MASTER SERVICE CONTRACT

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MASTER SERVICES CONTRACT

THIS SERVICES CONTRACT ("Contract") is entered into by and between the Virginia Information Technologies Agency (hereinafter referred to as "VITA"), on behalf of the Commonwealth of Virginia pursuant to §2.2-2012 of the Code of Virginia, and Progressive Technology Federal Systems, Inc. (PTFS) (hereinafter referred to as "Supplier"), a business incorporated in Maryland, F.E.I.N. 52-1942959, having its principal place of business at 7305 Waverly Street; Bethesda, MD 20854. VITA and Supplier are referred to herein individually as "Party" and collectively as the "Parties."

1. PURPOSE AND SCOPE

This Contract sets forth the terms and conditions under which Supplier shall provide Services to the Authorized Users.

2. DEFINITIONS

A. Acceptance
Acceptance shall take the form of successful performance of the Services at the designated location (Receipt), or completed Acceptance testing in conformance with the Requirements as determined by Authorized User in the applicable Statement of Work.

B. Agent
Any third party independent agent of any Authorized User.

C. Authorized User
The Library of Virginia (LVA), an agency of the Commonwealth, and Locality Circuit Court Clerks Offices.

D. Deliverable
Means the tangible embodiment of the Services performed or provided by Supplier.

E. Requirements
The functional, performance, operational, compatibility, acceptance testing criteria and other parameters and characteristics of the Service described in the applicable documentation, Supplier's Proposal and such other parameters, characteristics, or performance standards for the product that may be agreed upon in writing by the Parties.

F. Service
Any work performed or service provided, including any Deliverable described in the applicable SOW, by Supplier under this Contract for an Authorized User.

G. Statement of Work (SOW)
A Statement of Work is a statement that describes the deliverables, due dates, assignment duration and payment obligations for a specific project, engagement, or assignment for which Supplier shall be providing Services. A Statement of Work will be provided to Supplier by Authorized User in accordance with the Statement of Needs set forth in the RFP document and the Supplier's proposal.

H. Supplier
Includes any individual who is an employee, sub-contractor, or independent contractor of Supplier who is assigned by Supplier to perform Services under this Contract.

I. Supplier's Proposal
Proposal submitted by Supplier and accepted by VITA, including documented negotiations, attached hereto as part of Exhibit A that describes the Services to be performed by Supplier.

J. VITA
Virginia Information Technologies Agency, an agency of the Commonwealth of Virginia pursuant to Chapter 20.1 (§2.2-2005 et seq.) of the Code of Virginia.

3. TERM AND TERMINATION

This Contract is effective and legally binding as of the Effective Date and, unless terminated as provided for in this section, shall continue to be effective and legally binding for a period of one (1)

year. Subject to the mutual written agreement of both Parties, this Contract may be extended for up to four (4) additional one (1) year periods after the expiration of the initial one (1) year period. VITA will issue a written notification to the Supplier stating the extension period, 30 days prior to the expiration of any current term.

VITA may terminate this Contract, in whole or in part, upon not less than thirty (30) days prior written notice at any time for any reason. Supplier shall submit any contractual dispute to VITA for resolution according to the terms of the *Dispute Resolution* Section. Upon termination, VITA shall have no future liability except for Services rendered by Supplier prior to the termination date.

4. SERVICES

A. Nature of Services and Engagement

Supplier is an independent contractor engaged to perform certain Services, including but not limited to reformatting court records to digital images and converting the images to microfilm and/or support activities on behalf of an Authorized User as set forth in any Statement of Work. Both Parties acknowledge that this Contract is non-exclusive, in that any Authorized User may utilize the services of others, and Supplier may provide services to others so long as those services do not breach the terms of this Contract.

B. Statement of Work (SOW)

All Services shall be performed at the times, locations and rates set forth in the applicable SOW. Any total dollar amounts or not-to-exceed limitations appearing in an SOW shall be considered reasonably accurate estimates. All changes in the scope of Service must be described in a written change request, which includes an appropriate adjustment to the price, delivery dates or both. Any authorized Services beyond the scope of an SOW shall be performed at the rates set forth in the SOW, unless otherwise agreed by the Parties.

C. Acceptance Criteria

Service(s) shall be accepted when the Authorized User determines that they meet the Requirements or written criteria set forth in the SOW. Such Authorized User agrees to commence Acceptance testing in accordance with Exhibit C, Contract Usage Procedures.

