

**PROFESSIONAL SERVICES AGREEMENT FOR
DOCUMENT IMAGING SERVICES**

THIS AGREEMENT is made and entered into this _____ day of _____, 2007 (“Effective Date”), by and between the CITY OF COSTA MESA, a municipal corporation (“City”), and MATRIX IMAGING PRODUCTS, INC., a California corporation (“Consultant”).

WITNESSETH:

- A. WHEREAS, City proposes to have Consultant document imaging services as described herein below; and
- B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code, Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and
- C. WHEREAS, City and Consultant desire to contract for specific services in connection with the project described below (the “Project”) and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and
- D. WHEREAS, no official or employee of City has a financial interest, within the provisions of California Government Code, Sections 1090-1092, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in the City’s Request for Proposal (“RFP”) attached hereto as Exhibit “A” and incorporated herein by reference and Consultant’s Response to City’s RFP (the “Response”). A copy of said Response is attached hereto as Exhibit “B” and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant’s performance of this Agreement.

1.3. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers’ compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every

nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.4. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Violation of this provision may result in the imposition of penalties referred to in Labor Code, Section 1735.

1.5. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.6. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "C," attached hereto and made a part of this Agreement (the "Fee Schedule"). Consultant's compensation shall in no case exceed Two Hundred Thousand Dollars (\$200,000.00), from which Fifty-Seven Thousand Seven Hundred Forty-Five Dollars and Seventy-Three Cents (\$57,745.73) shall be for software and maintenance for the first year. The remaining balance may be used to pay for document scanning.

During the second and third years of this Agreement, compensation shall not exceed the amount budgeted for this project, but shall include a minimum of Twelve Thousand Dollars (\$12,000.00) per year for maintenance.

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Response unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to City's Project Manager for approval on a progress basis, but no more often than monthly. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within thirty (30) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall

be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the Effective Date.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of three (3) years, ending on May 31, 2010, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated as to the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design and development documents, data studies, drawings, and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant,

at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain and maintain during the life of this Agreement all of the following insurance coverages:

- (a) Comprehensive general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate.
- (b) Automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate.
- (c) Workers' compensation insurance as required by the State of California.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The comprehensive general liability insurance policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, agents, and employees are additional insureds with respect to this subject project and contract with City."
- (b) Notice: "Said policy shall not terminate, nor shall it be cancelled, nor the coverage reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."

5.3. Certificates of Insurance: Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.4. Non-limiting: Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement: This Agreement constitutes the entire Agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices: Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

Matrix Imaging Products, Inc.
3151 Airway Avenue, Suite H-1
Costa Mesa, CA 92626-4624
Tel: 714-556-5600
Fax: 714-513-2376
Attn: Dave Poltl

IF TO CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Tel: 714-754-5154
Fax: 714-754- 4887
Attn: Rick Kirkbride

6.5. Drug-free Workplace Policy. Consultant shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "D" and incorporated herein by reference. Consultant's failure to conform to the requirements

set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees: In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law: This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment: Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless: Consultant shall protect, defend, indemnify and hold harmless City and its elected and appointed officials, officers, and employees from any and all claims, liabilities, expenses, including attorney fees, damage to property or injuries to or death of any person or persons or damages of any nature including, but not by way of limitation, all civil claims or workers' compensation claims arising out of or in any way connected with the intentional or negligent acts, error or omissions of Consultant, its employees, agents or subcontractors in the performance of this Agreement.

6.10. Independent Contractor: Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall secure, at his expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder.

6.11. Ownership of Documents: All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete

documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.12. Public Records Act Disclosure: Consultant has been advised and is aware that all reports, documents, information and data including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 et. seq.). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.13. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.14. Prohibited Employment: Consultant will not employ any regular employee of City while this Agreement is in effect.

6.15. Order of Precedence: In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of the RFP or the Response, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over both the Response and the RFP and the Response shall govern over the RFP.

6.16. Costs: Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.17. No Third Party Beneficiary Rights: This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.18. Headings: Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or

accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.19. Construction: The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.20. Amendments: Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.21. Waiver: The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.22. Severability: If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.23. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.24. Corporate Authority: The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so, the parties hereto are formally bound to the provisions of this Agreement.

6.25. Software Condition Warranties: Consultant warrants that the document imaging software provided pursuant to this Agreement is virus-free. Further, Consultant warrants that the software contains no disabling code which would allow and provide Consultant with a remote ability to disrupt software operation, computer access or other computing resources of City. Breach of this warranty shall constitute a material breach of this Agreement and entitle City to receive a refund of all software and professional services fees paid to Consultant.

6.26. System Functionality Warranty: Consultant warrants that the document imaging system will perform in accordance with the System Design Plan to be provided to City by

Consultant. Breach of this warranty shall constitute a material breach of this Agreement and entitle City to receive a refund of all software and professional services fees paid to Consultant.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF COSTA MESA,
A municipal corporation

Mayor of the City of Costa Mesa

Date: _____

MATRIX IMAGING PRODUCTS, INC.

Signature

Date: _____

Name and Title

Social Security or Taxpayer ID Number

ATTEST:

City Clerk and ex-officio Clerk
of the City of Costa Mesa

APPROVED AS TO FORM:

Vandery Hall Barlow

City Attorney

Date: 5/25/07

APPROVED AS TO INSURANCE:

Risk Management

Date: _____

APPROVED AS TO CONTENT:

Project Manager

Date: _____

EXHIBIT A

CITY'S REQUEST FOR PROPOSAL



CITY OF COSTA MESA

77 FAIR DRIVE, P.O. BOX 1200, COSTA MESA, CA 92628-1200

FINANCE DEPARTMENT
PURCHASING

CITY OF COSTA MESA

REQUEST FOR PROPOSALS

**FOR A THREE-YEAR AGREEMENT FOR
DOCUMENT IMAGING SERVICES**

PROPOSAL NO. 1106

NOTICE IS HEREBY GIVEN that sealed proposals shall be received by the City of Costa Mesa to wit: The City of Costa Mesa, City Clerk's Office, P. O. Box 1200, Costa Mesa, California 92628-1200, on or before the hour of **3:00 p.m. on January 8, 2007**. It shall be the responsibility of the offeror to deliver his proposal to the City Clerk's Office by the proper announced time. Delivery Location: City of Costa Mesa, City Clerk's Office, 77 Fair Drive, Room 101, Costa Mesa, California 92626.

A mandatory pre-proposal meeting will take place on Wednesday, December 13, 2006, at 10:00 a.m. in the City of Costa Mesa Council Chambers located at, 77 Fair Drive, Costa Mesa, California 92626.

Proposals shall be returned to the attention of the City Clerk's Office, within said time limit, in a sealed envelope identified on the outside with the *Offeror's Business Name, Proposal Item Number, Identify-Consulting Services for the Assessment of the City Council Chambers Audio/Video Equipment, and the Opening Date*. There will be no public opening of proposals.

Additional sets of the Request for Proposal may be obtained by offerors in the Purchasing Division of the Finance Department. Please contact Debbie Dobrott at (714) 754-5212, 77 Fair Drive, Costa Mesa, California 92626.

Dated: November 30, 2006

**CITY OF COSTA MESA
REQUEST FOR PROPOSAL
NO. 1106
FOR A THREE-YEAR AGREEMENT FOR
DOCUMENT IMAGING SERVICES**

The City Costa Mesa is seeking proposals from qualified vendors to provide software and document imaging scanning services for several different departments within the City. Current requirements and funding emphasize the needs of the Development Services Department, for both the Building Division and the Planning Division, and the Engineering Division of the Public Services Department. Depending upon the results and costs of implementation in these areas, the project may be expanded to include needs in other departments throughout the City.

This Request for Proposal is set out in the following format:

Section I:	Specifications
Section II:	Instructions to Proposer
Section III:	Terms and Conditions
Section IV:	Offeror's Proposal Response Requirement
Section V:	Proposal for Document Imaging Services

A mandatory pre-proposal meeting will be held on December 13, 2006, at 10:00 a.m. in the City of Costa Mesa Council Chambers, 77 Fair Drive, Costa Mesa, California 92626.

Closing time and date: Proposals are due by January 8, 2007 at 3:00 p.m. One original (marked original) and eleven (11) copies (marked copy) of the Proposal must be submitted in a sealed envelope marked RFP #1106 and submitted to the following address:

Delivery Address:	City of Costa Mesa City Clerk's Office 77 Fair Drive, 1st Floor Room 101 Costa Mesa, CA 92626	Mailing Address:	City of Costa Mesa City Clerk's Office P.O. Box 1200 Costa Mesa, CA 92628-1200
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Any Proposer who wishes his/her proposal to be considered is responsible for making certain that the proposal is received in the Clerk's Office by the proper time. No oral, telegraphic, electronic, facsimile, or telephonic proposals or modifications will be considered unless specified. Proposals received after the scheduled Submittal Deadline will be returned unopened. Proposals must bear original signatures and figures. Please note that there will be no public opening of proposals. Prices and other proposal information shall not be made public until the proposal is awarded. At that time the executed contract will become public information. Technical information may be obtained by contacting Khanh Nguyen, Building Official at (714) 754-5277 or Rick Kirkbride, MIS Manager at (714) 754-5154.

Proposals must be valid for a period of ninety (90) days from the due date. Proposals may **not** be withdrawn after the submission date. The expected time for evaluation will be approximately two weeks. It is anticipated that this contract will be awarded in February 2007.

The City of Costa Mesa reserves the right to negotiate with any offeror as necessary to serve the best interest of the City of Costa Mesa and negotiate the final contract with the most responsive, responsible offeror. The City reserves the right to waive, at its discretion, any irregularity or informality, which the City deems correctable or otherwise not warranting rejection of the RFP. The City reserves the right to reject any and all proposals and to accept any proposal or portion thereof. No obligation, either expressed or implied, exists on the part of the City of Costa Mesa to make an award or to pay any costs incurred in the preparation or submission of a proposal. All costs associated with the preparation or submission of proposals covered by this RFP, are solely the responsibility of the offerors.

SECTION I: SPECIFICATIONS

A. Scope of Services:

The long-term objective of this project is to convert all of the City's current, archived records, and future documents to digital storage and implement a plan for future documents.

The intent of this Request for Proposal is to establish a three-year price agreement for scanning services. In addition, the City is requesting a software solution and licensing for utilization of the scanned documents. Paper form documents, will vary in size and will need to be scanned to an electronic format. The successful proposer will provide imaging and indexing services (currently two index fields) for the conversion of these documents and deliver them on selected media.

All text document (e.g., Planning and Engineering letter and legal sheets) must have text files (OCR the images), and be fully text searchable, with the ability to retrieve the image from the text version of the document.

The current records for these departments need to be scanned and made available for automated retrieval. The City began a pilot program several years ago. Some Building and Engineering documents have been converted to the tiff format. The software that is being used is eDoX by CSG Consultants. It is expected that the work done in the pilot program will be easily converted to any software offered by the proposer.

The document imaging work has been broken down into three phases as shown below:

Phase I (Budget Year 06/07) - This Phase will be ongoing throughout the remaining phases as needed

- Building/Safety Division - Seven (7) months worth of backlog (approximately 7,000 e-size documents and 35,000 letter/legal size sheets in offsite storage) It is estimated that this division will continue to have approximately 1,000 e-size plans/documents and 10,000 letter/legal documents to scan each month
- Planning Division - immediate need conversion of 14 CDs, 32,000 letter/legal size about 1,600 are e-size and approximately 5,000 letter to e-size documents from annual purging of files
- Engineering Division - Several years of backlog (approximately 3,500 e-size documents and 35,000 letter/legal size sheets in offsite storage)

Phase II (Budget Year 07/08)

- Building/Safety Division – scan permits in the vault (approximately 500,000 letter & legal size sheets, manual scanning)
- Engineering Permits – scan permits in the vault approximately 250,000 (letter to e-size)

Phase III (Budget Year 08/09)

- Building/Safety Division – existing microfilm to electronic format conversion (approximately 1 million documents)
- Engineering – existing microfilm to electronic format conversion (approximately 500,000 documents)

The City of Costa Mesa has \$70,000.00 budgeted in the FY 06-07 budget for document imaging services and software for the Development Services Department, (both the Building Division and the Planning Division) and the Engineering Division of the Public Services Department.

It is anticipated that additional departments (i.e. City Clerk, Finance Department, Police Department, ect...) may utilize this contract for document imaging services.

Software and licensing:

In addition to the scanning services, the proposer will need to provide a software and licensing package. The City has used eDoX since last year. Any software offered must allow an import of the tiff or pdf file in eDoX so that any document imaging done prior to this contract is still accessible, with the indexes. All letter or legal sized documents are to be OCR'd, and the text fully text searchable, and the ability to retrieve the image from the text file after a full text search is performed.

Proposer must provide all costs associated with software including training, licensing and yearly maintenance fees. The software must be capable of allowing more than one user to access the same file at the same time. It is anticipated that the City will require 100 concurrent user licenses at some point. Please identify your licensing costs and any associated terms and conditions on your proposal submittal. Explain if the software is limited to installation on the number of machines that are licensed, or if the software controls the number of users.

Training and installation:

The proposer will need to provide all costs associated with training on installation and use of the software. The installation will be done by the City MIS staff.

B. Bidders Responsibilities:

The prospective bidders must include the following as part of the per-image cost:

- Document preparation and reassemble including:
 - Separate pages from within each document package
 - Remove staples and paper clips
 - Repair older, torn pages with tape before scanning
- Scanning and indexing to City provided specifications
- Quality control and tracking, label all work
 - 100 % audit of the quantity of pages received, captured and returned
- Converting microfilm to electronic format, please provide media used for documents returned CD, FTP, DVD or other. DVD is the preferred media.
- Image back up and certified document destruction
- Document transportation services including pick up and delivery

The prospective bidders must provide the cost of:

- Software licensing to access electronic data provided
- Conversion of existing images, their indexes, and OCRing of letter and legal sized text documents

- Any cost for maintenance
- Training of users

C. Performance Standards & Requirements:

- Proposer must have presence in Southern California, or utilize a sub-contractor for scanning services in the Southern California area (preferably within a 50 mile radius from the City of Costa Mesa)
- Proposer must have three years experience
- Quality control for all phases
- Fully indexed and searching capability. Boolean searches, full text searching as well as index searching (metadata searching).
- Software should support a variety of image file types (PDF, JPG, TIFF, DWG, XLS, DOC, PPT, ect.)
- Secure access to confidential image file such as Code Enforcement
- Quality of the scanned documents shall be to the satisfaction of the City, according to directions, and all work shall be done in compliance with the California Government Code and ANSI and AIIM standards. Required rescanning will be at no additional cost to the City.

SECTION II: INSTRUCTIONS TO PROPOSERS

ACCEPTANCE PERIOD. Unless otherwise specified herein, proposals are firm for a period of ninety- (90) days.

ADDENDA ACKNOWLEDGMENT. Each proposal shall include specific acknowledgment in the space provided of receipt of all addenda issued during the solicitation period. Failure to so acknowledge may result in the proposal being rejected as not responsive.

AUTHORIZED SIGNATURES. Every proposal must be signed by the person or persons legally authorized to bind the Proposer to a contract for the execution of the work. Upon request of the City of Costa Mesa, any agent submitting a proposal on behalf of a Proposer shall provide a current power of attorney certifying the agent's authority to bind the Proposer. If an individual makes the proposal, his or her name, signature, and post office address must be shown. If a firm or partnership makes the proposal, the name and post office address of the firm or partnership and the signature of at least one of the general partners must be shown. If a corporation makes the proposal, the proposal shall show the name of the state under the laws of which the corporation is chartered, the name and post office address of the corporation and the title of the person signing on behalf of the corporation. Upon request of the City of Costa Mesa, the corporation shall provide a certified copy of the bylaws or resolution of the board of directors showing the authority of the officer signing the proposal to execute contracts on behalf of the corporation.

AWARD OF PROPOSAL. Award will be made to the Proposer offering the most advantageous proposal after consideration of all Evaluation Criteria set forth below. The criteria are not listed in any order of preferences. An Evaluation Committee will be established by the City of Costa Mesa. The Committee will evaluate all proposals received in accordance with the Evaluation Criteria. The City reserves the right to establish weight factors that will be applied to the criteria depending upon order of importance. Weight factors and evaluation scores will not be released until after award of proposal. The City shall not be obligated to accept the lowest priced proposal, but will make an award in the best interests of the City after all factors have been evaluated. Discussions may, at the City's sole option, be conducted with responsible Proposers who submit proposals determined to be reasonably susceptible of being selected for an award. Discussions may be for the purpose of

clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and written revision of proposals. Revisions may be permitted after submissions and before award for obtaining best and final proposals. In conducting discussions, the City will not disclose information derived from proposals submitted by competing Proposers.

A Notification of Intent to Award may be sent to any Proposer selected. Award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully, the City may negotiate a contract with the next highest scoring Proposer or withdraw the RFP. A Professional Services Agreement will be created by the City Attorney's Office upon acceptance of the RFP. The proposal and the Professional Services Agreement will become incorporated as the contract that will be sent to City Council for award and authorization.

AWARD SELECTION PROCESS. Selection of qualified Proposers will be based on the following: quality and completeness of submitted proposal; understanding of project objectives; project approach; experience and expertise with public agencies and similar types of efforts; and references. Additional questions may be asked of Proposers and interviews may be conducted. Proposers will be notified of any additional required information or interviews after the written proposals have been evaluated. Interviews will be held with the most qualified respondents. The recommended proposals will be submitted to the City Council for contract approval. The Proposer selected will enter into a contract with the City.

CANCELLATION OF SOLICITATION. The City may cancel this solicitation at any time.

COMPLIANCE WITH LAWS. All proposals shall comply with current federal, state, and other laws relative thereto.

CONTRACT DOCUMENTS, EXAMINATION OF. It is the responsibility of the Proposer to carefully thoroughly examine and be familiar with legal and procedural documents, general conditions, all forms, specifications, drawings, plans, and addenda (if any), hereinafter referred to as Contract Documents. Proposer shall satisfy himself as to the character, quantity, and quality of work to be performed and materials, labor, supervision, equipment and appurtenances necessary to perform the work as specified by the Contract Documents. The failure or neglect of the Proposer to examine the Contract Documents shall in no way relieve him from any obligations with respect to the solicitation or contract. The submission of a proposal shall constitute an acknowledgment upon which the City of Costa Mesa may rely that the Proposer has thoroughly examined and is familiar with the contract documents. The failure or neglect of a Proposer to receive or examine any of the contract documents shall in no way relieve him from any obligations with respect to the Proposal. No claim will be allowed for additional compensation that is based upon a lack of knowledge of any solicitation document.

DISQUALIFICATION OF PROPOSER. If there is reason to believe that collusion exists among the Proposers, the City may refuse to consider proposals from participants in such collusion. No person, firm, or corporation under the same or different name, shall make, file, or be interested in more than one proposal for the same work unless alternate proposals are called for. A person, firm, or corporation who has submitted a sub-Proposal to a Proposer, or who has quoted prices on materials to a Proposer, is not thereby disqualified from submitting a sub-Proposal or quoting prices to other Proposers. Reasonable ground for believing that any Proposer is interested in more than one Proposal for the same work will cause the rejection of all Proposals for the work in which a Proposer is interested. If there is reason to believe that collusion exists among the Proposers, the City of Costa Mesa may refuse to consider Proposals from participants in such collusion. Proposers shall submit as part of their Proposal documents the completed Non-Collusion Affidavit provided herein.

