with Sequoia Voting Systems, which incorporates by reference Section I-V of the Master Contract with Sequoia Voting Systems #071B4200254.

8. RETURN OF SOFTWARE

Upon termination or expiration of this Agreement, the Licensee shall (i) forthwith return to the Licensor all Software in its possession or control, or, if so requested by the Licensor, destroy all such Software and (ii) purge all Software from any electronic media, and certify in writing to the Licensor that it has been destroyed and purged.

9. WARRANTY

Nothing in this section shall limit the warranties provided under Section II-D of the Master Contract, DELIVERABLES, Item #3 Warranty of the Master Contract #071B4200254.

9.1 The Licensor warrants that the Software will function substantially in accordance with the Specifications for the warranty period set forth in the Master Contract. The Licensor shall use reasonable efforts to correct any material failure of the Software to function substantially in accordance with the Specification provided the Licensee has given the Licensor written notice of the defect within the said thirty (30) day period and provided that the Licensee can reproduce the defect to the Licensor. The foregoing warranty shall be void in the event of the Software (i) having been modified by any party other than the Licensor or its licensors or (ii) having been used by the Licensee for purposes other than those for which the Software was designed by Licensor.

The warranty set forth above is in addition to the express warranties set forth in the Master Contract. Licensor makes only those express warranties set forth in this Agreement and the Purchase Agreement. Any other warranties, express or implied, statutory or otherwise, including but not limited to any warranty of fitness for a particular purpose or warranty of merchantability, are hereby disclaimed.

Licensee acknowledges that the Software may contain materials prepared by other developers. Licensor makes no warranty or representation whatsoever as to those materials not prepared by Licensor contained in the Software.

10. LIMITATION OF LIABILITY

The liability of Licensor under this Agreement and the Purchase Agreement, collectively, is limited as set forth in Section 1-L of the Master Contract.

11. ENTIRE AGREEMENT

This Agreement and the purchase order which incorporates all terms and conditions of the Master Contract (#071B4200254) embodies the entire agreement between the parties and constitutes the complete and final expression regarding its subject matter and supercedes of any previous communications, agreements or understandings. Both parties acknowledge that neither has placed any reliance on any previous communications or understandings other than those expressly incorporated in this Agreement. Furthermore, provisions of this Agreement shall not be amended or changed except in accordance with Section I-CC of the Master Contract with Sequoia Voting Systems (#071B4200254). However, the Licensee and Licensor may, by mutual written agreement, add additional provisions so long as the new provisions do not contradict or supercede the Standard Software License Agreement. The parties have signed this Agreement by their duly authorized representatives as the date set in the first paragraph of this Agreement.

12. SEVERABILITY

Severability is provided for in the licensee's purchase order with Sequoia Voting Systems, which incorporates by reference Section I-GG of the Master Contract with Sequoia Voting Systems #071B4200254.

13. WAIVER

No waiver of default is provided for in the licensee's purchase order with Sequoia Voting Systems, which incorporates by reference Section I-K of the Master Contract with Sequoia Voting Systems #071B4200254.

14. FORCE MAJEURE

Neither party shall be liable for any delay or failure to meet its obligations under this Agreement to the extent provided in Section 1-X of the Master Contract.

15. NOTICES

Any notice given under this Agreement shall be sufficient if it is delivered personally, sent by ordinary first class pre-paid mail, by nationally-recognized overnight courier service or by telex or confirmed fax to the other party at the address appearing at the head of this Agreement or such other address as may have been notified. Every notice shall be deemed effective on personal receipt, to have been received and given on the fourth working day after posting if sent by mail, two working days if sent by overnight courier or in the case of telex or fax, such notice shall be deemed to have been received and given at the time of transmission.

16. ASSIGNMENT

The License rights granted to Licensee under this Agreement may not be assigned or transferred except as expressly permitted by this Agreement.

17. RELATIONSHIP OF THE PARTIES

Licensor and Licensee agree that under this Agreement:

17.1 Both parties are independent entities;

17.2 Neither party is a legal representative, agent or partner of the other;

17.3 Neither party will represent or act on behalf of the other, unless otherwise agreed to in writing; and

17.4 Both parties are free to enter into similar agreements with others and to market its products and services to others.

NO THIRD PARTY BENEFICIARIES

Licensor and Licensee agree that this Agreement is for the benefit of the parties hereto and is not intended to confer an`y rights or benefits on any third party, and that there are no third-party beneficiaries of this Agreement or any part or specific provision of this Agreement, and no third party shall have any right to enforce this Agreement or any provision hereof.

19. GOVERNING LAW

The law governing this Agreement shall be that set forth in Section 1-LL of the Master Contract.

IN WITNESS WHEREOF the parties or their duly authorised representatives have set their hands and seals the day and year first above written.

SIGNED for and on behalf of
SEQUOIA VOTING SYSTEMS Inc.

Name _____

Title _____

SIGNED for and on behalf of
THE STATE OF MICHIGAN,
By and through its Department of
Management and Budget

Name _____

Title _____

APPENDIX 1

LICENSE FEE

The Licensee Fee shall be as set forth in the Master Contract.