D. Cure Period

Supplier shall correct the non-conformities in accordance with Exhibit C, Contract Usage Procedures.

5. LICENSE GRANT

If and to the extent that any pre-existing rights are embodied or reflected in the Service deliverables, Supplier hereby grants to the appropriate Authorized User an irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to (i) use, modify, transmit, execute, reproduce, display, perform, distribute copies of and prepare derivative works based upon such pre-existing rights and any derivative works thereof, and (ii) authorize others to do any or all of the foregoing.

6. SUPPLIER PERSONNEL

A. Selection and Management of Supplier Personnel

Supplier shall take such steps as may be necessary to ensure that all Supplier personnel provided under this Contract are competent and knowledgeable of the contractual arrangements and the applicable SOW between Authorized User and Supplier. Supplier shall be solely responsible for the conduct of its employees and subcontractors.

B. Supplier Personnel Supervision

The Supplier shall be responsible for completely supervising and directing the work under this Agreement and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this Contract shall be responsible to the prime contractor. The Supplier agrees that he is fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.

C. Criminal Background Check

Supplier will conduct a criminal background check on any Supplier personnel working with the documents subject to this Contract or any Statement of Work. No Supplier personnel with a felony conviction will provide Services pursuant to this Contract or any Statement of Work. No Supplier personnel with a misdemeanor conviction in the last five (5) years of theft of any kind, fraud of any kind, destruction of property, or arson of any kind, shall be permitted access to said documents. A Supplier's failure to perform criminal background checks on any personnel performing Services for an Authorized User pursuant to this Contract may result in termination of the Contract by VITA.

7. REPRESENTATIONS AND WARRANTY OF SUPPLIER

With respect to the Services provided by Supplier, Supplier represents and warrants the following:

A. Ownership

Supplier has the right to provide the Services, including Deliverables, without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party.

B. Performance

All Services shall be performed with care, skill and diligence, consistent with or above applicable professional standards currently recognized in its profession, and Supplier shall be responsible for the professional quality, technical accuracy, completeness and coordination of all plans, information, specifications, computer programs, software, Deliverables and Services furnished under this Contract;

If the Services are pursuant to a particular Request for Proposal, such Services and Deliverables shall be fit for the particular purposes specified by VITA and Supplier is possessed of superior knowledge with respect to the Services and is aware that VITA is relying on Supplier's skill and judgment in providing the Services; the Services shall meet or exceed the Requirements; and the Services shall be performed in a professional manner;

THE OBLIGATIONS OF SUPPLIER UNDER THIS SECTION ARE MATERIAL. SUPPLIER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.

8. ORDERS AND COMPENSATION

A. Order

Supplier is required to accept any valid order placed through the eVA electronic procurement website portal (http://www.eva.state.va.us). eVA is the Commonwealth of Virginia's total electronic procurement solution. State agencies, as defined in §2.2-2006 of the Code of Virginia, shall order through eVA.

This ordering authority is limited to issuing orders for the Services available under this Contract. Under no circumstances shall any Authorized User have the authority to modify this Contract.

B. Purchase Price and Price Protection

Exhibit D sets forth the fees. Fees shall not increase for a period of one (1) year from the Effective Date. Thereafter, any increase in price shall be limited to once per twelve (12) month period.

VITA, in consultation with the Library of Virginia, in its sole discretion, may permit price adjustments upon contract renewal, provided Supplier provides a thirty (30) day written notice prior to contract renewal to VITA, for requested changes in the Supplier's cost of services using the Consumer Price Index/W (CPI-W) Table 4, Services/"Other Services" category as a guide, as found on website http://STATS.BLS.GOV/NEWS.RELEASE/CPI.T04.HTM.

Once the website is accessed, refer to the section titled COMMODITY AND SERVICE GROUP, within this group, refer to the lines titled SERVICES and OTHER SERVICES and read the figures in the fourth column for the current CPI rate.

No price increase will be authorized until twelve (12) months after the Effective Date of the Contract as stipulated in the first paragraph of this subsection and each twelve (12) months thereafter upon contract renewal and only where verified to the satisfaction of VITA. Authorized

price increases allowed shall not be retroactive and shall only apply to new Statements of Work or change orders impacting an existing Statement of Work, upon approval of the Authorized User.