DOCUMENTS TO BE RETURNED WITH PROPOSAL. Failure to completely execute and submit the required documents before the Submittal Deadline may render a proposal non-responsive. The documents that must be returned by the Submittal Deadline are: **Section IV. Offerors Proposal Response Requirements, Subcontractor Profile (if applicable), References, Non-collusion affidavit, Drug-free Workplace acknowledgement,**

Scanning Services Supplemental Questionnaire, Section V. Proposal, detailed cost schedule, product information, and signature page.

EXECUTION OF CONTRACT. Time is of the essence of this contract. The Successful Proposer/Contractor shall execute the contract, including but not limited to signing all necessary documents and submitting all required evidences of insurance, within ten (10) days after personal delivery of the notice or within fifteen (15) days after such notice has been deposited in the United States mail. One copy of the contract will be returned to the Contractor after the City of Costa Mesa executes the contract. In case of failure of the Contractor to execute and return the contract and all required documents within the time allowed, the City of Costa Mesa may, at its option, consider that the Proposer has abandoned the contract.

EXPERIENCE AND COMPETENCY. The Successful Proposer shall be skilled and regularly engaged in the general class or type of work called for under the contract. The Successful Proposer shall also have no less than **three (3)** years experience in the magnitude and character of the work proposal. Each Proposer shall be set forth his experience on the form entitled Proposer's Experience and submit it with his proposal. It is the intention of the City of Costa Mesa to award a contract to a Proposer who furnishes satisfactory evidence that he/she has the requisite experience, ability, sufficient capital, and facilities to enable him to prosecute the work successfully and properly, and to complete it within the time specified in the contract. To determine the degree of responsibility to be credited to the Proposer, the City of Costa Mesa will weigh any evidence that the Proposer has performed satisfactorily other contracts of like nature, magnitude, and comparable difficulty and comparable rates of progress. In selecting the lowest responsive and responsible Proposer, consideration will be given not only to the financial standing but also to the general competency of the Proposer for the performance of the work specified in the contract documents.

FIRM PRICE PERIOD. Proposers' offer shall remain open and firm for a period of not less than ninety- (90) calendar days from the Submittal Deadline.

FORMATION OF CONTRACT. Proposer's signed proposal and City's written acceptance shall constitute a binding contract.

INDEMNIFICATION

Contractor shall protect and indemnify the City, the City Council, and all of its or their officers, agents and servants against any claim or liability arising from or based on bidder's violation of any existing or future State, Federal, and local laws, ordinances, regulations, orders or decrees pertaining to bidder's submittal.

All work covered by this contract done at the site of maintenance or in preparing or delivering materials to the site shall be at the risk of contractor alone.

Contractor agrees to protect, defend, indemnify, save and hold harmless the City and its elected and appointed boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorney fees, for injury to or death of any person (contractor's employees included), and for injury to any property, including consequential damages of any nature resulting there from, arising out of or in any way connected with the performance of this contract, except that the indemnity obligation of contractor shall be reduced by an amount proportional to the active negligence of City, if any.

Contractor shall comply with all of the provisions of the Workers' Compensation insurance laws and Safety in Employment laws of the State of California, including the applicable provisions of Divisions 4 and 56 of the California Labor Code and all amendments thereto and regulations promulgated pursuant thereto, and all similar State, Federal, or local laws applicable; and contractor shall indemnify and hold harmless City from and against all claims, liabilities, expenses, damages, suits, actions, proceedings and judgments, or every nature and description, including attorney fees, that may be presented, brought or recovered against the City for or on account of any liability under or failure to comply with any of said laws which may be incurred by reason of any

work performed under this contract by contractor or any subcontractor or others performing on behalf of contractor.

The City does not, and shall not, waive any rights against contractor which it may have by reason of the above hold harmless agreements, because of the acceptance by the City or the deposit with the City by contractor of any or all of the required insurance policies.

The hold harmless agreements by contractor shall apply to all liabilities, expenses, claims, and damages of every kind (including but not limited to attorney fees) incurred or alleged to have been incurred, by reason of the operations of contractor or any subcontractor or others performing on behalf of contractor, whether or not such insurance policies are applicable.

Contractor shall require any and all subcontractors to afford the same degree of indemnification to the City of Costa Mesa and its elected and appointed boards, officers, agents, and employees that is required of contractor and shall incorporate identical indemnity provisions in all contracts between contractor and his subcontractors.

In the event that contractor and City are sued by a third party for damages caused or allegedly caused by negligent or other wrongful conduct of contractor, or by a dangerous condition of City's property created by contractor or existing while the property was under the control of contractor, contractor shall not be relieved of its indemnity obligation to City by any settlement with any such third party unless that settlement includes a full release and dismissal of all claims by the third party against the City.

INSURANCE

Contractor shall not commence work under this contract until he has obtained all insurance required under this section and the insurance has been approved by City as to form, amount, and carrier, nor shall contractor allow any subcontractor to commence any work until all similar insurance required of the subcontractor has been obtained and approved.

Neither the failure of contractor to supply specified insurance policies and coverage, nor the failure of City to approve same shall alter or invalidate the provisions of this contract.

WORKERS' COMPENSATION INSURANCE

- Contractor shall obtain and maintain during the life of this contract workers' compensation insurance and, if any work is sublet, contractor shall require all subcontractors to obtain workers' compensation insurance.
- All workers' compensation insurance policies shall provide that the insurance may not be canceled without thirty (30) days advance written notice of such cancellation to City.
- Contractor is aware of the provision of Section 3700 of the Labor Code, which requires every employer to be insured against liability for Workman's Compensation or undertake self-insurance in accordance with the provisions of that Code, and will comply, with such provisions before commencing the performance of the work of this contract.

LIABILITY INSURANCE COVERAGE

- A. Contractor shall obtain and maintain during the life of this contract the following insurance coverage:
 - Commercial General Liability, including coverage for premises-operations, products/completed operations hazard, blanket contractual, broad form property damage, and independent contractors, personal injury.
 - Automobile liability, including owned, hired, and non-owned vehicles.
- B. The above insurance coverages shall have limits of not less than one million dollars (\$1,000,000.00) combined single limit, per occurrence and aggregate.

- C. Endorsements to the policies providing the above insurance shall be obtained by contractor, adding the following three provisions:

1) **Additional insureds:** (For Commercial General Liability only)

"The City of Costa Mesa and its elected and appointed boards, officers, agents, and employees are additional insureds with respect to the subject project and agreement."

2) **Notice:**

"Said policy shall not terminate, nor shall it be canceled nor the coverage reduced, until thirty (30) days after written notice is given to City."

3) **Other Insurance:**

"Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."

- D. All insurance carriers utilized by the contractor or any subcontractor under this contract shall be approved by the California Department of Insurance to transact business in the State of California. The types of services provided under this contract may further require contractor's insurance carrier(s) to be admitted insurers in the State of California.

INDEPENDENT CONTRACTOR. Contractor covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. Contractor further covenants that, in the performance of this contract, no subcontractor or person having such an interest shall be employed. Contractor certifies that to the best of his knowledge, no one who has or will have any financial interest under this contract is an officer or employee of City of Costa Mesa. It is expressly agreed by Contractor that in the performance of the services required under this contract, Contractor, and any of its subcontractors or employees, shall at times be considered independent Contractors and not agents of City of Costa Mesa.

INFORMED PROPOSER. Proposers are expected to fully inform themselves as to the conditions, requirements, and specifications before submitting proposals. Failure to do so will be at Proposers' own risk and they cannot secure relief on the plea of error.

INK OR TYPEWRITTEN. All information, prices, notations, signatures, and corrections must be in ink or typewritten. Mistakes may be crossed out and corrections typed or printed adjacent to the mistake and initialed in ink by the person signing the proposal.

INTERPRETATION OF CONTRACT DOCUMENTS. If any person is in doubt as to the true meaning of any part of the specifications or other contract documents, or finds discrepancies or omissions in the specifications, he may submit to the City of Costa Mesa a written request for an interpretation or correction. Requests for interpretations shall be made in writing and delivered to the City of Costa Mesa Purchasing Division by mail at PO Box 1200, Costa Mesa, California, 92626 or by facsimile to (714) 754-5040 at least ten (10) days before the Submittal Deadline. The requesting party is responsible for prompt delivery of any requests. When the City of Costa Mesa considers interpretations necessary, interpretations will be in the form of an addendum to the contract documents, and when issued, will be sent as promptly as is practical to all parties recorded by the City of Costa Mesa as having received contract documents. All such addenda shall become a part of the contract. Oral and other interpretations or clarifications shall be without legal or contractual effect. It is the responsibility of each Proposer to ensure the City of Costa Mesa has their correct business name and address on file. Any prospective Proposer who obtained a set of contract documents from anyone other than the City of Costa Mesa

is responsible for advising the City of Costa Mesa that they have a set of contract documents and wish to receive subsequent Addenda.

NOMENCLATURES. The terms Successful Proposer, Successful Contractor, and Contractor may be used interchangeably in these specifications and shall refer exclusively to the firm with whom the City enters into a contract because of this solicitation.

NON-COLLUSION AFFIDAVIT. Proposers are required to submit a Non-Collusion Affidavit with their Proposals. See page 16.

OFFERS OF MORE THAN ONE PRICE. Proposers are NOT allowed to submit more than one proposal.

POSTPONEMENT OF OPENING. The City of Costa Mesa reserves the right to postpone the Submittal Deadline and opening of proposals any time before the date and time announced in the Request for Proposals or subsequent addenda.

PAYMENT TERMS. Discounts for payments made within 20 days or more from receipt of invoice will be considered in award of proposal. Payment discounts must be clearly shown in the proposal.

PRICE DISCREPANCIES. In the event that there are unit price items in a proposal schedule and the "amount" indicated for a unit price of an item does not equal the product of the unit price and quantity listed, the unit price shall govern and the amount will be corrected accordingly. If there is more than one item in a proposal schedule, and the total indicated for the schedule does not agree with the sum of prices of the individual items, the prices given for the individual items shall govern and the total for the schedule will be corrected accordingly. The Proposer will be bound by said corrections.

PRICES. All Proposals shall give the prices proposed, in figures, and shall give all other information requested herein, and shall be signed by the Proposer's authorized representative. Proposal prices shall include everything necessary for the completion of construction and fulfillment of the contract including but not limited to furnishing all materials, equipment, tools, facilities and all management, superintendence, labor, services, taxes, licenses and permits required to complete the work in accordance with the contract documents, except as may be provided otherwise in the contract documents. The work and the proposal price shall also include providing the necessary safety precautions such as barricades, warning signs for protection of the public and any necessary "cleanup" that is required to restore the work site to a satisfactory condition. Any items shown on the plans or details or described in the specifications that are not specifically listed in the proposal item are to be considered included in the proposal item and no additional or special compensation will be allowed. In the event that there is more than one proposal item in the proposal schedule, the Proposer shall furnish a price for all proposal items in the schedule, and failure to do so will render the proposal as non-responsive and may cause its rejection. The total amount of the proposal will be the sum of the total prices of all items in the proposal schedule. The total price of unit price items will be the product of the unit price and estimated quantity of the item. In case of discrepancy between the unit price and total price of an item, the unit price shall prevail if the unit price is ambiguous, unintelligible, or uncertain for any cause, or is omitted, it shall be the amount obtained by dividing the amount set forth as the total price by the estimated quantity of the item.

PROPOSAL FORMS

- a. Forms. Proposals must be submitted on preprinted forms supplied by the Purchasing Office.
- b. Copies. One original and eleven (11) copies must be submitted on or before the Submittal Deadline. Proposers shall submit one (1) original proposal marked "ORIGINAL" the identical copies. Envelopes containing the original and the copies should be marked in accordance with the directions found elsewhere in these instructions.
- c. Discrepancies. If discrepancies are found between the copies, or between the original and copy or copies, the "ORIGINAL" will provide the basis for resolving such discrepancies. If one document is not clearly marked "ORIGINAL", the City reserves the right to use the original as the Master. If no

document can be identified as an original bearing original signatures. Proposer's proposal may be rejected at the discretion of the City.

PROPOSAL CONTENT. Proposer must describe in detail how he/she will meet the requirements of this RFP, and may provide additional related information with his proposal. The proposal should be presented in a format that corresponds to, and references, the sections outlined in the Specification or Scope of Work, and should be presented in the same order. Responses to each section and subsection should be labeled to indicate which item is being addressed. Proposals should be straightforward and concise and provide "layman" explanations of technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer. If a complete response cannot be provided without referencing supporting documentation, you must provide such documentation with the proposal indicating where the supplemental information can be found.

Proposals must include all proposed terms and conditions, including, without limitation, written warranties, maintenance/service agreements, license agreements, lease purchase agreements, and the Proposer's standard contract language. The omission of these documents renders a proposal non-responsive. Proposals, which appear unrealistic in the terms of technical commitments, lack of technical competence, or are indicative of failure to comprehend the complexity and risk of this contract, may be rejected.

The City is not liable for any costs incurred by Proposers before entering into a formal contract. Costs of developing the proposals or any other such expenses incurred by the Proposer in responding to the RFP, are entirely the responsibility of the Proposer, and shall not be reimbursed in any manner by the City.

PROPOSAL DEADLINE. Proposals may be submitted any time before the Submittal Deadline. Proposals that do not arrive by the Submittal Deadline will be late and will be returned to the Proposer unopened.

PROPOSAL MODIFICATIONS. Any Proposer who wishes to make modifications to a proposal already received by the City of Costa Mesa must withdraw his proposal in order to make the modifications. Withdrawals must be made in accordance with the terms and conditions of this solicitation (see Withdrawal of Proposal). All modifications must be made in ink, properly initialed by Proposer's authorized representative, executed, and submitted in accordance with the terms and conditions of this solicitation. It is the responsibility of the Proposer to ensure that modified or withdrawn proposals are resubmitted before the Submittal Deadline.

PROPOSAL OPENING AND RESULTS.

Please note that there will be no public opening of proposals. Technical and cost details about proposals submitted will not be disclosed until an award is made. A list of the names of Proposers' who submitted proposals may be obtained within a reasonable time after the public opening.

PROPOSAL PRICES, NOTATIONS, AND MISTAKES. All prices and notations must be in ink or typewritten. Mistakes may be crossed out and corrections typed or printed adjacent to the mistake and initialed in ink by the person signing the Proposal. Prices shall be stated in units and offers made separately on each item. In case of conflict between unit prices and extended prices, unit prices will govern. Where there is a conflict between words and figures, words will govern.

PROPOSAL RECEIVED LATE. Late proposals will not be accepted and will be returned to Proposers unopened.

PROPOSAL REJECTION OF. The City reserves the right to reject any or all Proposals or any part of a Proposal. The City reserves the right to reject the Proposal of any Proposer who previously failed to perform adequately for the City or any other governmental agency. The City expressly reserves the right to reject the Proposal of any Proposer who is in default on the payment of taxes, licenses or other monies due the City of Costa Mesa.

PROPOSAL SUBMITTAL. Proposals should be clearly labeled and submitted in a sealed envelope or box bearing the name of the Proposer, RFP number, and Submittal Deadline. Proposer's authorized representative must properly initial any erasures or alterations of any kind. Proposals that contain omissions or improper erasures or irregularities may be rejected. No oral, electronic, telegraphic, or telephonic proposals or modifications will be considered unless otherwise specified herein.

PROPOSAL WITHDRAWAL. Proposers' authorized representative may withdraw proposals only by written request received before the Submittal Deadline.

PROPOSER IS SOLE POINT OF CONTACT. The Successful Proposer will be the sole point of contact. The City will look solely to the Successful Proposer for the performance of all contractual obligations that may result from an award based on this RFP, and the awarded Proposer shall not be relieved for the non-performance of any or all subcontractors.

PROPOSER'S BACKGROUND. Proposer must provide a company profile. Information provided shall include:

- a. Company ownership. If incorporated, the state in which the company is incorporated and the date of incorporation.
- b. Location of the company offices.
- c. Name, address, and telephone number of the Proposer's point of contact for a contract resulting from this RFP.
- d. Company background/history and why Proposer is qualified to provide the services described in this RFP.
- e. Length of time Proposer has been providing services described in this RFP. Please provide a brief description.

Proposer must include in his proposal a complete disclosure of any alleged significant prior or ongoing contract failures, any civil or criminal litigation or investigation pending which involves the Proposer or in which the Proposer has been judged guilty or liable. Failure to comply with the terms of this provision will disqualify any proposal. The City reserves the right to reject any proposal based upon the Proposer's prior history with the City or with any other party, which documents, without limitation, unsatisfactory performance, adversarial or contentious demeanor, significant failure(s) to meet contract milestones or other contractual failures.

PROPOSER'S REFERENCES. Proposers should provide a minimum of three (3) references from similar projects performed for any local government clients in California within the last three years. Information provided shall include:

- a. Client name;
- b. Project description;
- c. Project dates (starting and ending);
- d. Client project manager name and telephone number.

QUALIFICATION OF PROPOSERS. Each Proposer shall be skilled and regularly engaged in the general class or type of work called for under the contract. The Proposer's experience shall be set forth and submitted on the form provided herewith. It is the intention of the City to award a contract to a Proposer who furnishes satisfactory evidence that the Proposer has the requisite experience, ability, sufficient capital, facilities, and plant to enable the Proposer to prosecute the work successfully and properly, and to complete it within the time specified in the contract. To determine the degree of responsibility to be credited to the Proposer, the City will weigh any evidence that the Proposer has performed satisfactorily other contracts of like nature, magnitude and comparable difficulty and comparable rates of progress. In selecting the lowest responsive and responsible Proposer, consideration will be given not only to the financial standing but also to the general competency of the Proposer for the performance of the work covered and/or specified in the contract documents. To this end, each Proposal shall be supported by a statement of the Proposer's experience on the form entitled "Proposer's Experience", which is a part of the contract documents.

QUESTIONS AND COMMENTS. Questions and comments regarding this solicitation must be submitted in writing, either by mail or facsimile to the Purchasing Supervisor, City of Costa Mesa, 77 Fair Drive, Costa Mesa, California, 92626, or faxed to (714) 754-5040 no later than ten (10) days before the Submittal Deadline. The questioner's company name, address, phone and fax number, and contact person must be included with the questions or comments. Answers, if any, made by the City will be sent in writing to all known proposal holders.

REJECTION OF PROPOSALS, WAIVER OF INFORMALITIES. The City reserves the right to reject any or all proposals, or any part of a proposal. The City reserves the right to reject the proposal of any Proposer who previously failed to perform adequately for the City or any other governmental agency. The City expressly reserves the right to reject the proposal of any Proposer who is in default on the payment of taxes, licenses, or other monies due the City of Costa Mesa.

RULES FOR SUBMITTING PROPOSALS.

- a. **Submittal Deadline.** Proposals must arrive in the City of Costa Mesa City Clerk's Office, 77 Fair Drive 1st Floor, Room 101, by the Submittal Deadline shown in these specifications or subsequent addenda. Proposals may be submitted by hand, by courier, or any other method specified herein.
- b. **Responsibility.** Proposers are solely responsible for ensuring their proposal is received by the City in accordance with the solicitation requirements, before Submittal Deadline, and at the place specified. The City shall not be responsible for any delays in mail or by common carriers or by transmission errors or delays or mistaken delivery. Delivery of proposals shall be made at the office specified in the Request for Proposals (this solicitation). Deliveries made before the Submittal Deadline but to the wrong City office will be considered non-responsive unless re-delivery is made to the office specified before the Submittal Deadline.
- c. **Extension of Submittal Deadline.** The City reserves the right to extend the Submittal Deadline when it is in the best interest of the City.
- d. **Facsimile Transmissions.** Proposals may NOT be submitted by facsimile, unless otherwise specified herein.
- e. **Forms.** To be considered for award, each proposal shall include the forms furnished by the City.
- f. **Late Proposals.** The Submittal Deadline is FIRM. Proposals will NOT be accepted after the Submittal Deadline and will be returned to the Proposer unopened.
- g. **Signature.** To be considered for award, each proposal shall be signed by an authorized representative of the Proposer.
- h. **Sealed.** Proposals MUST BE submitted in a sealed envelope.

SELL OR ASSIGN. The successful Proposer shall not have the right to sell, assign, or transfer any rights or duties under this contract without the specific written consent of the City.

SIGNATURES. An individual who is authorized to bind the Proposer must sign the proposal.

SUBCONTRACTOR COMPETENCY. The Successful Proposer will be required to establish to the satisfaction of the City of Costa Mesa the competency, reliability and responsibility of the subcontractors proposed to furnish or perform the work described in the contract documents. Before the award of the contract, the City of Costa Mesa will notify the Proposer in writing if, after due investigation, the City of Costa Mesa has reasonable objection to any proposed subcontractor, the Proposer shall submit an acceptable substitute person to the City of Costa Mesa. Persons and entities proposed by the Proposer to be used as subcontractors, and to whom the City of Costa Mesa has made no reasonable objection, must be used on the work for which they were proposed and shall not be changed except with the written consent of the City of Costa Mesa.

SUBCONTRACTOR INFORMATION. If the proposal includes the use of subcontractors, Proposer must identify specific subcontractors and the specific requirements of this RFP for which each proposed subcontractor would perform services.

SUBCONTRACTOR REFERENCES. For all subcontractors that will be used on this project, Proposers must provide a minimum of two references from similar projects performed for any local government clients within the last three years. Information provided shall include:

- a. Client name;
- b. Project description;
- c. Project dates (starting and ending);
- d. Technical environment;
- e. Staff assigned to reference engagement that will be designated for work per this RFP;
- f. Client project manager's name and telephone number.

SUBMITTAL DEADLINE. The Submittal Deadline is 3:00 p.m., January 8, 2007, at 3:00 p.m. Proposals must arrive in the City of Costa Mesa City Clerk's Office, 77 Fair Drive 1st Floor Room 101, Costa Mesa, California, 92646, January 8, 2007, by 3:00 p.m., local time. The receiving time in the City Clerk's Office will be the governing time for acceptability of proposals.

SUBMITTAL METHOD. Proposals must be submitted in sealed envelopes and should be properly identified with the Proposal number and the Submittal Deadline. Telephone, telegraphic, facsimile, electronic, and late Proposals will not be accepted nor considered unless otherwise specified herein. It is the responsibility of Proposers to see that their Proposals have sufficient time to be received by the Purchasing Office before the Submittal Deadline. The City will not be held responsible for proposal envelopes mishandled as a result of the envelope not being properly prepared. Facsimile or telephone proposals will NOT be considered unless otherwise authorized; however, proposals may be modified by fax or written notice provided such notice is received before the opening of the proposals.

TERMS OF THE OFFER. The City reserves the right to negotiate final contract terms with any Proposer selected. The contract between the parties will consist of the RFP together with any modifications thereto, the awarded Proposer's proposal, and all modifications and clarifications that are submitted at the request of the City during the evaluation and negotiation process. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence: the final executed contract, the RFP, any modifications and clarifications to the awarded Proposer's proposal, and the awarded Proposer's proposal. Specific exceptions to this general rule may be noted in the final executed contract. Proposer understands and acknowledges that the representations above are material and important, and will be relied on by the City in evaluation of the proposal. Proposer misrepresentation shall be treated as fraudulent concealment from the City of the facts relating to the proposal.

WITHDRAWAL OF PROPOSAL. Proposers' authorized representative may withdraw Proposals only by written request received by the Purchasing Supervisor before the Proposal Submittal Deadline. After that time, Proposers may not withdraw their Proposals for a period of ninety- (90) days from the date of opening. At no time may the successful Proposer(s) withdraw his Proposal.

SECTION III: TERMS AND CONDITIONS

ASSIGNMENT OF RIGHTS OR OBLIGATIONS. Except as noted hereunder, Successful Proposer may not assign, transfer or sell any rights or obligations resulting from this solicitation without first obtaining the specific written consent of the City.

ATTORNEY FEES. In the event a suit or action is instituted in connection with any controversy arising out of this contract, the prevailing party shall be entitled to receive, in addition to its costs, such sum as the court may adjudge reasonable as to attorney's fees and costs.

AUTHORITY OF THE CITY. Subject to the power and authority of the City as provided by law in this contract, the City shall in all cases determine the quantity, quality, and acceptability of the work, materials and supplies for which payment is to be made under this contract. The City shall decide the questions that may arise relative to the fulfillment of the contract or the obligations of the contractor hereunder.

CANCELLATION OF THE CONTRACT. *Without* CAUSE, the City may cancel this contract at any time with thirty- (30) days written notice to the supplier/contractor. *With cause*, the City may cancel this contract at any time with ten (10) days written notice to the Proposer. Cancellation for cause shall be at the discretion of the City and shall be, but is not limited to, failure to supply the materials, equipment or service specified within the time allowed or within the terms, conditions or provisions of this contract. The successful Proposer may not cancel this contract without prior written consent of the City Purchasing Supervisor.

CHANGES IN WORK. The City may, at any time work is in progress, by written order and without notice to the sureties, make alterations in the terms of work as shown in the specifications, require the performance of extra work, decrease the quantity of work, or make such other changes as the City may find necessary or desirable. The Contractor shall not claim forfeiture of contract by reasons of such changes by the City. Changes in work and the amount of compensation to be paid to the Contractor for any extra work as so ordered shall be determined in accordance with the unit prices of contractor's proposal.

COMPLIANCE OR DEVIATION TO SPECIFICATIONS. Proposer hereby agrees that the material, equipment or service offered will meet all the requirements of the specifications in this solicitation unless deviations from them are clearly indicated in the Proposer's response. Proposer may submit an attachment entitled "Exceptions to Specifications", which must be signed by Proposer's authorized representative. An explanation must be made for each item in which an exception is taken, giving in detail the extent of the exception and the reason for which it is taken. Proposals failing to comply with this requirement will be considered non-responsive. Submittal of brochure or other manufacturer literature is desirable but may not be a substitution for this requirement.

COMPLIANCE WITH LAWS. All Proposals shall comply with current federal, state, local and other laws relative thereto.

CONTRACT INCORPORATION. This contract embodies the entire contract between the City and the Contractor. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein. No changes, amendments, or modifications of any of the terms or conditions of the contract shall be valid unless reduced to writing and signed by both parties. The complete contract shall include the entire contents of the RFP solicitation, all addenda, all of Proposer's successful submittal, supplemental agreements, change orders, and any and all written agreements which alter, amend or extend the contract.

FORCE MAJEURE. If execution of this contract shall be delayed or suspended and if such failure arises out of causes beyond the control of and without fault or negligence of the Contractor, the Contractor shall notify the City, in writing, within twenty-four (24) hours, after the delay. Such causes may include but are not limited to acts of God, war, acts of a public enemy, and acts of any governmental entity in its sovereign or contractual capacity, fires, floods, epidemics, strikes and unusually severe weather.

FORMATION OF CONTRACT. Proposer's signed Proposal and City's written acceptance shall constitute a binding contract.

LAWS - ADHERENCE TO ALL LOCAL, STATE, AND FEDERAL LAWS AND REQUIREMENTS. The Contractor shall adhere to all applicable federal, state, and local laws, codes and ordinances, including, but not limited to, those promulgated by CAL-OSHA, FED-OSHA, EPA, and the California State Department of Health Services.

LAWS GOVERNING CONTRACT. This contract shall be in accordance with the laws of the State of California. The parties stipulate that this contract was entered into in the County of Orange, in State of California. The parties further stipulate that the County of Orange, California, is the only appropriate forum for any litigation resulting from a breach hereof or any questions risen here from.

PAYMENT. Subsequent to payment, the contractor must submit an invoice for payment. Invoices shall be sent to: City of Costa Mesa, Accounts Payable, P. O. Box 1200, Costa Mesa, CA. 92628-1200. Invoices shall include the purchase order number and the description of the service provided and price. Payment shall be made within thirty (30) days after receipt of invoice. Invoices are to be submitted in arrears for services provided. Any "prompt payment discounts" will be taken by the City of Costa Mesa, if possible, and will be included in the bid evaluation if the terms offered are for (20) days or longer.

PROOF OF INSURANCE. The Successful Proposer must furnish the City with the Certificates of Insurance proving coverage of General Liability, Workers' Compensation and Automobile insurance. (See Indemnification and Insurance Requirement pages 7-9 and Conditions page 17 item #15). If you have any questions regarding the insurance requirements for the City of Costa Mesa, please contact Jim Thyden at (714) 754-5228.

SEVERABILITY. If any provisions or portion of any provision, of this contract are held invalid, illegal or unenforceable, they shall be severed from the contract and the remaining provisions shall be valid and enforceable.

SPECIFICATIONS, CHANGES TO. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding of any kind or nature not set forth herein or by written amendment. No changes, amendments, or modifications of any of the terms or conditions of the specification shall be valid unless reduced to writing and signed by both parties.

SPECIFICATIONS, DEFINITION. The term "specification" or "RFP specification" as used in this solicitation shall be interpreted to mean all the pages that make up this solicitation, including *but not limited to* the Request For Proposals, Instructions To Proposer, Terms and Conditions, Detailed Specifications or Scope of Work, Proposal form, Special Provisions, Proposed Equipment & Material Manufacturers form, Experience Statement, Subcontractor's List, Workers Compensation Insurance Certificate, Contractor Guaranty statement and Proposal Security Bond.

EVALUATION CRITERIA

Offeror's proposal will be evaluated on the basis of the response to all questions and requirements of this RFP. The City shall use some or all of the following criteria in its evaluation.

1. Technical Requirements

This set of criteria assesses how well the offeror responds to and demonstrates understanding of the RFP. It assesses how well the service meets the required specifications and objectives of the department.

2. Proposed Costs

This set of criteria assesses the proposed cost of the contract. It focuses on the costs provided in the proposal, including all government and co-operative agreement pricing, as well as any additional analysis done to determine the total costs.

3. Offeror's Capabilities

The Offeror's history of performance and demonstrated ability in providing the service will be assessed. These criteria will focus on a review of the Proposal and business reference checks.

The criteria as set forth herein for the evaluation of proposals are in random sequence and are not considered in any rank or order or importance.

CONDITIONS. The following standard conditions are always applicable, and the following work order conditions are also applicable when this order provides for performance of any work.

STANDARD CONDITIONS

1. **Law:** This contract is governed by the laws of the State of California. The provisions of the Uniform Commercial Code shall apply except as otherwise set forth in this contract.
2. **Contract:** This order, when accepted by SELLER either in writing or by the shipment of any article or other commencement of performance hereunder, constitutes the entire contract between SELLER and the CITY, no exceptions, alternates, substitutes or revisions are valid or binding on the CITY unless authorized by the CITY in writing. The SELLER acknowledges that he has read and agrees to all terms and conditions of this contract/purchase order. The only terms and conditions that will be applicable to the interpretation of this contract are those issued by the City of Costa Mesa.
3. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California State sales or use tax. The City is exempt from Federal excise tax.
4. **Delivery:** Time of delivery is the essence of this contract. The CITY reserves the right to refuse any goods and to cancel all or any part of the goods not delivered by the due date and/or not conforming to applicable specifications, drawings, samples or descriptions. Acceptance of any part of the order shall not bind CITY to accept future shipments, nor deprive it the right to return goods already accepted, at SELLER'S expense. Overshipments and undershipments shall be only as agreed to by CITY.
5. **Risk of Loss:** Delivery shall not be deemed to be complete until goods have been actually received and accepted by CITY. Payment shall be made after satisfactory acceptance of shipments by the CITY.
6. **Warranty:** SELLER expressly warrants that the goods covered by this order are of merchantable quality, satisfactory and safe for consumer use, and are fit for the particular purpose as set forth in the CITY'S specification. Acceptance of this order shall constitute an agreement upon SELLER'S part to indemnify and hold harmless from liability, loss, damage and expense, including reasonable attorney fees, incurred or sustained by CITY, its officers, employees and agents, by reason of the failure of the goods to conform to such warranties, faulty work performance, negligent or unlawful acts, and noncompliance with any applicable local, State or Federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law. Inspection by the City of Costa Mesa or its agents or employees and acceptance of the articles, materials and work covered by this contract shall not constitute release or waiver of the City of Costa Mesa's rights by reason of failure of Contractor to comply with any of the warranties contained herein. Warranties herein expressed or implied shall be construed as consistent with each other and as cumulative and, where in conflict, the specifications of the City of Costa Mesa shall be paramount.
7. **Infringement:** SELLER shall indemnify and defend CITY, at SELLER'S expense, against all claims, demands, suits, liability and expense on account of alleged infringement of any patent, copyright or trademark, resulting from or arising in connection with the manufacture, sale, normal use or other normal disposition of any article or material furnished hereunder.
8. **Assignment:** Neither this order nor any claim against CITY arising directly or indirectly out of or in connection with this order shall be assignable by SELLER or by operation of law, nor shall SELLER subcontract any obligations hereunder, without CITY'S prior written consent.
9. **Default:** If SELLER or any subcontractor breaches any provision hereof, or becomes insolvent, enters bankruptcy, receivership or other like proceeding (voluntarily or involuntarily) or makes assignment for the benefit of creditors, CITY shall have the right, in addition to any other rights it may have hereunder or by law, to terminate this order by giving SELLER written notice whereupon (a) CITY shall be relieved of all further obligation hereunder, except to pay the reasonable value of SELLER'S prior performance, but not more than the contracted price, and (b) CITY may procure the articles or services from other sources and may deduct from unpaid balance due the vendor or may collect against the bond or surety, or may invoice the vendor for excess cost so paid. The price paid by CITY shall be considered prevailing market price at the time such purchase is made.
10. **Labor Disputes:** Whenever any actual or potential labor dispute delays or threatens to delay the timely performance of this order, SELLER shall immediately give written notice thereof to CITY.
11. **Nondiscrimination:** In the performance of the terms of any contract resulting from this order, SELLER agrees that they will not engage nor permit such subcontractors, where applicable as he may employ, from engaging in discrimination in employment of persons because of the race, color, sex, national origin or ancestry, disability or religion of such person.
12. **Termination:** The CITY reserves the right to terminate this contract without penalty and without cause after 30 days' written notice unless otherwise specified.

WORK ORDER CONDITIONS

13. **Performance:** SELLER shall perform all work diligently, carefully, and in a good and workmanlike manner; shall furnish all labor, supervision, machinery, equipment, materials and supplies necessary therefor; shall obtain and maintain all building and other permits and licenses required by public authorities in connection with performance of the work; and, if permitted to subcontract, shall be fully responsible for all work performed by subcontractors. SELLER shall conduct all operations in SELLER'S own name and as independent contractor, and not in the name of, or as an agent for CITY.
14. **Indemnification:** The Contractor hereby agrees to defend at his own cost and to indemnify and hold harmless the City of Costa Mesa, its officers, agents and employees, from and against any and all liability, damages, costs, losses, claims and expenses, howsoever caused, resulting directly or indirectly from or connected with the performance of the contract (including but not limited to such liability, costs, damage, loss, claim, or expense arising from the death or injury to an agent or employee of the Contractor, subcontractor, or the City of Costa Mesa or loss of, damage to, or destruction of the property of Contractor, subcontractor, or of the City of Costa Mesa, or of any agent or employee of the Contractor, subcontractor, or of the City of Costa Mesa), except where such liability, damages, costs, losses, claims or expenses are caused solely by the negligent or wrongful acts of the City of Costa Mesa or any of its agents or employees other than negligent omission or commissions of the City of Costa Mesa, its agents or employees, in connection with the general supervision or direction of the work to be performed hereunder. The Contractor, in addition to the foregoing, specifically shall indemnify and save harmless the City of Costa Mesa, any and all of the City of Costa Mesa's officers, agents, and employees, from any liability by reason of California safe place statutes or similar provisions pertaining to the workplace or safety of materials or equipment supplied by the City of Costa Mesa or others at the direction of the City of Costa Mesa and used in the performance of the work hereunder.
15. **Insurance:** SELLER shall maintain in full force during the term of this contract the following insurances, in a form and with companies as approved by the CITY, with limits not less than those specified: (a) Worker's Compensation and Employer's Liability complying with any statutory requirements; (b) Commercial General Liability insurance including broad form property damage, products/completed operations and contractual liability coverage, with a \$1,000,000 combined single limit each occurrence; Endorsements to the Commercial General Liability insurance shall be obtained by contractor, adding the following three provisions; (1) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, agents, and employees are additional insureds with respect to the subject project and agreement." (2) Notice: "Said policy shall not terminate, nor shall it be cancelled nor the coverage reduced, until thirty (30) days after written notice is given to City." (3) Other insurance: "Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy." (c) Comprehensive Auto Liability (including the owned, nonowned and hired automobile hazards) with \$1,000,000 combined single limit each occurrence. If the CITY so desires, these limits may be increased or decreased.
16. **Bills and Liens:** SELLER shall pay promptly all indebtedness for labor, materials and equipment used in performance of the work. SELLER shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, SELLER shall promptly procure its release and indemnify CITY against all damages and expense incident thereto.
17. **Bonds:** If the CITY so desires, SELLER shall provide payment and performance bonds as required.
18. **Changes:** SELLER shall make no change in the work or perform any additional work without the CITY'S specific written approval.

MISCELLANEOUS CONDITIONS

19. All plants and materials must be free of pests and disease. If any are found, the material will be rejected and refused. Vendor will pick up at no cost to the CITY.

DEFINITION

Whenever used herein, "CITY" shall mean, City of Costa Mesa, a political subdivision of the State of California.

SECTION IV: OFFEROR'S PROPOSAL RESPONSE REQUIREMENTS

Proposals must be concise and sufficient detail to allow accurate evaluation and comparative analysis.

Firm Name: _____

Address: _____

Telephone: (____) _____ Fax: (____) _____

E-mail address: _____

Federal Tax I.D. Number: _____ Incorporated: ____ Yes ____ No Date _____

Name, Address, and telephone number of Proposer's point of contact resulting from this RFP:

Company History/Background of qualifications for this RFP:

Length of time Proposer has been providing services described in this RFP. Provide a brief description.

Signature: _____

Circle One: Owner Partner Officer

Print Name: _____

Title: _____ Date: _____

SUBCONTRACTOR PROFILE

If vendor intends to sub-contract any portion of the work in this proposal, this must be clearly stated and must include an itemization of the work to be sub-contracted along with the name, address, telephone number and contact person for the sub-contractor. (Note: The City reserves the right to disallow the use of any or all sub-contractors.)