Supplier shall give not less than thirty (30) days advance written notice of any price increase to VITA. Any approved price changes will be effective only at the beginning of the calendar month following the end of the full thirty (30) day notification period. The Supplier shall document the amount and the proposed effective date of any general change in the price of services. Documentation shall be supplied with the Supplier's request for increase which will: 1) verify that the requested price increase is general in scope and not applicable just to the Commonwealth; and (2) verify the amount of percentage of increase which is being passed on to or by the Supplier and why the percentage of increase is necessary to provide the Services to the Authorized Users. The Supplier is further advised that decreases which affect the cost of services are required to be communicated and effective immediately to VITA.

C. Invoice and Payment Terms

All payment obligations under this Contract are subject to the availability of legislative appropriations for this purpose. In the event of non-appropriation of funds for the items under this Contract, VITA may terminate this Contract, any order or Statement of Work, for those goods or services for which funds have not been appropriated. Written notice will be provided to the Supplier as soon as possible after legislative action is completed.

If any purchases are to be supported by federal funding, and such funding is not made available, VITA may terminate this Contract or appropriate Statement of Work, or an Authorized User may terminate an order or Statement of Work, for goods or services dependent on such federal funds without further obligation.

Supplier is responsible for the accuracy of its billing information.

D. Invoice Procedures

Supplier shall submit monthly invoices once acceptance of the deliverables has been received by the entity. Supplier shall submit monthly invoices to the entity based on the number of images successfully scanned and/or converted to microfilm and transferred to the appropriate entity. No invoice shall include any costs other than those identified in Exhibit D or the executed order or Statement of Work referencing this Contract. Without limiting the foregoing, all shipping costs are the Supplier's responsibility except to the extent such charges are identified in Exhibit D, or as noted in any executed order or Statement of Work referencing this Contract. Invoices issued by the Supplier shall identify at a minimum:

a. Service type and description,

b. Quantity, charge, and extended pricing for each Service item,

c. Applicable order date or Statement of Work date,

d. This Contract number and the applicable order number, and

e. Supplier's federal Employer Identification Number (EIN).

ALL CONTRACTUAL OBLIGATIONS UNDER THIS CONTRACT IN CONNECTION WITH AN ORDER OR STATEMENT OF WORK PLACED BY ANY PUBLIC BODY (as that term is defined in §2.2-4301 of the Code of Virginia) OF ANY COUNTY, CITY OR TOWN LOCATED WITHIN THE COMMONWEALTH OF VIRGINIA ARE THE SOLE OBLIGATION OF THE COUNTY CITY OR TOWN PLACING THE ORDER OR STATEMENT OF WORK AND NOT THE RESPONSIBILITY OF VITA.

E. Acceptance

As defined in the SOW.

9. CONFIDENTIALITY

A. Treatment and Protection

Supplier agrees to observe complete confidentiality with respect to all aspects of any confidential information, proprietary data and/or trade secrets and any parts thereof, whether such contents are the Authorized Users or another manufacturer, contractor or distributor whereby Supplier or any of Supplier's personnel may gain access while engaged by the Authorized User or while on

Authorized User's premises. Revealing, copying or using in any manner whatsoever any such contents which have not been authorized by the Authorized User are strictly prohibited. The restrictions herein shall survive the termination of this Contract for any reason and shall continue in full force and effect and shall be binding upon the Supplier, his agents, employees, successors, assigns, subcontractors or any party claiming an interest in this Contract on behalf of or under the rights of Supplier following any termination. Supplier shall advise all Suppliers' agents, employees, successors, assigns and subcontractors which are engaged by the Authorized User of the restrictions, present and continuing, set forth herein. Supplier shall defend and incur all costs, if any, for actions which arise as a result of non-compliance by Supplier, his agents, employees, successors, assigns and subcontractors regarding the restrictions herein.

10. LIMITATION OF LIABILITY

To the maximum extent permitted by applicable law, the Supplier's liability under this Contract for loss or damages to government property caused by use of any defective or deficient supplies, products, equipment and/or services delivered under this Contract shall not exceed the greater of $1,000,000 dollars or two (2) times the amount of money paid to the Supplier under this Contract as of the date of the event or circumstance giving rise to such liability. The Supplier will not be liable under this Contract for any indirect, incidental, special or consequential damages, or damages from loss of profits, revenue, data or use of the supplies, equipment and/or services delivered under this Contract. The above limitation of liability is per incident. The limitation and exclusion of damages in the foregoing sentences will not apply, however, to liability arising from: (a) personal injury or death; (b) defect or deficiency caused by willful misconduct or negligence on the part of the Supplier; or (c) circumstances where the Contract expressly provides a right to damages, indemnification or reimbursement.

11. INVENTIONS AND COPYRIGHTS

The Supplier is prohibited from copyrighting any document and from obtaining any patent on any invention or other discovery resulting solely from its performance under the terms and conditions of this Contract.

12. RIGHTS TO MATERIALS (DATA IMAGES)

All materials (data images) generated under an order or Statement of Work shall be considered work made for hire. Neither Supplier nor sub-contractor shall retain any data image permanently. The Supplier and any sub-contractor shall retain project digital files for one (1) year after completion of the Statement of Work. The Supplier and any sub-contractor shall inform the Library in writing of any scheduled deletion of files and shall not delete same without prior written consent from the Library of Virginia. Should the Library request that the Supplier or any sub-contractor retain the files for longer than one (1) year, the Supplier and any sub-contractor shall charge the Library the same digital-file storage rate as its other customers." The Authorized User providing the Statement of Work or order in question shall have all rights, title and interest in and to all materials (data images) developed and generated under this Contract.

13. PERFORMANCE AND LOCATION OF WORK

The Supplier shall not perform, conduct, or subcontract any portion of work under this Contract outside of the United States.

14. GENERAL PROVISIONS

A. Relationship Between VITA and Supplier

Supplier has no authority to contract for VITA or in any way to bind, to commit VITA to any agreement of any kind, or to assume any liabilities of any nature in the name of or on behalf of VITA. Under no circumstances shall Supplier, or any of its employees, hold itself out as or be considered an agent or an employee of VITA, and VITA shall have no duty to provide or maintain any insurance or other employee benefits on behalf of Supplier or its employees. Supplier represents and warrants that it is an independent contractor for purposes of federal, state and local employment taxes and agrees that VITA is not responsible to collect or withhold any federal, state or local employment taxes, including, but not limited to, income tax withholding and social

security contributions, for Supplier. Any and all taxes, interest or penalties, including, but not limited to, any federal, state or local withholding or employment taxes, imposed, assessed or levied as a result of this Contract shall be paid or withheld by Supplier or, if assessed against and paid by VITA, shall be reimbursed by Supplier upon demand by VITA.

B. Incorporated Contractual Provisions
The contractual provisions at the following URL are statutorily mandated provisions that are hereby incorporated by reference, including the contractual claims provision §2.2-4363 of the Code of Virginia: http://www.vita.virginia.gov/procurement/documents/terms_04-05sw.pdf.

C. Governing Law
This solicitation and any resulting Contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Supplier shall comply with all applicable federal, state and local laws, rules and regulations.

D. Dispute Resolution
In accordance with §2.2-4363 of the Code of Virginia, Contractual claims, whether for money or other relief, shall be submitted in writing to the public body from whom the relief is sought no later than sixty (60) days after final payment; however, written notice of the Supplier's intention to file such claim must be given to VITA at the time of the occurrence or beginning of the work upon which the claim is based. Pendency of claims shall not delay payment of amounts agreed due in the final payment. VITA shall render a final decision in writing within thirty (30) days after its receipt of the Supplier's written claim.

The Supplier may not invoke any available administrative procedure under §2.2-4365 of the Code of Virginia nor institute legal action prior to receipt of the purchasing agency's decision on the claim, unless that agency fails to render its decision within thirty (30) days. The decision of the purchasing agency shall be final and conclusive unless the Supplier, within six (6) months of the date of the final decision on the claim, invokes appropriate action under §2.2-4364, Code of Virginia or the administrative procedure authorized by §2.2-4365, Code of Virginia.

Upon request from the public body from whom the relief is sought, Supplier agrees to submit any and all contractual disputes arising from this Contract to VITA's alternative dispute resolution (ADR) procedures. Supplier may invoke VITA's ADR procedures at any time and concurrently with any other statutory remedies prescribed by the Code of Virginia.

In the event of any breach by VITA, Supplier's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event shall Supplier's remedies include the right to terminate any license or support services hereunder.