Firm Name: _____

Address: _____

Contact Name: _____

Telephone: (____) _____ Fax: (____) _____

E-mail address: _____

Federal Tax I.D. Number: _____ Incorporated: ____ Yes ____ No Date _____

Years in Business: _____

Tasks to perform in this project: _____

Experience: _____

** Please provide a list of any additional subcontractors.

REFERENCES

Offeror should provide a minimum of three (3) business references in Southern California from similar projects performed for any clients, and specifically local government clients within the last three years. Include the clients name, project description, project dates (starting and ending), and client project manager name and telephone number.

REFERENCES CONTINUED:

NON-COLLUSION AFFIDAVIT.

I certify that this proposal is made without prior understanding, arrangement, agreement, or connection with any corporation, firm or person submitting a proposal for the same materials, supplies, or equipment, and is in all respects fair and without collusion or fraud. I certify that I have not entered into any arrangement or agreement with any City of Costa Mesa public officer. I understand collusive bidding is a violation of State and Federal law and can result in fines, prison sentences, and civil damage awards. I agree to abide by all conditions of this bid and certify that I am authorized to sign this proposal for the proposer.

Signature of Authorized Representative

Name of Authorized Representative

Title of Authorized Representative

SCANNING SERVICES SUPPLEMENTAL QUESTIONNAIRE

Facility Storage:

1. Describe security and fire protection measures available in the area where records will be processed.

2. Describe where and how City records will be stored before, during and after the records are processed, and how a particular document can be located if necessary.

3. Describe plan for archival storage of finished digital images.

Process Management:

1. Describe what records are created and maintained during the course of the scanning process.

2. What type(s) of visual inspections are performed during the processes?

3. What type(s) of quality control tests are performed, and when; what actions are taken when anomalies are identified?

4. Provide an example of a "statement of results" of quality control tests.

5. Provide a guaranteed "turnaround time" for scanning and delivery of the images and originals back to the City. Describe your process if the City needs a record immediately when it is in your possession.

SCANNING SERVICES SUPPLEMENTAL QUESTIONNAIRE CONTINUED

6. Is your company DOJ certified? Yes ___ No ___ (This is not a requirement of the current contract; however this is a requirement for all Police Department records.) Please provide additional comments.

Software and Annual Fees:

1. Provide the name of the software you have proposed. In addition, please provide the length of time this software has been available and the release version offered in the proposal.

2. Will the City's prior scanned documents be easily transferred to your software?

3. What provisions are provided to insure that the City will be able to utilize the data and software should the software provider go out of business? (i.e. source code in an escrow account)

4. The software should support a variety of image file types (PDF, TIFF, DWG, XLS, DOCT, PPT, ect) and the software should also provide secure access to confidential image file such as Code Enforcement. Does your software provide a fully indexed and simple search? Please explain how the proposed software will meet these requirements.

5. Provide any additional information about the software offered: Why do you think your software will meet the City's needs?

6. Explain if the software is limited to installation on the number of machines that are licensed or if the software controls the number of users.

COUNCIL POLICY – DRUG FREE WORKPLACE

CITY OF COSTA MESA, CALIFORNIA

COUNCIL POLICY

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8/08/89	1 OF 3

BACKGROUND

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a subgrantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This Policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

PURPOSE

It is the purpose of this Policy to:

1. Clearly state the City of Costa Mesa's commitment to a drug-free society.
2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

POLICY

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

1. Contractor or subgrantee hereby certifies that it will provide a drug-free workplace by:
 - A. Publishing a statement notifying employees that the unlawful manufacturer, distribution, dispensing, possessing, or use of a controlled substance is prohibited in Contractor's and/or subgrantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will taken against the employees for violation of such prohibition;
 - B. Establishing a Drug-Free Awareness Program to inform employees about:
 1. The dangers of drug abuse in the workplace;

CITY OF COSTA MESA, CALIFORNIA
COUNCIL POLICY

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8/08/89	2 OF 3

- 2. Contractor's and/or subgrantee's policy of maintaining a drug-free workplace;
 - 3. Any available drug counseling, rehabilitation and employee assistance programs; and
 - 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- C. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by Subparagraph A.
- D. Notifying the employee in the statement required by Subparagraph 1.A that, as a condition of employment under the contract, the employee will:
- 1. Abide by the terms of the statement; and
 - 2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such violation.
- E. Notifying the City of Costa Mesa within ten (10) days after receiving notice under Subparagraph 1.D.2 from an employee or otherwise receiving the actual notice of such conviction.
- F. Taking one of the following actions within thirty (30) days of receiving notice under Subparagraph 1.D.2 with respect to an employee who is so convicted:
- 1. Taking appropriate personnel action against such an employee, up to and including termination; or
 - 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency.
- G. Making a good faith effort to maintain a drug-free workplace through implementation of Subparagraph 1.A through 1.F, inclusive.
2. Contractor and/or subgrantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:
- A. Contractor and/or subgrantee has made a false certification under Paragraph 1 above.

CITY OF COSTA MESA, CALIFORNIA
COUNCIL POLICY

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8/08/89	3 OF 3

- B. Contractor and/or subgrantee has violated the certification by failing to carry out the requirements of Subparagraphs 1.A through 1.G above.
- C. Such number of employees of Contractor and/or subgrantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the Contractor and/or subgrantee has failed to make a good faith effort to provide a drug-free workplace.

3. Should any Contractor and/or subgrantee be deemed to be in violation of this Policy pursuant to the provisions of 2.A, B and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, or local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a Contractor and/or subgrantee, the Contractor and/or subgrantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon Issuance of any final decision recommending against debarment of the Contractor and/or subgrantee, the Contractor and/or subgrantee shall be eligible for compensation as provided by law.

DRUG-FREE WORKPLACE ACKNOWLEDGEMENT

The contractor acknowledges that he has read and understands the City of Costa Mesa's Council Policy #100-5 for a "Drug-Free Workplace" included above in number five and hereby agrees to comply with required policy.

Authorized Signature

**SECTION V: DOCUMENT IMAGING SERVICES PROPOSAL
RFP No. 1106**

To: City of Costa Mesa Finance Department
Attn: Purchasing Division
77 Fair Drive 1st Floor
Costa Mesa, CA, 92626

From: _____
Name of Proposer

Mailing Address

City, State & Zip

Three-year contract for Document Imaging Services

Approach: Offeror must include in this section its approach to providing the proposed consultant services per the specifications in Section I. The pricing for the consulting services is to provide all the detailed break down of the cost and what is included in the pricing. **Awarded proposer is expected to provide the following information: detailed cost schedule and product information relating to the scope of work and deliverables shown on page 3.**

Offeror to include any government or co-operative agreement pricing.

Responding to Request for Proposals No. 1106, the undersigned Proposer agrees to provide document imaging services in accordance with the specifications. I/We have stated hereon the price(s) at which we will furnish and deliver the services and will accept payment therefore in the charges shown below.

Proposer further agrees, in addition to the terms and conditions specified herein, the following terms and conditions are a part of this Proposal and any resulting contract.

F.O.B. Point. All shipments shall be made F.O.B. destination, Costa Mesa, California. F.O.B. destination indicates that the *seller* is responsible for shipment until it is tendered to the City of Costa Mesa, even if the City agrees to pay for shipping and handling. The City of Costa Mesa will allow freight charges, but only if they are indicated on this form. Freight shall be shown separately on the lines provided.

Award. Award will be based upon the Evaluation Criteria specified herein. Award will NOT be based upon price alone.

Signatures. All information submitted by Proposer, including signatures, must be original. Copies will not be accepted.

Taxes. Proposers should show California State Sales Tax on their Proposals if taxable. The City will pay it to the Successful Proposer who is a California supplier or out-of-state supplier that registers with the State of California and who has the appropriate California Seller's Permit. The City of Costa Mesa will pay the State Sales Tax directly to the State of California when the Successful Proposer is not registered with the state to collect it. The City of Costa Mesa is exempt from Federal Excise Tax.

SECTION V CONTINUED: DOCUMENT IMAGING SERVICES PROPOSAL

The cost shown below should include document pickup and delivery, two (2) sets of backup CDs, and document preparation and reassemble. The quality of the scanned documents shall be to the satisfaction of the City, required rescanning will be at no additional cost to the City.

Scanning Services:

Description	Unit Price/ Per Page
Scan, index, quality control & OCR when text (up to two fields) 8 1/2" x 11" size paper	\$ _____
Scan, index, quality control & OCR when text (up to two fields) 8 1/2" x 14 Legal size paper	\$ _____
Scan, index, quality control & OCR (up to two fields) 11" x 17" size paper	\$ _____
Scan, index, quality control & OCR(up to two fields) larger than 11" x 17" or blue print	\$ _____

What is the minimum batch size? _____

Please provide lead time and turnaround time: _____

Please provide cost to index additional fields for the sources listed above, attach additional pricing list

Does the cost shown above for scanning include destruction of the documents? Yes ___ No ___

Please provide media used for documents returned CD, FTP, DVD or other? (DVD is the preferred media).

Cost of converting and indexing 14 CDs for Planning \$ _____

Cost for additional backup copies \$ _____

The software should support a variety of image file types (PDF, TIFF, DWG, XLS, DOCT, PPT, ect) The software should also provide secure access to confidential image file such as Code Enforcement.

Software:

Description	Unit Price
Initial cost of software	\$ _____
Licensing	\$ _____
Cost for additional licenses	\$ _____
Is there a price break? _____ If so, at what number? _____	\$ _____
Training	\$ _____
Annual Support Cost	\$ _____

Please attach a detailed summary of all itemized costs and deliverables that will be provided by the proposer as a result of this consulting contract.

SECTION V CONTINUED: DOCUMENT IMAGING SERVICES PROPOSAL

Proposer shall complete the following:

1. All or None Proposal. This Proposal is offered on an all or none basis? _____(Yes/No)
2. Completion. How long will it take to process and return scanned materials in Phase I after award of the contract: _____days. Any additional information:

Please provide the approximate time frame needed to complete Phase 2: _____
Please provide the approximate time frame needed to complete Phase 3: _____
3. Discount. The following discount will be considered in award of proposal.
 - a. Payment Discount. Discount for payment of invoice within **20 days** of receipt is: _____%. Payment discount of 20 or more day will be considered in award. The City of Costa Mesa will not take discounts that are not earned.
 - b. Is the pricing you have provided based on another governmental agency contract? Yes ___ No ___, if yes, please provide the agency, contract number and expiration date:

4. **"PIGGYBACK" CLAUSE.** Contractor shall indicate below if he will extend the same prices, terms, and conditions of his bid to other public agencies: ___ Yes ___ No. Contractor's response to this question will *not* be considered in award of bid. When the Contractor extends the prices, terms, and conditions of this bid to other public agencies, the contract shall be between Contractor and the other agencies, and the City of Costa Mesa shall bear no responsibility or liability for the contracts.

Term of Offer. It is understood and agreed that this Proposal may not be withdrawn for a period of **ninety (90) days** from the Submittal Deadline, and at no time in case of successful Proposer.

Proposer's Acknowledgement of His Understanding of the Terms and Conditions. Signature below verifies that Proposer has read, understands, and agrees to the conditions contained herein and on all of the attachments and addenda.

Representations Made Under Penalty of Perjury. The representations herein are made under penalty of perjury. We hereby offer to sell the City of Costa Mesa the above item(s) at the prices shown and under the terms and conditions herein, attached, or incorporated by referenced.

Proposer Name (Person, Firm, Corp.)

Signature of Authorized Representative

Address

Name of Authorized Representative

City, State, Zip Code

Title of Authorized Representative

Telephone Number

Fax Number

EXHIBIT B
RESPONSE AND SCOPE OF SERVICES

Matrix Imaging Products, Inc.
3151 Airway Avenue, Suite H-1
Costa Mesa, CA 92626-4624
Tel 714.556.5600, Option 5
Fax 714.513.2376
E-Mail Burdett.Hallett@MatrixImagingInc.com
Web www.MatrixImagingInc.com



January 29, 2007

Ms. Christine Lam, City Clerk
CITY OF COSTA MESA
77 Fair Drive, 1st Floor, Room 101
Costa Mesa, CA 92626

RE: Request for Proposal #1106, 3-Year Agreement for Document Imaging Services

Dear Ms. Lam:

Thank you for the opportunity to submit our proposal for document imaging services, software, and support services. We understand and accept the stated requirements described in your RFP and Addendum, and we look forward to being of service.

Matrix Imaging was established in the City of Costa Mesa on January 1, 1996, and we are an experienced provider of document imaging services to Southern California municipalities.

This proposal contains the following sections:

1. Offeror's Proposal Response Requirements (RFP 1106, Section IV)
2. Document Imaging Services Proposal (RFP 1106, Section V)
3. Matrix Imaging Conversion Resources (Appendix, Exhibit A)
4. Matrix Imaging Proposed Document Imaging Software (Appendix, Exhibit B)

The pricing contained herein is valid for a period of ninety (90) days from January 29, 2007.

Please let us know if you have any questions regarding our response.

Sincerely,

Burdett L. Hallett
President and CEO

Cc: Jay Linhart
Dave Poltl



DOCUMENT IMAGING SERVICES PROPOSAL

**Prepared For
CITY OF COSTA MESA**

RFP #1106

**Matrix Imaging Products, Inc.
3151 Airway Avenue, Suite H-1
Costa Mesa, CA 92626-4624**

TEL 714.556.5600

www.MatrixImagingInc.com

January 29, 2007



SECTION IV: OFFEROR'S PROPOSAL RESPONSE REQUIREMENTS

Matrix Imaging Products, Inc.

Proposals must be concise and sufficient detail to allow accurate evaluation and comparative analysis.

Firm Name:

Matrix Imaging Products, Inc.

Address:

3151 Airway Avenue, Suite H-1, Costa Mesa, CA 92626-4624

Telephone: (714) 556-5600

Fax: (714) 513.2376

E-mail address:

burdett.hallett@matriximaginginc.com; jay.linhart@matriximaginginc.com

Federal Tax I.D. Number: 20-2601827 Incorporated: X Yes No Date April 4, 2005

NOTE: Matrix Imaging Products was established as a Limited Liability Company (LLC) in Costa Mesa, CA in January, 1996 (FEIN 33-0694796). Matrix Imaging Products, LLC became Matrix Imaging Products, Inc. (FEIN 20-2601827) on April 4, 2005.

Name, Address, and telephone number of Proposer's point of contact resulting from this RFP:

Jay Linhart, Vice President/Owner-Partner, Matrix Imaging Products, Inc., 3151 Airway Avenue, Suite H-1, Costa Mesa, CA, 714.556.5600, X-4.

Burdett Hallett, President and CEO, Matrix Imaging Products, Inc., 3151 Airway Avenue Suite H-1, Costa Mesa, CA, 714.556.5600, X-5.

Company History/Background of qualifications for this RFP:

Matrix Imaging Products, Inc., established in Costa Mesa in 1996, is a leading information systems and professional services company. Matrix Imaging designs, installs, and supports systems to capture, process, store, route, and manage documents, drawings, microfilm archives, and electronic data. In addition, Matrix Imaging has three conversion centers in Southern California to convert backlogs of client records – Costa Mesa, Chatsworth, and Palm Desert.

Matrix Imaging has scanned more than 60 million images since 1998, and we have the capacity to scan over 3 million pages per month. Matrix Imaging uses the best hardware and software products available in the industry, along with experienced personnel who will provide project management services to ensure success for the City of Costa Mesa.



Length of time Proposer has been providing services described in this RFP. Provide a brief description.

Matrix Imaging has been providing conversion services to governmental and private sector clients since 1998. Our conversion services include document preparation, scanning (paper, drawings, microfilm/microfiche), indexing, quality assurance, and CD/DVD duplication. We also offer web hosting services for off-site disaster recovery planning, as well as on-site and off-site conversion services.

Matrix Imaging has and/or is currently providing conversion services to many governmental and private sector clients, including:

CLIENT	PROJECT SCOPE
Cal State, Long Beach	Scan & index 1.5 million pages
City of Inglewood	Scan & index 3 million pages
City of Los Angeles	Scan & index 1.7 million images (on site)
First American Title Insurance	Scan & index 30 million images
Long Beach Police	Scan & index 1.5 million pages
Orange City Sheriff	Scan & index 3 million pages
Pacific Life Insurance	Scan & index 4 million pages
Santa Barbara City Sheriff	Scan & index 750,000 pages (Phase 1)
Santa Maria Police	Scan & index 800,000 pages
UCLA	Scan & index 300,000 pages
USC	Scan & index 200,000 pages (color)
Vista Irrigation	Scan & index 1 million pages (Phase 1)

Signature:

Circle One: Owner Partner Officer

Print Name:

Burdett L. Hallett

Title: Owner/Partner; President and Chief Executive Officer

Date: January 29, 2007



SUBCONTRACTOR PROFILE

If vendor intends to sub-contract any portion of the work in this proposal, this must be clearly stated and must include an itemization of the work to be sub-contracted along with the name, address, telephone number and contact person for the sub-contractor. (Note: The City reserves the right to disallow the use of any or all sub-contractors.)

Firm Name:

Recall Secure Destruction Services

Address:

2675 Pomona Boulevard, Pomona, CA 91768

Contact Name:

Customer Service Department

Telephone: (888) 732-2556 Fax: ()

E-mail address:

Federal Tax I.D. Number: 36-410289 Incorporated: Yes No Date _____

Years in Business: 30+ (worldwide) 15+ (USA)

Tasks to perform in this project:

Certified document destruction

Experience:

Global leader in secure document destruction.

** Please provide a list of any additional subcontractors.



REFERENCES

Offeror should provide a minimum of three (3) business references in Southern California from similar projects performed for any clients, and specifically local government clients within the last three years. Include the clients name, project description, project dates (starting and ending), and client project manager name and telephone number.

CLIENT / ADDRESS / URL	PROJECT CONTACT	PHONE NUMBER	DATES OF SERVICE	PROJECT SUMMARY
City of Beverly Hills 455 N. Rexford Beverly Hills 90210 www.beverlyhills.org	Byron Pope, City Clerk	310.285.2401	January 2006 to date	Design and implement City-wide document imaging system with Kodak Scanners, Kofax Ascent Software, twenty-five (25) EMC AX 5 and Records Management Software licenses, and Matrix Imaging professional services. Provide ongoing support.
City of San Juan Capistrano 32400 Paseo Adelanto San Juan Capistrano, 92675 www.sanjuancapistrano.org	Meg Monahan, City Clerk	949.443.6308	March 2005 to date	Design and implement City-wide document imaging system with eight (8) Kodak Scanners, Kofax Ascent, fifteen (15) EMC AX 5 licenses, and Matrix Imaging professional services for forty (40) applications. Provide ongoing support.
City of Del Mar 1050 Camino del Mar Del Mar, 92014 www.delmar.ca.us	Mercedes Martin, City Clerk & Information Systems Director	858.755.9313	June 2005 to date	Design and implement City Clerk document imaging system with Fujitsu Scanners, Kofax Ascent, twenty-five (25) EMC AX 5 licenses, and Matrix Imaging professional services. Provide ongoing support.
City of LA, ISD Purchasing 1100 N. Eastern Ave, Room G-115 Los Angeles 90063 http://laCity.info/	Lillian Fong, Section Manager, Technology Acquisition	323.267.2314	June 2006 to date	Design and implement document imaging system with Kodak Scanners, Kofax Ascent, twenty-five (25) EMC AX 5 licenses, and Matrix Imaging professional services, including on site scanning of 1.7 million images and web hosting. Provide ongoing support.