E. Advertising and Use of Proprietary Marks
Supplier shall not use any Authorized User's name or refer to any Authorized User, directly or indirectly, in any press release or formal advertisement without receiving prior written consent of Such Authorized User. In no event may Supplier use a proprietary mark without receiving the prior written consent of the Authorized User.

F. Notices
Any notice required or permitted to be given under this Contract shall be in writing and shall be deemed to have been sufficiently given if delivered in person, or if deposited in the US mails, postage prepaid, for mailing by registered, certified mail, or overnight courier service addressed to the addresses shown on the signature page. Either Party may change its address for notice purposes by giving the other Party notice of such change in accordance with this Section.

G. No Waiver
Any failure to enforce any terms of this Contract shall not constitute a waiver.

H. Assignment
Supplier will not assign its rights under this Contract or delegate the performance of its duties under this Contract without prior written approval from VITA and VITA can withhold approval of assignment within his/her sole discretion.

To the fullest extent permitted by law, the parties agree that Supplier's rights under this Contract shall not be assignable, in whole or in part, to any other party without VITA's written consent, and that any purported assignment or transfer without such consent shall be null and void. If any law limits the right of the parties to prohibit assignment or nonconsensual assignments, the procedure for any such assignment and the effective date of the assignment shall be as follows. The Supplier shall give the LVA purchasing office prompt written notice of the assignment, signed by authorized representatives of both the Supplier and the assignee.

In the event VITA receives any notice from a third party claiming to be an assignee of any rights of the Supplier under this Contract, Supplier agrees that payment or other performance in respect of those rights shall not be due until at least thirty days after VITA's receipt of the notice required by the above paragraph or receipt of a similarly executed notice confirming the absence or revocation of the purported assignment. The LVA purchasing office or local subdivision shall promptly notify the Supplier of any assignment notice it receives.

I. **Captions**
The captions are for convenience and in no way define, limit or enlarge the scope of this Contract or any of its Sections.

J. **Severability**
Each paragraph and provision of this Agreement is severable from the entire Contract, and if any provision is declared invalid, the remaining provisions shall nevertheless remain in effect.

K. **Right to Audit**
All Contractual books, records and other documents related to matters under this Contract shall be made available by Supplier to the State and its designated agents for a period of three (3) years after final payment for purposes of audit and examination.

Contractual records are hereby further defined as this Contract and all delivery/purchase orders, invoices or correspondence directly relating to this agreement

L. **Entire Contract**
The RFP and all subparts thereof are incorporated by reference into this Contract. In addition, the following Exhibits are made a part of this Contract for all purposes:

Exhibit A Supplier's Proposal including documented negotiations

Exhibit B Statement of Needs

Exhibit C Contract Usage Procedure

Exhibit D Service Pricing Schedule

This Contract and its Exhibits constitute the entire agreement between the Parties and supersedes any and all previous representations, understandings, discussions or agreements between VITA and Supplier as to the subject matter hereof. This Contract may only be amended by an instrument in writing signed by VITA and Supplier. In the event of a conflict, the following order of precedents shall apply:

Contract Exhibit B
Contract Exhibit C
Contract Exhibit D
Contract Exhibit A

VITA and Supplier each acknowledge that it has had the opportunity to review this Contract with its legal counsel.

Executed as of the last date set forth below by the undersigned authorized representatives of the Parties.

Supplier

By: _____

(Signature)

Name: JOHN YORKLEY

(Print)

Title, Its: CEO

Date: 6/24/05

Address for Notice:

7305 WAVERLY STREET
BETHESDA, MD 20814

Attention: [redacted]

VITA

By: _____

(Signature)

Name: Philip L. Pippert

(Print)

Title, Its: Associate Director

Date: 6/29/05

Address for Notice:

110 S. 7TH St.
3RD Floor
Richmond, VA 23219

Attention: Contract Administrator

EXHIBIT B - STATEMENT OF NEEDS

At a minimum the Supplier shall:

1. Transport, at a time and in a manner agreed to with the Authorized User, the document boxes, in batches, to their facility for digital imaging. The batch amount for each project shall be agreed to at the beginning of each project. The over-sized boxes shall be transported and reformatted at the beginning of the project, and those images included in place with their original case file (per item 8 below).
2. Have established in-house controls to make certain that all papers have been scanned, and that no papers are lost, stolen or damaged while in the custody of the Supplier.
3. Digitally scan each side of all documents that contains any rendering, whether it is textual or graphical, following the *Rules for Scanning Operators in Performance of this Agreement* found in #15 below.
4. Reverse any negative originals to a positive image.
5. Ensure the Dots per Inch (DPI) will be a minimum of 300 and images will be scanned at 24-bit color.
6. Center and de-skew every image
7. Ensure every image is legible (readable and printable) at its top, center, and bottom. If the original document is of such poor quality that converting it to a completely legible image is impossible, then the Supplier shall place a target into the image with the original stating the same.
8. Ensure each image file is uniquely identified, using the following naming convention: Three digits, underscore, four digits, underscore, three digits, underscore, four digits, and an extension appropriate to the image format being created; e.g., 061_1849_012_0001p.jp2. The first set of digits is the locality's Federal Information Processing Standards (FIPS) number, which will be provided to the Supplier at the beginning of each project and will be used throughout the entire project. The second two sets of digits are the Index Number that was assigned to the case and placed on the file folder(s) in the processing phase (the year the case ended and a sequential number based on the order in which the cases were processed). The fourth set of digits will be the number of images scanned within each case. The Supplier shall begin each case with the fourth set of digits as 0001, increasing that number by one with each image, and then returning to one at the beginning of the next Index Number (i.e., only at the beginning of a new case). The optional 'p' designation shall be assigned to all images that contain a plat. The images shall be batched in electronic folders equal to and identified by the document box number in which the case file is housed for low resolution images written to CD or DVD created for the quality review and approval process.
9. Create a solution for scanning the oversize documents (those separated from their original case file) and "interfiling" the image to its correct place within the respective case.
10. Ensure all scanned master images are saved in a 300 DPI JPEG 2000 - 100 quality format.
11. Return each batch of original records to the Authorized User's office following the scanning and file-naming phase. Each batch of records returned to the User shall (for quality control purposes) be accompanied by the corresponding low resolution digital images converted to regular JPEGs, and down sampled to 150 DPI compressed at 85 quality level on CD or DVD. These images shall be grouped in electronic folders, with each folder representing the images from one original document box, and each folder numbered to correspond with the original document box number. Each CD or DVD shall be labeled sufficiently to identify its contents. These CDs or DVDs will remain with the Authorized User.
12. Prior to returning the original boxes to the Authorized User's office, place an inked stamp on the front of the box indicating the box has been reformatted, the date, and the Supplier's firm. This stamp will be provided to each Supplier by the Library of Virginia.

13. Correct all images identified unacceptable by the Authorized User. The Authorized User will inspect the agreed upon media for image quality and retrievability within two weeks of delivery of the batch or by the time the next batch is delivered, whichever is later. The notice of acceptance may be delivered to or picked up by the Supplier when the next batch of records is picked up for reformatting, or by mail, e-mail, or fax, as agreed to at the beginning of each project. The Authorized User's image inspection process will be by a sample from each folder, which shall contain the images from one box. One box will be the lot size. A 5% sample (a minimum of 50 images) will be taken from each folder. If only one image is found to be unacceptable, the lot will be accepted, and that one unacceptable image will be corrected by the Supplier. If two images are found to be unacceptable, another sample will be taken. This procedure will continue until the lot is accepted or rejected. If the lot is ultimately accepted, the Supplier will correct all of the identified unacceptable images. If three images in a sample are found to be unacceptable, the lot will be rejected; the Supplier shall rescan the entire box and return it to the Authorized User, at which time the same QA procedure will be applied.

14. Produce and transfer by the completion of a project:

    a. CDs or DVDs (per 11 above) containing all the user images in 150 DPI JPEG quality 85 for quality control purposes to the Authorized User's office, along with their respective originals, delivered in the agreed upon batches.

    b. All the master images in 300 DPI JPEG2000 – quality 100 to the Library of Virginia. These will be transferred in batches, with batch sizes to be determined by the Library, by external USB2.0 hard drive provided by the Library. All images delivered shall reside within one folder on the drive.

    c. All images converted to the 150 DPI JPEG – quality 85, wrapped in Adobe PDF to the Library of Virginia, by external USB2.0 hard drive provided by the Library.

    d. <u>All images</u> converted to 35mm preservation microfilm **(if required by the "sow")** and **delivered** with proper boxing and labeling to the Library of Virginia.