NON-COLLUSION AFFIDAVIT.

I certify that this proposal is made without prior understanding, arrangement, agreement, or connection with any corporation, firm or person submitting a proposal for the same materials, supplies, or equipment, and is in all respects fair and without collusion of fraud. I certify that I have not entered into any arrangement or agreement with any City of Costa Mesa public officer. I understand collusive bidding is a violation of State and Federal law and can result in fines, prison sentences, and civil damage awards. I agree to abide by all conditions of this bid and certify that I am authorized to sign this proposal for the proposer.

Signature of Authorized Representative

Burdett L. Hallett

Name of Authorized Representative

President and Chief Executive Officer

Title of Authorized Representative



SCANNING SERVICES SUPPLEMENTAL QUESTIONNAIRE

Facility Storage:

1. Describe security and fire protection measures available in the area where records will be processed.

Matrix Imaging Conversion Centers have fire and burglar alarms, including independently monitored sound and motion detection. Our facilities meet the State of California Title 22 standards for offsite storage of records. Access codes are limited to supervising staff; unsupervised access is prohibited. The nature of the business and the record types that are processed restrict the Center from dealing with the general public. The staff is trained and supervised in the specific production and records management processes of the Conversion Center. Each employee is required to sign a confidentiality agreement prior to working at the facility.

2. Describe where and how City records will be stored before, during and after the records are processed, and how a particular document can be located if necessary.

Matrix Imaging has proven procedures for maintaining the integrity of files throughout our conversion process. We use bar code labels and a production database to track box numbers, folders, etc., along with written procedures for our production staff.

Boxes of the City's records will be labeled with bar code identification and logged into our production database before being stored in the warehouse area of the production center. During the production process, the boxes will be moved to the document preparation area for processing and then be moved to the scanning area for capture, indexing, and quality assurance. Following the completion of these process steps, the boxes will be returned to the warehouse shelving area for return to the City or certified destruction, as directed by an authorized representative of the City.

Requested documents can be made available on an expedited basis by faxing the original document or emailing one or more scanned images of the requested document. Scanned images will be retrieved using the requested index fields from the production repository.

3. Describe plan for archival storage of finished digital images.

Based on the City's requirements, Matrix Imaging can provide (i) one or more copies of searchable, certified CD/DVD media for off-site storage, (ii) online storage and secure access to the City's images at our web hosting data center in Irvine, or (iii) a combination of both services.



Process Management:

1. Describe what records are created and maintained during the course of the scanning process.

Matrix Imaging uses Kofax Ascent Capture Software ("Ascent") to control our production process. Ascent has a robust reporting capability to track production and quality by individual operator, as well as the status of a specific production job at any given point.

A sample report format is shown below:

			CLIENT: ABC Corporation						Function		Scanning	
			CLIENT #: 1234-5678						Project Manager		Adrian Brown	
Entry Date	Production Time		Total Time	Unit Range		Image Count	Doc Count	Folder / Pkg Count	Box No.	Images/Hr	Rescan	
	Start	End		From	To							
09/30/06	9:30 AM	12:30 PM	3.00	51	100	2026	1012	6	1	675.33	No	
10/01/06	1:10 PM	2:50 PM	1.67	101	151	2075	1162	5	2	1245.00	No	
10/02/06	3:50 PM	4:00 PM	0.17	152	210	202	71	1	2	1212.00	No	
10/03/06	8:50 AM	10:40 AM	1.83	211	290	1563	1090	4	2	852.55	No	
10/04/06	11:20 AM	2:50 PM	3.50	270	370	1888	325	6	3	539.43	No	
10/05/06	2:50 PM	3:25 PM	0.58	329	450	1111	0	3	4	1904.57	No	
10/06/06	4:25 PM	4:50 PM	0.42	388	530	1073	142	3	4	2575.20	No	
10/07/06	9:35 AM	10:50 AM	1.25	447	610	1940	163	6	5	1552.00	No	
10/08/06	11:00 AM	1:40 PM	2.67	506	690	2100	749	6	6	787.50	No	
			15.08			13978	4714	40	9	1260.40		

2. What type(s) of visual inspections are performed during the processes?

Matrix Imaging's production software (Kofax Ascent) displays scanned images throughout the capture, indexing, and QA process for visual inspection. In addition, Ascent includes "Virtual Rescan" which optimizes the quality of each scanned image (deskewing, despeckling, contrast, brightness, etc.). Any scanned image which does not meet the specified quality standard is automatically routed to a Quality Assurance operator for specialized handling and (if required) rescanning. In addition, Ascent provides the ability to automatically validate index terminology, such as business permit numbers, vendor identification, etc. during the indexing process.



3. What type(s) of quality control tests are performed, and when; what actions are taken when anomalies are identified?

Scanned images are displayed for "real time" inspection throughout the capture, indexing, and QA process for visual inspection. Our production software (Kofax Ascent) includes "Virtual Rescan" which optimizes the quality of each scanned image (deskewing, despeckling, contrast, brightness, etc.). Any scanned image which does not meet the specified quality standard is automatically routed to a Quality Assurance operator for handling and (if required) rescanning. In addition, Ascent provides the ability to automatically validate index terminology, such as business permit numbers, vendor identification, etc. during the indexing process.

4. Provide an example of a "statement of results" of quality control tests.

		CLIENT: ABC Corporation				Function			Scanning		
		CLIENT #: 1234-5678				Project Manager			Adrian Brown		
Entry Date	Production Time		Total Time	Unit Range		Image Count	Doc Count	Folder / Pkg Count	Box No.	Images/Hr	Rescan
	Start	End		From	To						
09/30/06	9:30 AM	12:30 PM	3.00	51	100	2026	1012	6	1	675.33	No
10/01/06	1:10 PM	2:50 PM	1.67	101	151	2075	1162	5	2	1245.00	No
10/02/06	3:50 PM	4:00 PM	0.17	152	210	202	71	1	2	1212.00	No
10/03/06	8:50 AM	10:40 AM	1.83	211	290	1563	1090	4	2	852.55	No
10/04/06	11:20 AM	2:50 PM	3.50	270	370	1888	325	6	3	539.43	No
10/05/06	2:50 PM	3:25 PM	0.58	329	450	1111	0	3	4	1904.57	No
10/06/06	4:25 PM	4:50 PM	0.42	388	530	1073	142	3	4	2575.20	No
10/07/06	9:35 AM	10:50 AM	1.25	447	610	1940	163	6	5	1552.00	No
10/08/06	11:00 AM	1:40 PM	2.67	506	690	2100	749	6	6	787.50	No
			15.08			13978	4714	40	9	1260.40	

5. Provide a guaranteed "turnaround time" for scanning and delivery of the images and originals back to the City. Describe your process if the City needs a record immediately when it is in your possession.

Matrix Imaging will guaranty a five (5) day turnaround for scanning and delivery of the images and originals back to the City for up to twenty-five (25) boxes of documents. For expedited delivery of a record in Matrix Imaging's possession, we can (i) provide secure web access to the scanned image(s), or (ii) fax transmission of the document(s) within one (1) hour of the request.



SCANNING SERVICES SUPPLEMENTAL QUESTIONNAIRE CONTINUED

6. Is your company DOJ certified? Yes ___ No X (This is not a requirement of the current contract; however this is a requirement for all Police Department records.) Please provide additional comments.

Matrix Imaging is currently providing onsite scanning services for the Orange City Sheriff and offsite scanning services for the City of Inglewood Police Department. Matrix Imaging has provided scanning services for the Police Departments of Long Beach, Torrance, and Santa Maria, as well as the Santa Barbara City Sheriff.

Software and Annual Fees:

1. Provide the name of the software you have proposed. In addition, please provide the length of time this software has been available and the release version offered in the proposal.

Matrix Imaging will provide EMC Corporation's ApplicationXtender 5 Software ("AX 5") to the City. Matrix Imaging has been providing AX 5 Software to our governmental and private sector clients since 1996. The current release version, which Matrix Imaging will provide to the City, is v5.3. Please refer to the Appendix, Exhibit B, for detailed information on this robust suite of EMC Software.

2. Will the City's prior scanned documents be easily transferred to your software?

EMC's ApplicationXtender 5 Software ("AX 5") has the ability to import TIFF and PDF images, as well as all of the leading electronic document formats (MS Word, Excel, PowerPoint, Email, HTML, etc.), in batches.

3. What provisions are provided to insure that the City will be able to utilize the data and software should the software provider go out of business? (i.e. source code in an escrow account)

EMC's ApplicationXtender 5 Software ("AX 5") is an open architecture product, i.e. images and electronic documents are stored in their native file format. The data can be easily exported from AX 5 for viewing/printing by any software product that can view industry standard file formats.

Storage of AX 5 source code in an escrow account is negotiable. EMC Corporation (NYSE: EMC) is recognized by Gartner, Forrester Research, et al as the global leader in content management software. EMC had \$5.6+ billion in current assets as of September 30, 2006.

4. The software should support a variety of image file types (PDF, TIFF, DWG, XLS, DOC, PPT, etc.) and the software should also provide secure access to confidential image file such as Code Enforcement. Does your software provide a fully indexed and simple search? Please explain how the proposed software will meet these requirements.

ApplicationXtender can capture and manage almost any type of information, including:

- Desktop information, such as Microsoft Word, Excel, PowerPoint, Project, Outlook, CAD Files, etc. (drag and drop objects – email, attachments, appointments, meeting requests, and contacts – into the ApplicationXtender repository).
- Images – Bi-Tonal, Grayscale, Color, TIFF, Windows bitmaps, JPEG, TGA, GIF, PCX, DCX
- Video and Audio Recordings
- HTML Web Page Files
- Rich Text Format (RTF) Files
- Paper-based Documents
- Computer Output to Laser Disk (COLD) and Enterprise Report Management (ERM)
- ESRI GIS Information

These object types are stored as standard files within the file system on magnetic disk, RAID systems, DVD, optical disk, and tape storage devices. All of these storage devices can be scaled up from a single PC workstation to the enterprise to support multiple terabytes of data.

5. Provide any additional information about the software offered: Why do you think your software will meet the City's needs?

EMC's ApplicationXtender 5 Software ("AX 5") is easy to deploy and is designed for ease of use and robust performance. AX 5 Software conforms to the end user's terminology and processes, and it scales from a single user environment to enterprise-wide usage.

Please refer to the detailed AX 5 information found in the Appendix, Exhibit B.

6. Explain if the software is limited to installation on the number of machines that are licensed or if the software controls the number of users.

EMC's ApplicationXtender 5 Software ("AX 5") is installed on a Server and includes a robust security module with the number of identified concurrent users and their defined user rights and privileges. The number of identified users can scale from a single user to 5,000+, and these users can be organized into groups (departments). If desired, a defined number of concurrent use licenses can be dedicated to one or more specific departments.



COUNCIL POLICY – DRUG FREE WORKPLACE

CITY OF COSTA MESA, CALIFORNIA COUNCIL POLICY			
SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8/08/89	1 OF 3
BACKGROUND			
<p>Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a subgrantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This Policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.</p>			
PURPOSE			
<p>It is the purpose of this Policy to:</p> <ol style="list-style-type: none"> 1. Clearly state the City of Costa Mesa's commitment to a drug-free society. 2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace. 			
POLICY			
<p>The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.</p> <ol style="list-style-type: none"> 1. Contractor or subgrantee hereby certifies that it will provide a drug-free workplace by: <ol style="list-style-type: none"> A. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possessing, or use of a controlled substance is prohibited in Contractor's and/or subgrantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will taken against the employees for violation of such prohibition; B. Establishing a Drug-Free Awareness Program to inform employees about: <ol style="list-style-type: none"> 1. The dangers of drug abuse in the workplace; 			



CITY OF COSTA MESA, CALIFORNIA COUNCIL POLICY			
SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8/08/89	2 OF 3
<p>2. Contractor's and/or subgrantee's policy of maintaining a drug-free workplace;</p> <p>3. Any available drug counseling, rehabilitation and employee assistance programs; and</p> <p>4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.</p> <p style="padding-left: 40px;">C. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by Subparagraph A.</p> <p style="padding-left: 40px;">D. Notifying the employee in the statement required by Subparagraph 1.A that, as a condition of employment under the contract, the employee will:</p> <p style="padding-left: 80px;">1. Abide by the terms of the statement; and</p> <p style="padding-left: 80px;">2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such violation.</p> <p style="padding-left: 40px;">E. Notifying the City of Costa Mesa within ten (10) days after receiving notice under Subparagraph 1.D.2 from an employee or otherwise receiving the actual notice of such conviction.</p> <p style="padding-left: 40px;">F. Taking one of the following actions within thirty (30) days of receiving notice under Subparagraph 1.D.2 with respect to an employee who is so convicted:</p> <p style="padding-left: 80px;">1. Taking appropriate personnel action against such an employee, up to and including termination; or</p> <p style="padding-left: 80px;">2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency.</p> <p style="padding-left: 40px;">G. Making a good faith effort to maintain a drug-free workplace through implementation of Subparagraph 1.A through 1.F inclusive.</p> <p>5. Contractor and/or subgrantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:</p> <p style="padding-left: 40px;">A. Contractor and/or subgrantee has made a false certification under Paragraph 1 above.</p>			



CITY OF COSTA MESA, CALIFORNIA COUNCIL POLICY			
SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8/08/89	3 OF 3
<p>B. Contractor and/or subgrantee has violated the certification by failing to carry out the requirements of Subparagraphs 1.A through 1.G above.</p> <p>C. Such number of employees of Contractor and/or subgrantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the Contractor and/or subgrantee has failed to make a good faith effort to provide a drug-free workplace.</p> <p>3. Should any Contractor and/or subgrantee be deemed to be in violation of this Policy pursuant to the provisions of 2. A, B and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, or local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a Contractor and/or subgrantee, the Contractor and/or subgrantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon Issuance of any final decision recommending against debarment of the Contractor and/or subgrantee, the Contractor and/or subgrantee shall be eligible for compensation as provided by law.</p>			

DRUG-FREE WORKPLACE ACKNOWLEDGEMENT

The contractor acknowledges that he has read and understands the City of Costa Mesa's Council Policy #100-5 for a "Drug-Free Workplace" included above in number five and hereby agrees to comply with required policy.

 Authorized Signature



**SECTION V: DOCUMENT IMAGING SERVICES PROPOSAL
RFP No. 1106**

To: City of Costa Mesa Finance Department
Attn: Purchasing Division
77 Fair Drive 1st Floor
Costa Mesa, CA, 92626

From: Matrix Imaging Products, Inc.
Name of Proposer

Mailing Address:

3151 Airway Avenue, Suite H-1, Costa Mesa, CA 92626-4624
City, State & Zip

Three-year contract for Document Imaging Services

Approach: Offeror must include in this section its approach to providing the proposed consultant services per the specifications in Section I. The pricing for the consulting services is to provide all the detailed break down of the cost and what is included in the pricing. **Awarded proposer is expected to provide the following information: detailed cost schedule and product information relating to the scope of work and deliverables shown on page 3.**

Offeror to include any government or co-operative agreement pricing.

Responding to Request for Proposals No. 1106, the undersigned Proposer agrees to provide document imaging services in accordance with the specifications. I/We have stated hereon the price(s) at which we will furnish and deliver the services and will accept payment therefore in the charges shown below.

Proposer further agrees, in addition to the terms and conditions specified herein, the following terms and conditions are a part of this Proposal and any resulting contract.

F.O.B. Point. All shipments shall be made F.O.B. destination, Costa Mesa, California. F.O.B. destination indicates that the *seller* is responsible for shipment until it is tendered to the City of Costa Mesa, even if the City agrees to pay for shipping and handling. The City of Costa Mesa will allow freight charges, but only if they are indicated on this form. Freight shall be shown separately on the lines provided.

Award. Award will be based upon the Evaluation Criteria specified herein. Award will NOT be based upon price alone.

Signatures. All information submitted by Proposer, including signatures, must be original. Copies will not be accepted.

Taxes. Proposers should show California State Sales Tax on their Proposals if taxable. The City will pay it to the Successful Proposer who is a California supplier or out-of-state supplier that is registers with the State of California and who has the appropriate California Seller's Permit. The City of Costa Mesa will pay the State Sales Tax directly to the State of California when the Successful Proposer is not registered with the state to collect it. The City of Costa Mesa is exempt from Federal Excise Tax.



SECTION V CONTINUED: DOCUMENT IMAGING SERVICES PROPOSAL

The cost shown below should include document pickup and delivery, two (2) sets of backup CDs, and document preparation and reassemble. The quality of the scanned documents shall be to the satisfaction of the City, required rescanning will be at no additional cost to the City.

Scanning Services:

Description	Unit Price/Per Page		
	MATRIX IMAGING RESPONSES		
	A. *	B. **	C. ***
	Unit Price Per Image	Unit Price Per Image	Unit Price Per Image
Scan, index, quality control & OCR when text (up to two fields) 8 1/2" x 11" size paper	\$0.048	\$0.056	\$0.06
Scan, index, quality control & OCR when text (up to two fields) 8 1/2" x 14 Legal size paper	\$0.048	\$0.056	\$0.06
Scan, index, quality control & OCR (up to two fields) 11" x 17" size paper	\$0.048	\$0.056	\$0.06
Scan, index, quality control & OCR (up to two fields) larger than 11" x 17" or blue print	\$0.78	\$0.78	\$0.83
Indexing for additional fields (note: 2 index fields are included in pricing shown above)	\$0.038 per field	\$0.038 per field	\$0.038 per field
Microfiche Conversion	\$0.048 per image	\$0.048 per image	\$0.048 per image
Microfilm Conversion	\$0.015 per image	\$0.015 per image	\$0.015 per image

*Includes cost of document pickup and delivery, two (2) sets of DVD media, and document preparation.

**Includes Column A services plus cost of re-assembling the scanned documents.

***Includes Column A and B services plus the cost of certified document destruction.

CONVERSION SERVICE PAYMENT TERMS AND CONDITIONS

1. Payment terms Net 30, FOB Point of Shipment
2. Pricing does not include applicable sales tax or shipping expense.
3. Pricing is valid to June 29, 2007.



Description	MATRIX IMAGING RESPONSES
What is the minimum batch size?	10,000 letter-size documents or 1,000 engineering drawings.
Please provide lead time and turnaround time:	Lead time – Five business days. Turnaround time – Dependant on the number of boxes available for pickup at one time. Estimated production time for Building/Safety Division (7,000 drawings and 35,000 documents) is 2 to 4 weeks.
Does the cost shown above for scanning include destruction of the documents?	As noted above, Column C includes pricing for certified document destruction
Please provide media used for documents returned CD, FTP, DVD or other? (DVD is the preferred media).	DVD media will be provided. Optional DVD media including EMC retrieval software is available.
Cost of converting and indexing 14 CDs for Planning	\$2,400.00 (price offer is subject to CD images are standard TIFF format and index fields (address and case numbers) are in a standard ASCII text delimited file format.
Cost for additional backup copies	\$18.00 each

Please provide cost to index additional fields for the sources listed above, attach additional pricing list

As noted above, Matrix Imaging offer price is \$0.05 per index field.