    e. Each transfer of a final deliverable product, or set of products, to the Library (items 14. b – d above) will be accompanied by a completed Records Transfer List and Receipt (RM-17 Form). This form can be downloaded from http://www.lva.lib.va.us/whatwedo/records/forms/index.htm

15. Adhere to Rules for Scanning Operators in Performance of any resulting Agreement:

    a. File folder(s), both brown and white, will be scanned with a landscape orientation in order to best capture the rendered text on said folders. These are the folders that transmit the relevant case number that are used for indexing (i.e. file naming) purposes.

    b. Whenever a brown file folder transmits multiple case numbers (for example, "1900-016 to 1900-020"), the brown folder will not be scanned. The white folders being transmitted by the multi-case- bearing brown folder will be scanned.

    c. Whenever a white folder is encountered that is completely devoid of any writing, that white folder is simply being employed to protect an unusually fragile record/document. The document will be scanned, but the white folder will not be scanned.

    d. The document records in question range from good to very fragile quality. Partially bound (i.e. binding elements are failing or are in some measure eroded) documents will not be unbound.

    e. Documents will be scanned in the order they are received in their respective file folders/ boxes as packed by the client. Therefore, the assumption will be made that every document is in order. Scanned documents will be returned to the folder exactly as they were found.

f. The scanning orientation for said documents will be based on the whether the majority of the text is either portrait or landscape. In the case where there are equal amounts of portrait and landscaped material on a document, the default orientation will be landscape.

g. Multiple documents/images on a single physical page are scanned using the orientation criteria detailed above.

h. Scanned images will be cropped while retaining a border of approximately 1/8 of an inch. This border will help verify that the image was successfully captured.

16. Requirements for Conversion to Microfilm

For the conversion of the digital image to microfilm, the following requirements shall be met by the Supplier:

a. At the successful conclusion of the inspection phase the Supplier shall convert the images to archival-quality 35mm microfilm following Virginia State Standards. These standards may be found at http://www.lva.lib.va.us/whatwedo/records/standard/137-1.htm and http://www.lva.lib.va.us/whatwedo/records/standard/137-5.htm.

b. 35mm microfilm must be converted at 18:1, with exceptions made for oversized documents, which will be no greater than 42:1. No image, when converted to microfilm, shall overlap another. Each reel will be as close to 100' as possible without going over. Chancery cases may be split between reels.

c. Converted film will be titled, processed, readable, boxed, and labeled according to guidelines promulgated by the Library of Virginia found at: http://www.lva.lib.va.us/whatwedo/records/standard/microgde.htm. In addition to these requirements, the Supplier shall also record the number of images for each reel on its respective box label.

d. The Supplier shall ship the reels of microfilm to: The Library of Virginia; Imaging Services Branch; 800 East Broad Street; Richmond, Va. 23219-8000, in batches of no more than forty reels per week. Library staff will inspect each reel for density and resolution according to the above referenced standards. If Library staff identifies a reel that does not meet the standards, the reel(s) will be returned to the Supplier, who shall remake the rejected reels at no additional charge.