The software should support a variety of image file types (PDF, TIFF, DWG, XLS, DOCT, PPT, etc.) The software should also provide secure access to confidential image file such as Code Enforcement.

Software:

Description	Unit Price
	MATRIX IMAGING RESPONSES
Initial cost of software	Software pricing below is based on concurrent use licensing (number of users connected to database simultaneously).
Licensing	Concurrent use methodology.
Cost for additional licenses	Please see offer pricing below.
Is there a price break?	Please see offer pricing below.
If so, at what number?	Please see offer pricing below.
Training	Please see offer pricing below.
Annual Support Cost	Please see offer pricing below.

Please attach a detailed summary of all itemized costs and deliverables that will be provided by the proposer as a result of this consulting contract.



MATRIX IMAGING SOFTWARE PRICING DETAIL

ITEMS	UNIT COST	QTY.	TOTAL COST	ANNUAL UPDATE SERVICE*
EMC ApplicationXtender Software License with Web Browser Interface – 10 Concurrent Users	\$1,760.	10	\$17,600.	\$3,960.
EMC ApplicationXtender Software License with Web Browser Interface – 25 Concurrent Users	\$1,216.	25	\$30,400.	\$6,840.
EMC ApplicationXtender Software License with Web Browser Interface – 50 Concurrent Users	\$960.	50	\$48,000..	\$10,800.
EMC ApplicationXtender Software License with Web Browser Interface – 100 Concurrent Users	\$760.	100	\$76,000.	\$17,100.
EMC Verity Full Text and OCR Server License	\$4,800.	1	\$4,800.	\$1,080.
EMC Verity Full Text and OCR Client Licenses (does <u>not</u> have to equal total number of ApplicationXtender licenses)	\$240.	As needed	TBD	\$54.00 per license

*Annual Update Service includes minor and major software updates at no additional charge for 12 months. Above pricing does not include Professional Services assistance to install and test product updates.

SOFTWARE PRODUCTS TERMS AND CONDITIONS

1. Payment terms Net 30, FOB Point of Shipment
2. Pricing does not include applicable sales tax or shipping costs.
3. Pricing is valid to June 29, 2007.



MATRIX IMAGING PROFESSIONAL SERVICES PRICING DETAIL

ITEMS	UNIT COST	QTY.	TOTAL COST
Project Management Services	\$1,200.	2	\$ 2,400.
EMC ApplicationXtender Software – Installation, Configuration, and Testing	\$1,200.	1	\$ 1,200.
EMC ApplicationXtender Software – End User Training	\$1,200.	1	\$ 1,200.
EMC ApplicationXtender Software – System Administrator Training	\$1,200.	1	\$ 1,200.
EMC Verity Full Text and OCR Software – Installation, Configuration, and Testing	\$1,200	1	\$ 1,200.
Matrix Imaging Annual Remote Technical Support via dial-in, phone, email, fax	\$2,500	1	\$ 2,500.
TOTAL SERVICES PRICING			\$9,700.

PROFESSIONAL SERVICES TERMS AND CONDITIONS

1. Payment terms Net 30.
2. Pricing does not include applicable sales tax or shipping costs.
3. Pricing is valid to June 29, 2007.

ADDITIONAL PROFESSIONAL SERVICES RATES (OPTIONAL)

1. Technical and end user training - \$150 per hour.
2. Custom software development - \$150 per hour.
3. On site technical support (Mon-Fri, 8:00AM to 5:00PM) - \$150 per hour.



SECTION V CONTINUED: DOCUMENT IMAGING SERVICES PROPOSAL

Proposer shall complete the following:

RFP 1106 QUESTION	MATRIX IMAGING RESPONSE
1. All or None Proposal. This Proposal is offered on an all or none basis?	No, this proposal is offered on the basis that Matrix Imaging will negotiate specific products or services with the City.
2. Completion. How long will it take to process and return scanned materials in Phase I after award of the contract: _____ days.	Phase 1 - ~22 to 44 business days.
Any additional information?	Please refer to Appendix, Exhibits A and B
Please provide the approximate time frame needed to complete Phase 2:	Phase 2 - ~66 to 88 business days.
Please provide the approximate time frame needed to complete Phase 3:	Phase 3 - ~66 to 88 business days.
3. Discount. The following discount will be considered in award of proposal. a. Payment Discount. Discount for payment of invoice within 20 days of receipt is: _____%. Payment discount of 20 or more day will be considered in award. The City of Costa Mesa will not take discounts that are not earned.	Discount for payment of invoice within 20 days of receipt is: <u>0</u> %.
b. Is the pricing you have provided based on another governmental agency contract? If yes, please provide the agency, contract number and expiration date.	No.
4. "PIGGYBACK" CLAUSE. Contractor shall indicate below if he will extend the same prices, terms, and conditions of his bid to other public agencies: ___ Yes ___ No. Contractor's response to this question will <i>not</i> be considered in award of bid. When the Contractor extends the prices, terms, and conditions of this bid to other public agencies, the contract shall be between Contractor and the other agencies, and the City of Costa Mesa shall bear no responsibility or liability for the contracts.	Yes.
Term of Offer. It is understood and agreed that this Proposal may not be withdrawn for a period of ninety (90) days from the Submittal Deadline, and at no time in case of successful Proposer.	Matrix Imaging agrees to and accepts this term of offer.



Proposer's Acknowledgement of His Understanding of the Terms and Conditions.

Signature below verifies that Proposer has read, understands, and agrees to the conditions contained herein and on all of the attachments and addenda.

Representations Made Under Penalty of Perjury. The representations herein are made under penalty of perjury. We hereby offer to sell the City of Costa Mesa the above item(s) at the prices shown and under the terms and conditions herein, attached, or incorporated by referenced.

Matrix Imaging Products, Inc.

Proposer Name (Person, Firm, Corp.)

Signature of Authorized Representative

3151 Airway Avenue, Suite H-1, Costa Mesa, CA 92626-4624
Address, City, State, Zip Code

Burdett L. Hallett

Name of Authorized Representative

President and CEO

Title of Authorized Representative

714.556.5600, X-5

Telephone Number

714.513.2376

Fax Number



APPENDIX

EXHIBIT A

Matrix Imaging Conversion Resources

Matrix Imaging Products, Inc. (Matrix Imaging) has reviewed the requirements in the RFP and Addendum in detail, and we fully understand and accept the City's expectations.

Please note the following information:

A. Company ownership:

Matrix Imaging Products, Inc. is a California Corporation, owned by Burdett Hallett and Jay Linhart.

B. Type of business entity:

Matrix Imaging was established as a California Limited Liability Company (LLC) in January, 1996. We converted the LLC to a California Corporation on April 20, 2005.

C. Location of Company offices:

Matrix Imaging Corporate Headquarters and Orange County Conversion Center:
3151 Airway Avenue, Suite H-1
Costa Mesa, CA 92626-4624
TEL 800.399.7144 FAX 714.513.2376

Matrix Imaging San Fernando Valley Conversion Center:
21350 Nordhoff Street, Suite 108
Chatsworth, CA 91311
TEL 818.885.5216 FAX 818.885.5265

Matrix Imaging Inland Empire Conversion Center:
75-153 Merle Drive, Suite D
Palm Desert, CA 92211
TEL 760.776.4727 FAX 760.776.4735



D. Name, address, and telephone number of the Proposer's point of contact for a contract:

Burdett L. Hallett, President and CEO
Matrix Imaging Products, Inc.
3151 Airway Avenue, Suite H-1
Costa Mesa, CA 92626-4624
TEL 800.399.7144, Option 5

Jay W. Linhart, Vice President and Owner/Partner
Matrix Imaging Products, Inc.
3151 Airway Avenue, Suite H-1
Costa Mesa, CA 92626-4624
TEL 800.399.7144, Option 4

PRODUCTION SCANNERS

- Kodak i600 and i200 Document Scanners: Single-sided or double-sided documents, up to 12 x 26", are scanned at 600 dpi resolution and optically reduced to 200 or 300 dpi before compression (industry-standard TIFF, Group IV format).
- Contex 36" Hawkeye Color Scanners: Scan engineering drawings up to 36" in width at 10 inches per second (IPS) in bitonal and 0.3 IPS in 24-bit color at resolutions up to 400 dpi.
- Wicks & Wilson Microfiche/Microfilm Scanners: Microfiche and Aperture Cards, 16mm and 35mm roll microfilm (diaz, vesicular, or silver; blipped or non-blipped). Images are scanned and automatically enhanced (cropped, deskewed, despeckled) with software.

PRODUCTION CAPTURE SOFTWARE

- Matrix Imaging uses Kofax Ascent Capture and Wicks & Wilson Software to capture, enhance, index, and QC images. Ascent Software controls the entire capture process, provides for excellent image cleanup, and formats the index data for uploading to ODBC-compliant database products.

PROFESSIONAL CONVERSION STAFF

- Matrix Imaging has an experienced full-time Conversion Service Staff, including Project Managers, Supervisors, and production staff. In addition, our staff members have security clearances for law enforcement and/or secure client environments.

CONVERSION PROJECT CAPACITIES

- Matrix Imaging has the ability to convert up to an additional 100,000 images per day (scanning, indexing, and QA).



Matrix Imaging Project Personnel

Ed Berkowitz, Conversion Manager

Mr. Berkowitz has been managing conversion projects since 2000. He will be assigned as Project Manager to oversee, provide direction, and manage the entire production process for the City.

Scott Kelley, System Engineer

Mr. Kelley joined Matrix Imaging in 2002 as a Production Supervisor in the Palm Desert Conversion Center. In this position, he set up production jobs, supervised the scanning and processing of documents, engineering drawings and microfilm, and provided technical support. In 2005, Mr. Kelley was promoted to System Engineer in the Costa Mesa headquarters where he supports Matrix Imaging clients and the Costa Mesa scanning operation.

Dave Poltl, Senior Account Manager

Mr. Poltl joined Matrix Imaging in 1997 as Matrix Imaging's first employee. He is the Orange County area Account Manager, and his responsibilities include managing major accounts. Mr. Poltl is a graduate of Chapman University, and his skill sets include imaging technology, project management, and account management.

Jay Linhart, Senior Project Consultant

Mr. Linhart is co-founder/owner of Matrix Imaging. His imaging career spans 40+ years from 1966 as an Electrical Engineer for Kodak's Imaging Division to date. Prior to founding Matrix Imaging in 1996 with Burdett Hallett, Mr. Linhart served as Vice President, Marketing/Sales of Photomatrix Corporation for 2 years. Prior to Photomatrix, Mr. Linhart served as Regional Sales Manager for Law Cypress, an imaging products distributor, for 2 years. Prior to Law Cypress, Mr. Linhart held sales management and field sales positions at Kodak for 13 years, product management positions for 8 years, and design engineering positions for 6 years. Mr. Linhart is a recognized expert in imaging technology, and his skill sets include project management, imaging systems design, and implementation.

Burdett Hallett, Executive

Mr. Hallett is President/CEO and co-founder/owner of Matrix Imaging, and he has 36+ years experience in the document imaging industry. Mr. Hallett began his career as a Micrographic Sales Representative with Eastman Kodak in 1970, where he spent eight years in a variety of field sales assignments. In 1978, Mr. Hallett joined AM International and served as worldwide Marketing Manager. In 1980, Mr. Hallett joined Memcom International, where he served as Vice President, Marketing & Sales. In 1986, Mr. Hallett was recruited to join Photomatrix Corporation, where he served as President and CEO. Mr. Hallett sold Photomatrix in 1994 and founded Matrix Imaging Products with J. W. Linhart in 1996. Mr. Hallett's skill sets include information systems consulting, requirements analysis, project management, and content management technology.



PROPOSED SERVICES

Matrix Imaging is an experienced provider of scanning and indexing services for public agencies, and we understand and accept the City's requirements and expectations for this project.

After the contract is signed, Matrix Imaging will schedule detailed project meetings with City staff to further review the City's requirements, and project setup and operating procedures. Following these meetings, Matrix Imaging will prepare the following project documentation for review and confirmation with City staff prior to initial testing and ongoing production:

- Indexing/indexing instructions
- Batch control procedures
- Output file format
- Validity checks or look-up databases
- Data delivery methods
- Project schedules
- Quality control requirements
- Reporting requirements

After the Project Manual has been finalized and accepted by the City, Matrix Imaging will develop a test scenario document for the City's acceptance, which will include a detailed description of our proposed setup and testing procedures. Upon acceptance by the City, Matrix Imaging will proceed to receive, process, and transmit test data to meet the City's expectations for quality and system compatibility. At the conclusion of the test period, Matrix Imaging will request written approval from the City to proceed with the production phase.

Scanning

Matrix Imaging utilizes Kofax Ascent Software to capture and maintain images in secure, manageable batches. Ascent's administration module controls the setup and definition of all batch classes, document classes, field types, validation scripts and release scripts. Matrix Imaging will develop a production application, specifically suited for the City's backfile conversion needs. The Kofax quality control module also allows quick, easy, and accurate identification of poor images for rescans. Since no scanner is perfect, this robust software ensures poor images are replaced quickly.

Indexing

Authorized, trained Data Capture Specialists open the automated batch control system queue. Each index operator is trained for speed and accuracy. Our verification steps ensure any key entry errors are corrected and all data to be placed on DVD media is accurate. The images that have been successfully key entered will go back to the automated batch control system queue.

Rejected images will need to be rescanned, re-indexed and eventually combined with their original batch that is sitting in the queue awaiting the completion of the reprocessing cycle. The Data Capture Specialist will maintain control of this batch until the complete reprocessing cycle is finalized and all images from the original batch are indexed, verified, and completed.



Image Quality Assurance

The indexed images are then presented to the quality assurance technicians and checked for readability, quality, and orientation. Should an image not meet Matrix Imaging's stringent quality requirements, it will be flagged and submitted for correction. The quality assurance technicians also attach the initial index information to the documents.

Capture Specialists maintain a log of batch image count, number of retakes, and sign off on the final disposition of the batch as completed. This phase of the conversion cycle is crucial in both the quality control process as well as the conversion cycle. The viewing and forced complete processing of each batch along with the logged inventory of page counts per batch ensures accurate data entry processing and image clarity accuracy.

Data Integrity

Data Integrity will be maintained by the proven, volume tested procedures used by Matrix Imaging. As a final Quality Control measure, Matrix Imaging has developed sophisticated Index Verification Software that analyzes the entered data associated with an image and detects variations in entered data against predefined specifications.

Batch Release

Batch release processing is handled by the most experienced conversion technicians primarily because of its level of importance to the overall success of the conversion cycle. Conversion Technicians select batches that are ready for release on the automated batch control system queue. These batches will be processed through sophisticated Index Verification Software that analyzes the entered data associated with an image and detects variations in entered data against predefined specifications. This custom software identifies missing document sequences, duplicate indexes and other anomalies in the indexed data.

Conversion technicians also maintain logs and verify the batch image count against all the previous entries taken at the different phases of the conversion cycle. For example, a batch that contained 112 images at the time of capture will have 112 images at the indexing phase and will be verified to contain 112 images at the release stage of the conversion process. Any variation or discrepancies will be researched located and resolved before final release of a batch is authorized.

Conversion technicians will also do random checks on images for confirmation and yet another quality control step to ensure image clarity and accuracy. An additional quality control measure taken by the conversion technician is to scan the index data after cycling the batch through the custom index verification software.

In summary, before any batch is released, it will be processed through a rigorous battery of quality control measures. These extra steps and quality control efforts insure that conversion images and associated index data is exactly what it should be, at the very least 99% accurate. All DVD media will be labeled in accordance with the City's instructions.



EXHIBIT B

EMC ApplicationXtender 5 Software - Technical Description

The City's document management needs will be met by EMC's ApplicationXtender Software (**AX 5**) and Web Browser Module (**WX 5**). Document retrieval can be done using one or more index fields, including full text queries, date range searches, wildcard searches (*), etc. The powerful search capability of **AX 5** and **WX 5** will provide direct access to information in seconds.

AX 5, Version 5.3, is a robust suite of document management software products from EMC, which operates in Microsoft Windows 98/NT/2000/XP environments. **AX 5** is designed around accepted standards for open architecture. Very large document collections (measured in the tens of millions) can be managed using standard file systems, such as NTFS and UNIX to store physical document files, and document index information in large-scale relational database systems, such as Oracle® and SQL Server®.

ApplicationXtender can capture and manage almost any type of information, including:

- Desktop information such as Microsoft Word, Excel, PowerPoint, Project, and Outlook (drag and drop objects, such as email, attachments, appointments, meeting requests, and contacts, into the ApplicationXtender repository).
- Images - Bi-Tonal, Grayscale, Color, TIFF, Windows bitmaps, JPEG, TGA, GIF, PCX, DCX, RTF
- Video and Audio Recordings
- HTML Web Page Files
- Rich Text Format (RTF) Files
- Paper-based Documents
- Computer Output to Laser Disk (COLD) and Enterprise Report Management (ERM)
- ESRI GIS Information

These object types are stored as standard files within the file system on magnetic disk, RAID systems, DVD, optical disk, and tape storage devices. All of these storage devices can be scaled up from a single PC workstation to the enterprise to support multiple terabytes of data.

The **AX 5** user interface is a PC-based thick client license. The **WX 5** user interface provides accessibility via an intranet or the Internet. The user interfaces provide a Windows look and feel and are compliant with Windows protocols such as print, fax, export, and e-mail.

AX 5 and **WX 5** Software, Version 5.3, have the following functionality:

- Quickly retrieve and display images and eDocuments
- Use full text, Boolean logic, multiple keywords, ranges, wild card(s), etc.
- Search across multiple applications
- Document Routing
- Use ad hoc or saved queries and work queues
- ODMA check-in/check-out and version control
- Annotation tools
- eDocument file viewing (MSWord, Excel, PowerPoint, Adobe PDF, AutoCAD, etc.)
- Content folders can contain multiple file types in one location (tif, pdf, Word, email, etc.)
- Adobe's PDF Library, Version 5, is now included in **AX 5**, which eliminates the need to launch Acrobat Reader to view pdf files.
****NOTE: In addition, authorized users can annotate pdf files**
- MS Word, Excel, PowerPoint, etc. are viewed in "read only", native file format
 - To edit eDocuments, the user must launch the appropriate host application
- Certificate-based document authentication
- Reason code tracking for regulatory compliance
 - Ensures the right person is accessing the right file for the right reason
- Full audit tracking by task/date/time/user
- "Image enable" existing host application(s)
 - The **AX 5** Integration Module eliminates the need for programming
- Search document properties
- Partition concurrent use licenses among multiple departments
- Outlook plug-in for tight integration
- ODMA integration with Microsoft Office applications
- Scalability to enterprise-wide dimensions
 - "Thin" or "Interactive" web users via Internet Explorer or "thick client" desktop PC users
 - Optional collaborative eRoom integration
 - Optional personal use Workflow module
 - Optional collaborative Workflow module (WFX)
 - Optional Records Management capabilities, including retention scheduling
 - Optional support for computer report applications (ERMx)
 - Optional support for email management (EMC Legato's EmailXtender)
 - Adherence to open architecture and industry standards, and
 - Aggressive concurrent user price/performance.

Using **AX 5** or **WX 5**, the user will:

- Enter full text words or partial words (with * for wild card searching) or known index data, such as document date, author, recipient, subject(s), etc.
- If the entered data is unique to one document, it will be displayed for viewing, printing, faxing, or e-mailing.
- If more general information is entered, the desired image(s) will be displayed in a common group, known as a Result Set List.
 - To determine which documents are of interest to the user, he/she can highlight multiple line items in the Result Set and right click to see the document's context (a series of words are displayed and hyper-linked for each document). This feature is very helpful to identify and select the desired document(s), as it eliminates the need to open and close individual documents.

Specific **AX 5** software features, which are ideal for the City's stated requirements, include:

- **Full Text Searching**

AX 5 provides integrated support for optical character recognition (OCR) using the Verity search engines. This support includes OCR processing of entire documents, individual document pages, or selected regions of pages. Users can select one or many ApplicationXtender documents to be processed, or ApplicationXtender can be configured to automatically process pages during scanning. The OCR process can add a text version of an image to your ApplicationXtender document, so users can toggle between the image view and the text view by clicking on a toolbar icon. OCR jobs can be processed immediately on the ApplicationXtender workstation or added to a queue for processing by the Index Server. ApplicationXtender's Index Server utilizes OCR technology to full-text index images, PDF, RTF, HTML, and foreign files.

Powerful searches can be initiated using known words or portions of words using **AX 5**'s wild card search tool.

- **Image Annotation**

AX 5 and **WX 5** users, who have the required rights and privileges, can keep images current by using annotation tools from the toolbar (shown at the bottom of the screen), such as highlighting, graphical lines, boxes, public *and* private electronic "sticky notes," redaction, etc.

Private "sticky notes" are displayed in icon form (see the top right of the image shown below), and only authorized users can open these notes. All user activities are logged to an audit file, which ensures end user compliance with system policies and procedures.

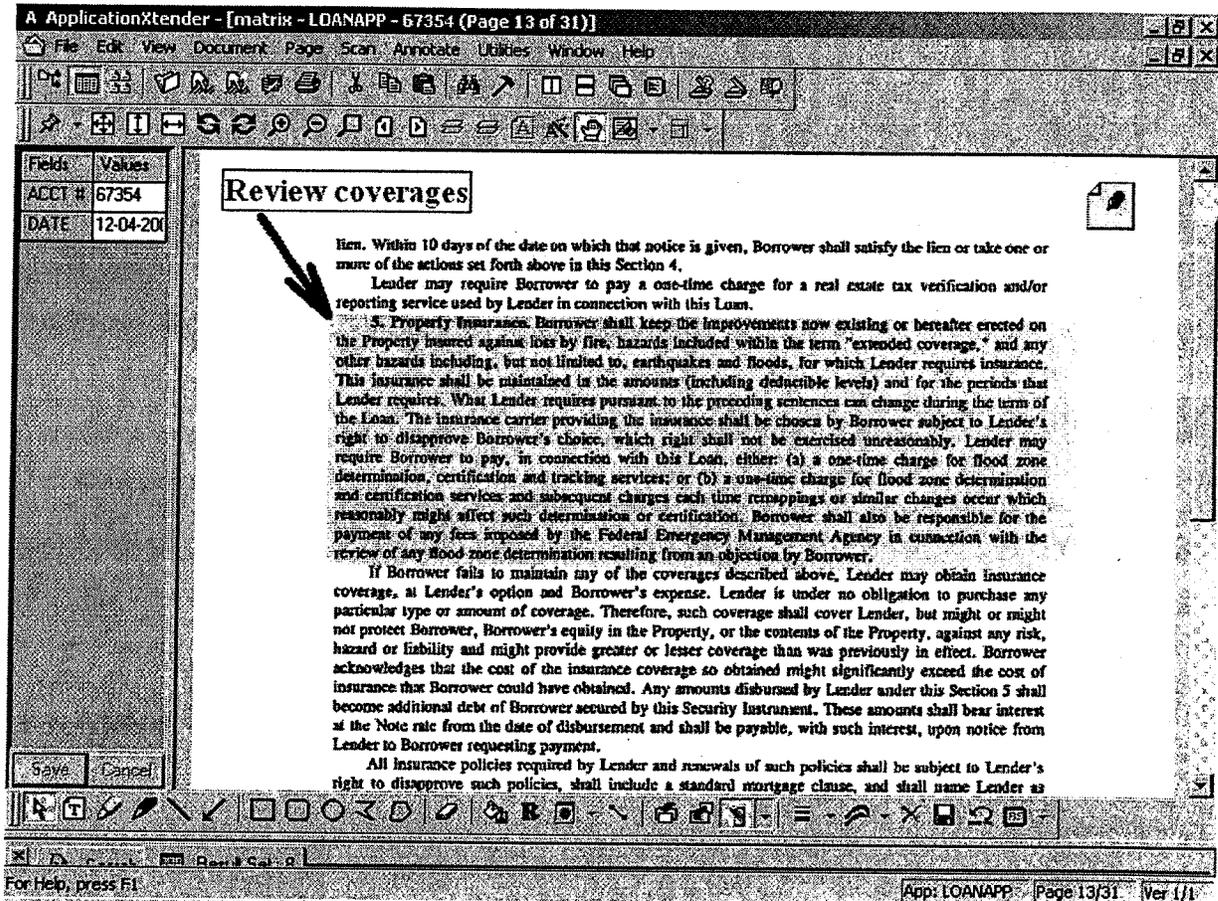


Figure 1. ApplicationXtender Annotation Screen.

- **Image Enabling Host Computer Applications**

Matrix Imaging can image enable virtually any host computer application. This technique “connects” related scanned images and eFiles to host PC applications. For example, a CITY user may display a employee history screen, which has been image enabled, and need to see the most recent evaluation, resume, etc. The user will simply click on a new toolbar icon (Display Image) or depress a “hot key” and **AX 5** or **WX 5** will be immediately launched (if not already running) to display the desired document(s).

This technique means no interruption in the person’s work cycle to go find a lost document; answers can be provided in seconds.

- **Digital Signatures**

AX 5 supports Digital Signature authentication, as illustrated below:

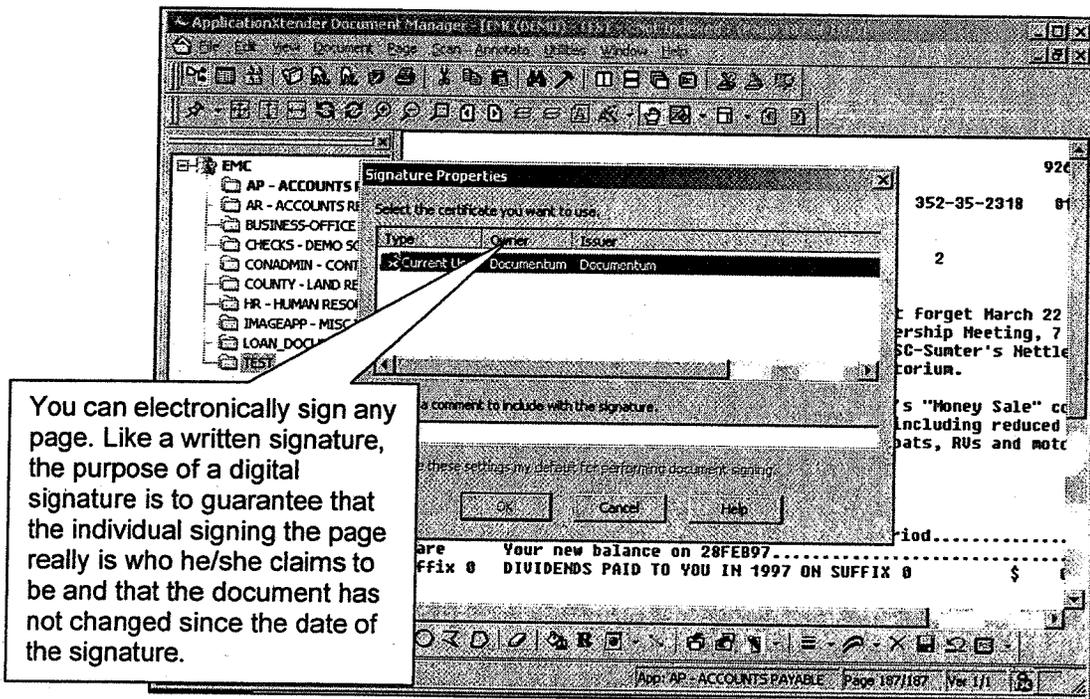


Figure 2. AX 5 Digital Signature Screen.

- **Email Management**

AX 5 integrates tightly with Microsoft Office applications, including Outlook. Incoming emails, with attachments, and associated meta data (To, From, Subject, Date) can be mapped to automatically route into the AX 5 Repository.

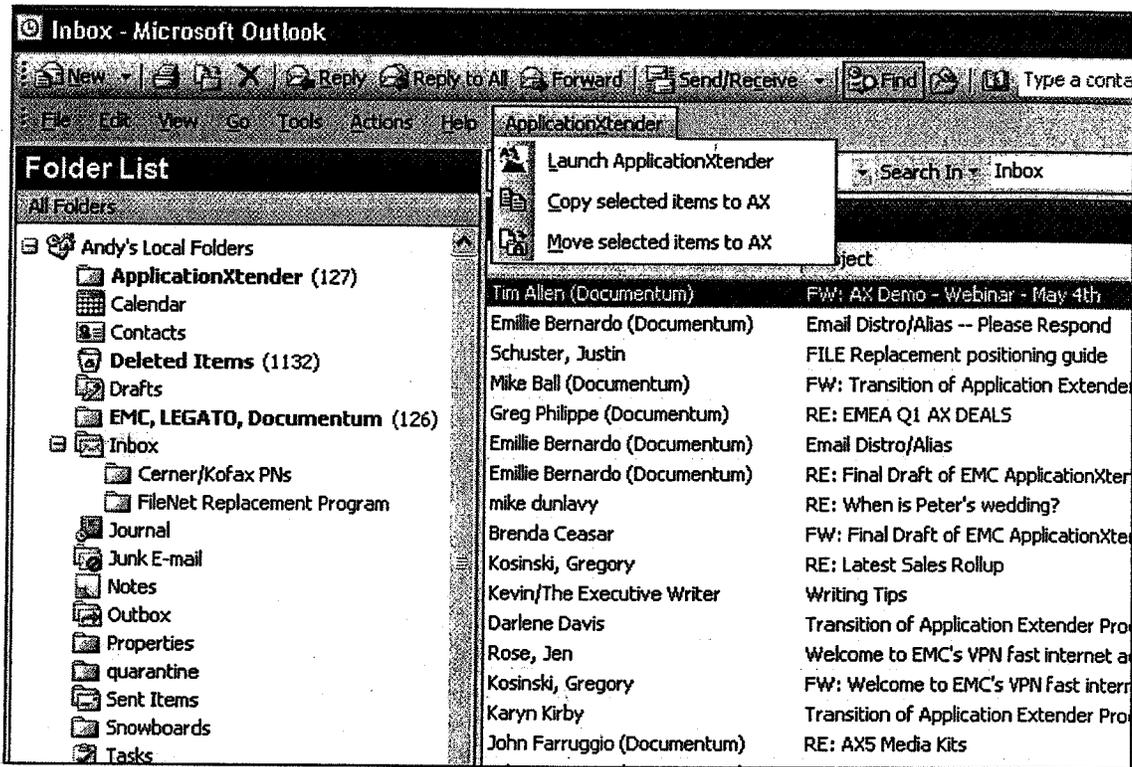


Figure 3. AX 5 Outlook Plug-In Screen.

- **Document Distribution**

AX 5 enables users to distribute the images via email by:

1. Sending a hyperlink to an internal AX 5 user (reduces network traffic); and/or
2. Emailing an industry-standard TIF format image. If the recipient does not use AX 5 Software, he/she can open the image using Microsoft desktop image viewing software.

- **Audit Trail of User Activity**

ApplicationXtender automatically creates a comprehensive, paperless audit trail of events for audit purposes by user, date, and time. The audit trail capability allows the System Administrator to customize the auditable events for tracking user activities on a global or per-application basis.

AX 5 also has a Reason Code feature, which obligates the user to enter why he/she needs access to specific information. This feature is very important when dealing with worker health care records to comply with HIPAA legislation.

- **Document Routing**

AX 5 provides a simple business process that allows users to easily route documents from user to user. As an example, if the initiator is distributing items for review/comment/approval, he/she will select the people from the box shown below on the left, specify sequential or concurrent distribution, enter a date (and time, if desired) in the Due Date field, and any comments of instruction to the recipient(s). The initiator can select either Workbox or Email to notify the recipient(s) of the information. A late notification will be sent to the reviewers and the initiator if the document has not been reviewed by the specified due date.

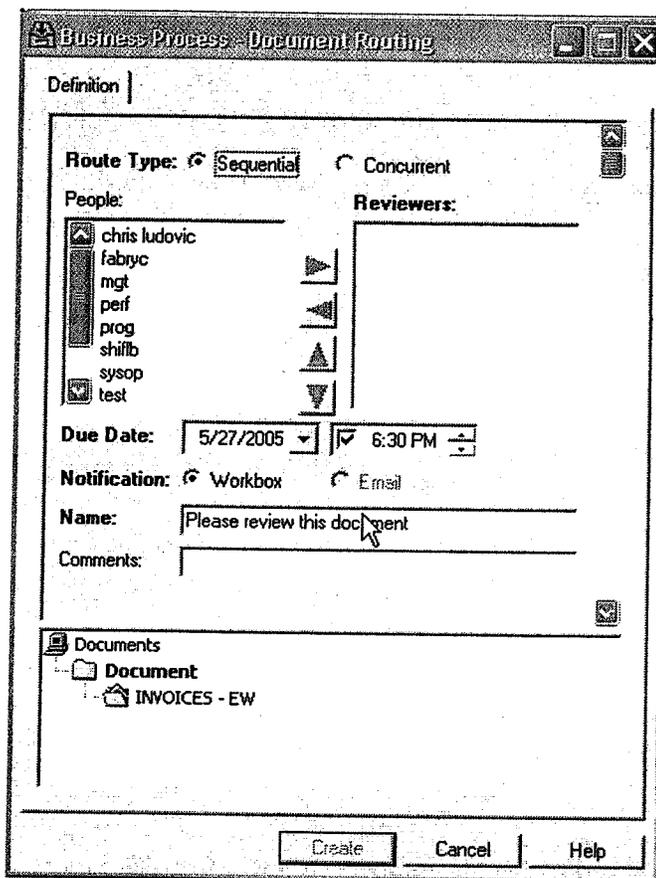


Figure 4. AX 5 Document Routing Screen.

- **Retention Manager Module**

AX 5 includes optional modules for document retention and comprehensive records management functionality. The **AX 5 Retention Manager** module interacts with a defined file system and retention schedule, and notifies the designated System Administrator when records have met their retention period. The **AX 5 Retention Manager** module is effective and less complex to administer than the **AX 5 Records Manager** module, which is designed to ensure regulatory compliance.



User benefits include:

- Reduces the risk of non-compliance and litigation through uniform, compliant policies and systems for record/message retention, access, archiving, and disposition.
- Controls the cost of storing and managing large volumes of records and messages in compliance with statutes, regulations, and established business practices.



AX 5 Web Browser Module (WX 5)

For scanning and/or retrieval over the Inter/Intra/Extranet, the **AX 5** Web Browser Module (**WX 5**) is a bundled feature. **WX 5** is based on the .NET framework for improved performance and enterprise-wide scalability (EMC has successfully tested connectivity up to 40,000 users).

WX 5 unites the power of ApplicationXtender (**AX 5**) content retrieval with the easy accessibility and portability of the Internet. Using a standard Web browser (such as Microsoft Internet Explorer™ or Netscape Navigator™), users can scan and/or import, delete, view, edit, print, and e-mail documents from **WX 5** and **AX 5** applications. Users can submit documents to the **AX 5** Index Server for OCR and full-text indexing, and batches created in **AX 5** can be indexed or viewed.

In addition, the **WX 5** Administrator can manage user sessions, user profiles, and full-text/OCR queues online in real-time, using **WX 5**'s Online Administration pages. Using Microsoft Internet Explorer or Netscape Navigator, end users connect to the **WX 5** server, then search for **AX 5** documents to view, index, or annotate.

WX 5 enables authorized users to search, display, annotate, route, print, import, and manage images and electronic documents. The Thin Client "read only" version of **WX 5** allows easy file access through the familiar interface of Microsoft's Internet Explorer or Netscape's Navigator. The Interactive Client architecture offers all of the commonly used display and annotation functionality of ApplicationXtender without the overhead and cost of thick client software distribution and configuration. This convenience and value lowers the total cost of ownership of a Document Management System.

Interactive Client features include annotation, scanning, and improved viewing of document images, as anti-aliasing (scale-to-gray) technology is used to display images. Rotation and zooming are faster, and print formatting and quality are significantly improved.

AX 5 and **WX 5** are tightly integrated with Microsoft Windows desktop software, including all of the printing/faxing/emailing functionality. Authorized users will be able to view and print annotated documents – or portions of documents - using familiar desktop and/or browser toolbar icons. As with any Windows application, users can select all pages, the current page, or a range of pages for printing using their designated printer (letter-size or wide format) and/or desktop fax software. Multiple users will be able to view and print the same image(s) concurrently.

Full-size images can be rotated and displayed at various levels of zoom enlargement. If the document images have been annotated (electronic sticky notes, highlighting, etc.), these annotations will also be displayed with the original image for authorized users. In addition, **WX 5** is LDAP-compliant (for enhanced security) and MAPI-compliant, enabling users to email the industry-standard TIF images to desired users, who can "open" these files using their desktop TIF viewer.

As illustrated below, the user interface of **WX 5** is similar to using Internet Explorer, with added Document Management query capabilities.