EXHIBIT C – CONTRACT USAGE PROCEDURE

1. The Authorized User at the purchasing entity will notify the selected Supplier of their requirement for services. The Authorized User will provide a written Statement of Work ("SOW") to the Supplier to include:
    - Entity Name;
    - Contact name and Contact Information (telephone, fax, email information);
    - The total number of estimated images, with the oversize estimate broken out, and the batch size for each pick-up;
    - A statement indicating whether conversion from digital image to microfilm will be included in the work;
    - An expected pick-up date and delivery date (as agreed upon) for each project, or each batch per project.
2. The Supplier will respond to the Authorized User's SOW within five working days acknowledging:
    - Written Confirmation and Acceptance of the SOW;
    - The Total Price;
    - The Pick-Up and Delivery Date; (If the pick-up or delivery date cannot be met, the Supplier shall propose an alternative pick-up and delivery date to the Authorized User for their mutual acceptance).
    - The media desired for the images (microfilm, portable hard drives, etc.)
3. Once the Authorized User has received written confirmation and acceptance from the Supplier, an Order will be placed by the Authorized User with the selected Supplier.
4. Upon receipt of an Order, the Supplier will pick up boxes containing original documents to be imaged at the requesting entity on the agreed upon pick-up date and transport them to their facility for digital imaging.
5. Upon completion of the SOW, the Supplier shall return the original boxed documents accompanied by the digital images on CD or DVD to the contact at the requesting entity for quality assurance (QA) review purposes.
6. Upon receipt of the original boxed documents with the accompanied CD(s) or DVD(s) containing the digitized images, the entity will review the CD(s) or DVD(s) within two week(s) (or by the return of the Supplier with the next batch of converted images, whichever is longer) for quality assurance and will approve or disapprove the digital images to the Supplier in written correspondence.
7. If the requesting entity approves the digitized images contained on CD(s) or DVD(s), the Supplier will be provided with written acceptance correspondence to proceed with transferring master images as specified in RFP Section 4 (#14), in agreed upon batch sizes determined by the LVA, on to external USB2.0 hard drive (provided by the LVA) unless the SOW required all images to be converted to 35mm preservation microfilm, then the Supplier shall comply as specified in RFP Section 4 (#16).
8. For any images disapproved by the requesting entity to the Supplier, the Supplier shall correct all images identified as unacceptable and return them to the requesting entity, at which time the same QA procedure will be applied.
9. The requesting entity, upon receipt of all corrected images and performance of the QA process, will provide written acceptance correspondence to the Supplier to proceed with transferring the master images as specified in RFP Section 4 (#14), in agreed upon batch sizes determined by the LVA, on to external USB2.0 hard drive (provided by the LVA). If the SOW required all images to be converted to 35mm preservation microfilm, then the Supplier shall comply as specified in Section 4 (#16).
10. Once the Master images are transferred to the Library of Virginia on the agreed upon media, the Library will inspect the agreed upon media for image retrievability **within 10 days**.

11. Once all delivered images are accepted by the entity, the user will provide written acceptance correspondence to the Supplier for invoicing purposes.

12. The Library of Virginia is administering this Contract. The Library will be able to place orders for any locality that is not a subscriber to eVA. Localities that are subscribed to eVA will be encouraged to place their own orders. Each user of this Contract shall follow the Contract usage procedures as described herein.

13. Should the Supplier (including any subcontracting work) exceed the agreed upon time line for delivery of images, the Authorized User reserves the right to cancel the order or Statement of Work, request documents back and award to another Supplier. The Authorized User will pay for any portion of work performed and the Supplier shall be liable for any excess cost incurred by the Authorized User to complete the Order or Statement of Work requirements.

14. Document Handling Practices:

    - It is preferable that gloves not be used. If gloves absolutely must be used, non-powdered latex gloves, or equivalent for those allergic to latex, are required.
    - Photos must be handled by the edges as fingerprints are easily left on emulsion surfaces. Use of gloves is permitted in handling photographs.
    - Operator must wash hands occasionally to avoid soiling the documents.
    - The use of hand lotions while working with the documents is not acceptable.
    - No one is to have beverages or food in vicinity of documents.
    - There must be sufficient work space on which to securely place the documents while scanning is in progress.
    - All documents must be re-foldered, re-boxed, and stored at the end of the day. Documents must not be left lying on workstations.
    - All boxes must be stored at least four inches off the floor, preferably shelved on wire shelving. Boxes should be covered with plastic sheets at end of business day in case the fire suppression system is activated.
    - Boxes must be stored in a climate-controlled interior room or against an inside wall away from direct sunlight and heat.
    - If the boxes need to be marked, pencil must be used, as in the case of completing the information on the stamp provided by the Library of Virginia.
    - Documents must not be marked in any fashion.
    - No pens or pencils should be left near or around documents.
    - Do not try to separate documents that are glued together. Work around any fastener as best as possible. Contact the Grants Administrator for immediate technical concerns.
    - When transferring documents from the folder to the scanner, the document should be supported with an archival folder. This is especially important when handling oversized documents.
    - Documents should be scanned in original order and returned to the folder in the same order.

EXHIBIT D – SERVICE PRICING SCHEDULE

DIGITAL IMAGES		
	Unit Price per digital image up to legal size Volume Breaks per digital image:	
	Up to 100,000	$ 0.72
	100,001 to 250,000	$ 0.71
	250,001 and over	$ 0.70
OVERSIZE DOCUMENTS		
	Unit Price per digital image for oversize documents	$ 3.00
MICROFILM (35MM)		
	Unit Price per digital image to microfilm up to legal size	$ 0.12
PICK UP & DELIVERY		
	Price per mile for pick up and delivery.	$ 1.05