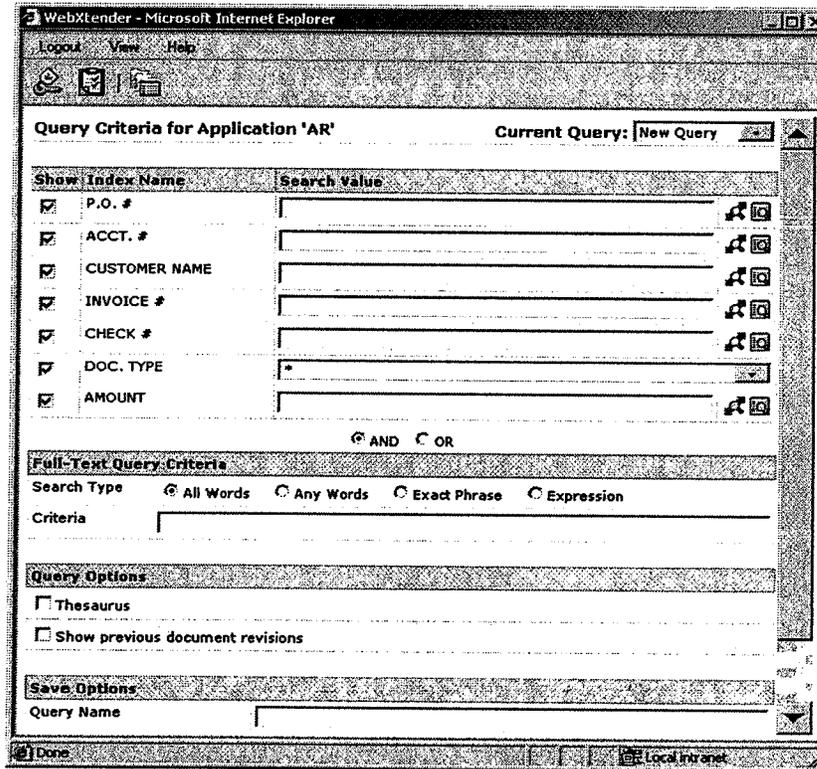


Figure 6. WX 5 Display Screen

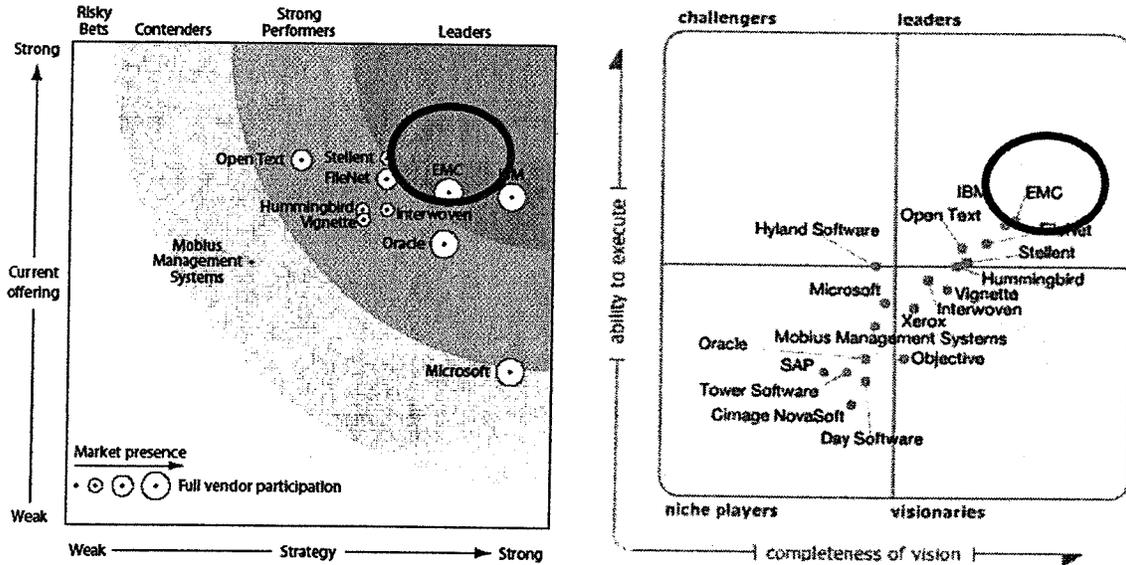
WX 5 requires Microsoft Internet Information Services (IIS). **WX 5** has been tightly integrated with IIS, version 4.0 and 5.0, allowing **WX 5** to utilize the latest and most innovative technologies from Microsoft's Web server product. The web pages are implemented using Active Server Pages (ASP) and Microsoft technology that combines scripting code (including VBScript and JavaScript) with HTML to create dynamic Web content. XML is used to store **WX 5** Server configuration information and to provide users of Internet Explorer 5.01 - 6.0 with enhanced functionality.

WX 5 Key Features

- **Internet/intranet access to content** – Enable collaboration with remote employees, the public, and vendors without having to install client software on every CITY PC workstation.
- **Leverages Web infrastructure standards** – Use **WX 5** with commercially available browsers such as Microsoft Internet Explorer or Netscape Navigator.
- **Comprehensive content display and processing** – Take advantage of a full range of display and processing functionality such as wildcard and range searches, annotations, redaction, and thumbnails.
- **Robust and flexible security** – Grant authenticated users application and document level privileges through various **AX 5** security model options, including native **AX 5** security, NT-based security, or LDAP directory services.

- Fully integrated with content and storage – Deliver content managed and processed within AX 5 to the Internet or your intranet.

Why EMC?



Source: Gartner Research Note
 Magic Quadrant for Enterprise
 Document Management, 2006



Figure 7. Forrester / Gartner Recognition.



Thank You for Considering
~ Matrix Imaging Products, Inc. ~



www.MatrixImagingInc.com

**Matrix Imaging Products, Inc.
3151 Airway Avenue, Suite H-1
Costa Mesa, CA 92626**

714.556.5600

**City of Costa Mesa Questions for
Matrix Imaging Products, Inc.**

05-18-07

Summary of RFP 1106 – Document Imaging

1.) The evaluation team expressed concerns over the security and fire measures at the Costa Mesa location. In the proposal, the other two locations available for scanning are Chatsworth and Palm Desert. How can you address the concerns?

- The City of Costa Mesa's on-going conversion project will be handled at Matrix Imaging's facility in Palm Desert. The facility includes fire/burglar alarms along with a sprinkler system and is monitored 24x7x365 by California Protection Agency, Inc.

2.) In the proposal it is indicated that storage of the source code is negotiable. In what circumstances could we have rights to the source code? Specifically we would want access if the company (either Matrix or EMC) went out of business.

-After further review and discussions with the Vendor (EMC) placing the source code in an escrow account is not an option. EMC reported 2006 revenues of \$11.15 billion. There is no "time limit" to the AX licenses. The software is purchased, not rented or leased, and intended to be used "as is" – without alteration by the customer or end-user. If kept in a working state, i.e. the database, images and associated hardware (servers, workstations, etc.) are all maintained & in working order the software should work continuously. Owning the source code, or having it in escrow, won't change that.

3.) The City payment terms are usually 30 days and payment is not made until service is performed. In the proposal it is indicated that the terms and conditions require 50% down and balance due at completion of each Phase. Let's discuss some options.

-We will offer standard Net 30 Terms to the City for all products and services in the contract.

4.) What is the cost of the web browser and what functionality is included? The City needs more information and discussion to determine the number of full licenses the City really needs.

-There is no extra cost for using the thin client/web browser vs. the full client/Application Xtender software.

5.) **What is included in the cost of annual maintenance? Right to upgrade? Technical support? Detail what is included.**

- **Annual Update Service/Maintenance includes minor and major software updates at no additional charge for 12 months. However, it does not include Professional Services assistance to install and test product updates/upgrades. Installation and testing of the update(s) in the client's environment will be billed at the applicable hourly rate shown below:**

- o 1. For services provided Monday through Friday, 8:00AM to 5:00PM, Matrix Imaging's hourly rate is \$150.
- o 2. For services provided Monday through Friday, 5:01PM to 12:00PM, Matrix Imaging's hourly rate is \$200.
- o 3. For services provided Saturday through Sunday, 8:00AM to 5:00PM, Matrix Imaging's hourly rate is \$225.
- o 4. For services provided Saturday through Sunday, 5:01PM to 12:00PM, Matrix Imaging's hourly rate is \$300.

6.) **Are there any issues with licensing if the City has a development server/ production server? Typically the City doesn't do upgrades to the production server until it is done on the development server. Rick indicated that typically the City has been tacitly licensed on both dev/production servers for other upgrades.**

-EMC has agreed to provide to the City a "demo" license at no cost that can be used on a development/test server. The "demo" license is limited to 5 users, 2,000 documents per application, and expires every year. EMC will renew this demo license each year as long as the Application Xtender annual update/maintenance is paid annually.

7.) **If we choose to upgrade from 25 to 50 concurrent users how do we do that? Is the cost prorated? Does the renewal date change?**

-The cost per license to upgrade from 25 to 50 concurrent licenses is \$960 or a total \$24,000. In addition, annual update service is \$216 per license or \$5,400 total. The total cost would be \$29,400. This price does not include additional EMC Verity Full Text and OCR Client Licenses, which do not have to equal the total number of ApplicationXtender Licenses.

8.) **Does the software have the ability to recognize locally scanned documents so that they can be backed up separately? We will be requesting the data on DVDs, however if departments add documents to the files, the DVDs will not reflect what is in the live database. Please provide any insight on this concern.**

-There are a number of ways to handle this request, one option is to add Scan Date or an additional index field to the document indexes & auto-populate at time of internal scanning and then perform periodic backups to include these images.

9.) We need more details on the EMC Verity Full Text and OCR Client Licenses, in the RFP it is indicated this is to be determined.

-Discussed during meeting on 05-17-07

10.) What is the cost to interface to other applications – Permits Plus, GIS, PeopleSoft?

-Must be determined based on the particular application(s) to be image-enabled.

-Meeting Topic- See attached AXIM brochure

APPXTENDER INTG MOD (1-10 CONCURRENT USERS) ST	4995	899
APPXTENDER INTG MOD (11-25 CONCURRENT USERS) ST	9995	1799
APPXTENDER INTG MOD (26-50 CONCURRENT USERS) ST	15000	2700
APPXTENDER INTG MOD (51-100 CONCURRENT USERS) CNC	25000	4500

11.) Training session – How many people can be trained in one session and how long is the training session?

-Multiple training requirements:

- a. System Administrator Training – 1 Day – up to 4 trainees
- b. End User Training– 1 Day – up to 10

12.) Matrix Imaging Annual Remote Technical Support – Is it possible to not to elect this option in the second year?

-Yes, support would then be provided/billed on a per-call basis

13.) Is the cost of all software included in your price, specifically SQL?

-No, only EMC software is included in the proposed quote. All “operating system” software and any other additionally required software is not included in this pricing. We recommend *Microsoft SQL 2005 Standard or Enterprise*.

EXHIBIT C
FEE SCHEDULE

Matrix Imaging Products, Inc.

3151 Airway Avenue, Suite H-1

Costa Mesa, CA 92626-4624

Tel 714.556.5600, Option 5

Fax 714.513.2376

E-Mail Burdett.Hallett@MatrixImagingInc.com

Web www.MatrixImagingInc.com



June 6, 2007

Ms. Debbie Dobrott, Purchasing Supervisor
CITY OF COSTA MESA
77 Fair Drive, 1st Floor
Costa Mesa, CA 92626

Dear Ms. Dobrott:

In regard to Matrix Imaging's proposal, dated January 29, 2007, to the City of Costa Mesa, please be advised the validity of the pricing contained in this proposal is hereby extended to the close of business on July 31, 2007.

We appreciate the opportunity to be of service to the City. Please let me know if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Burdett L. Hallett". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Burdett L. Hallett
President and CEO

Cc: Jay Linhart
Dave Poltl



SECTION V CONTINUED: DOCUMENT IMAGING SERVICES PROPOSAL

The cost shown below should include document pickup and delivery, two (2) sets of backup CDs, and document preparation and reassemble. The quality of the scanned documents shall be to the satisfaction of the City, required rescanning will be at no additional cost to the City.

Scanning Services:

Description	Unit Price/Per Page		
	MATRIX IMAGING RESPONSES		
	A. *	B. **	C. ***
	Unit Price Per Image	Unit Price Per Image	Unit Price Per Image
Scan, index, quality control & OCR when text (up to two fields) 8 ½" x 11" size paper	\$0.048	\$0.056	\$0.06
Scan, index, quality control & OCR when text (up to two fields) 8 ½" x 14 Legal size paper	\$0.048	\$0.056	\$0.06
Scan, index, quality control & OCR (up to two fields) 11" x 17" size paper	\$0.048	\$0.056	\$0.06
Scan, index, quality control & OCR (up to two fields) larger than 11" x 17" or blue print	\$0.78	\$0.78	\$0.83
Indexing for additional fields (note: 2 index fields are included in pricing shown above)	\$0.038 per field	\$0.038 per field	\$0.038 per field
Microfiche Conversion	\$0.048 per image	\$0.048 per image	\$0.048 per image
Microfilm Conversion	\$0.015 per image	\$0.015 per image	\$0.015 per image

*Includes cost of document pickup and delivery, two (2) sets of DVD media, and document preparation.

**Includes Column A services plus cost of re-assembling the scanned documents.

***Includes Column A and B services plus the cost of certified document destruction.

CONVERSION SERVICE PAYMENT TERMS AND CONDITIONS

1. Payment terms Net 30, FOB Point of Shipment
2. Pricing does not include applicable sales tax or shipping expense.
3. Pricing is valid to June 29, 2007.



Description	MATRIX IMAGING RESPONSES
What is the minimum batch size?	10,000 letter-size documents or 1,000 engineering drawings.
Please provide lead time and turnaround time:	Lead time – Five business days. Turnaround time – Dependant on the number of boxes available for pickup at one time. Estimated production time for Building/Safety Division (7,000 drawings and 35,000 documents) is 2 to 4 weeks.
Does the cost shown above for scanning include destruction of the documents?	As noted above, Column C includes pricing for certified document destruction
Please provide media used for documents returned CD, FTP, DVD or other? (DVD is the preferred media).	DVD media will be provided. Optional DVD media including EMC retrieval software is available.
Cost of converting and indexing 14 CDs for Planning	\$2,400.00 (price offer is subject to CD images are standard TIFF format and index fields (address and case numbers) are in a standard ASCII text delimited file format.
Cost for additional backup copies	\$18.00 each

Please provide cost to index additional fields for the sources listed above, attach additional pricing list

As noted above, Matrix Imaging offer price is \$0.05 per index field.

The software should support a variety of image file types (PDF, TIFF, DWG, XLS, DOCT, PPT, etc.) The software should also provide secure access to confidential image file such as Code Enforcement.

Software:

Description	Unit Price
	MATRIX IMAGING RESPONSES
Initial cost of software	Software pricing below is based on concurrent use licensing (number of users connected to database simultaneously).
Licensing	Concurrent use methodology.
Cost for additional licenses	Please see offer pricing below.
Is there a price break?	Please see offer pricing below.
If so, at what number?	Please see offer pricing below.
Training	Please see offer pricing below.
Annual Support Cost	Please see offer pricing below.

Please attach a detailed summary of all itemized costs and deliverables that will be provided by the proposer as a result of this consulting contract.



MATRIX IMAGING SOFTWARE PRICING DETAIL

ITEMS	UNIT COST	QTY.	TOTAL COST	ANNUAL UPDATE SERVICE*
EMC ApplicationXtender Software License with Web Browser Interface – 10 Concurrent Users	\$1,760.	10	\$17,600.	\$3,960.
EMC ApplicationXtender Software License with Web Browser Interface – 25 Concurrent Users	\$1,216.	25	\$30,400.	\$6,840.
EMC ApplicationXtender Software License with Web Browser Interface – 50 Concurrent Users	\$960.	50	\$48,000..	\$10,800.
EMC ApplicationXtender Software License with Web Browser Interface – 100 Concurrent Users	\$760.	100	\$76,000.	\$17,100.
EMC Verity Full Text and OCR Server License	\$4,800.	1	\$4,800.	\$1,080.
EMC Verity Full Text and OCR Client Licenses (does <u>not</u> have to equal total number of ApplicationXtender licenses)	\$240.	As needed	TBD	\$54.00 per license

*Annual Update Service includes minor and major software updates at no additional charge for 12 months. Above pricing does not include Professional Services assistance to install and test product updates.

SOFTWARE PRODUCTS TERMS AND CONDITIONS

1. Payment terms Net 30, FOB Point of Shipment
2. Pricing does not include applicable sales tax or shipping costs.
3. Pricing is valid to June 29, 2007.



MATRIX IMAGING PROFESSIONAL SERVICES PRICING DETAIL

ITEMS	UNIT COST	QTY.	TOTAL COST
Project Management Services	\$1,200.	2	\$ 2,400.
EMC ApplicationXtender Software – Installation, Configuration, and Testing	\$1,200.	1	\$ 1,200.
EMC ApplicationXtender Software – End User Training	\$1,200.	1	\$ 1,200.
EMC ApplicationXtender Software – System Administrator Training	\$1,200.	1	\$ 1,200.
EMC Verity Full Text and OCR Software – Installation, Configuration, and Testing	\$1,200	1	\$ 1,200.
Matrix Imaging Annual Remote Technical Support via dial-in, phone, email, fax	\$2,500	1	\$ 2,500.
TOTAL SERVICES PRICING			\$9,700.

PROFESSIONAL SERVICES TERMS AND CONDITIONS

1. Payment terms Net 30.
2. Pricing does not include applicable sales tax or shipping costs.
3. Pricing is valid to June 29, 2007.

ADDITIONAL PROFESSIONAL SERVICES RATES (OPTIONAL)

1. Technical and end user training - \$150 per hour.
2. Custom software development - \$150 per hour.
3. On site technical support (Mon-Fri, 8:00AM to 5:00PM) - \$150 per hour.

EXHIBIT D

CITY COUNCIL POLICY 100-5

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	1 of 3

BACKGROUND

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a sub-grantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

PURPOSE

It is the purpose of this Policy to:

1. Clearly state the City of Costa Mesa's commitment to a drug-free society.
2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

POLICY

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

1. Contractor or Sub-grantee hereby certifies that it will provide a drug-free workplace by:
 - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's and/or sub-grantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibition;

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	2 of 3

- b. Establishing a Drug-Free Awareness Program to inform employees about:
 - 1. The dangers of drug abuse in the workplace;
 - 2. Contractor's and/or sub-grantee's policy of maintaining a drug-free workplace;
 - 3. Any available drug counseling, rehabilitation and employee assistance programs; and
 - 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by subparagraph A;
- d. Notifying the employee in the statement required by subparagraph 1 A that, as a condition of employment under the contract, the employee will:
 - 1. Abide by the terms of the statement; and
 - 2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- e. Notifying the City of Costa Mesa within ten (10) days after receiving notice under subparagraph 1 D 2 from an employee or otherwise receiving the actual notice of such conviction;
- f. Taking one of the following actions within thirty (30) days of receiving notice under subparagraph 1 D 2 with respect to an employee who is so convicted:
 - 1. Taking appropriate personnel action against such an employee, up to and including termination; or
 - 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency;

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	3 of 3

- g. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive.
- 2. Contractor and/or sub-grantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:
 - a. Contractor and/or sub-grantee has made a false certification under paragraph 1 above;
 - b. Contractor and/or sub-grantee has violated the certification by failing to carry out the requirements of subparagraphs 1 A through 1 G above;
 - c. Such number of employees of Contractor and/or sub-grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the contractor and/or sub-grantee has failed to make a good faith effort to provide a drug-free workplace.
- 3. Should any contractor and/or sub-grantee be deemed to be in violation of this Policy pursuant to the provisions of 2 A, B, and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, and local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a contractor and/or sub-grantee, the contractor and/or sub-grantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon issuance of any final decision recommending against debarment of the contractor and/or sub-grantee, the contractor and/or sub-grantee shall be eligible for compensation as provided by law.

EXHIBIT E
CERTIFICATES OF INSURANCE

Policy Number:

Date Entered: 6/30/2006

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/30/2006

PRODUCER Dunlap Insurance
606 N. Gravier Street
Orange, CA 92869

(714) 744-3422
123 456

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED Matrix Imaging Products Inc

3151 Airway Av Suite H-1
Costa Mesa, CA 92626

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: SEQUOIA INS	
INSURER B: EVEREST NATIONAL INS	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	SBP200289-3	6/12/2006	6/12/2007	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000
A		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	SAP200010-3	6/12/2006	6/12/2007	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AUTO ONLY: AGG \$
A		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$	SUP200035-3	6/12/2006	6/12/2007	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	600000276051	12/1/2005	12/1/2006	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

CANCELLATION

CITY OF PALM SPRINGS
3200 EAST TAHQUITZ WAY
PALM SPRINGS CA 92262
ATTN: BRUCE JOHNSON FAX: 760 323-8238

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2001/08)

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IMPORTANT

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

