

**Scan Microfilm Jackets
for Gila County**

Presented to:

**Gila County
5515 S. Apache Avenue, Suite 900
Globe, AZ 85501**

Presented by:

**US Imaging, Inc.
400 S. Franklin Street
Saginaw, MI 48607**

**Brent Blankenship
VP
bblankenship@us-imaging.com
(972) 358-6215**

January 6, 2012

US★Imaging

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Mr. David Rogers
Gila County Elections
5515 South Apache Ave, Suite 900
Globe, AZ 85501

US Imaging is pleased to present this proposal to scan microfilm jackets for Gila County. Our team will provide Gila County with the highest possible quality and accuracy. We thoroughly understand the Counties requirements. We have become America's premier County Scanning Service because of our:

- **Experience** – We have been in the imaging business for 35 years and have successfully served over 300 Counties nationwide. We are the only scanning vendor in America that exclusively serves Counties.
- **Process** – Our unique process allows us to provide the highest quality at the lowest price while providing the County with complete control over the image quality and project budget.
- **State of the Art Scanners** – We are a beta test site for multiple scanner manufacturers and receive new technology several months before our competitors. We are constantly upgrading and currently operate the very latest scanners for Bound books, Photostat books, Rollfilm, Jackets, Aperture Cards and Drawings.
- **Color & Bi-Tonal Images** – US Imaging scans all media at 300 dpi and provides images in both Color JPEG and Black and White TIFF formats. JPEG images will provide an exact digital backup of all the data within the pages. TIFF images will provide a small file size and superior performance within the imaging system.
- **Automatic Deskew & Cropping** – 100% of the TIFF images are automatically deskewed and solid black borders removed for optimum file compression, increased system performance and dramatic toner reduction.
- **Image & Index Formatting** – US Imaging has export formats for every County Imaging system on the market.
- **Guaranteed Quality** – If a County is ever unsatisfied with any image or index, we will correct it for free.

We appreciate the opportunity to present our services and look forward to working with you. If you have any questions, please call (972)358-6215 or e-mail bblankenship@us-imaging.com.

Sincerely,

Brent Blankenship
VP
US Imaging, Inc.

Scan Microfilm Jackets:

Gila County Requirements:

- **Shipping** – Inventory and ship jackets to US Imaging. US Imaging will provide packing instructions.
- **Hardware** – County will allocate **sufficient** hard drive storage to import TIFF images into the system.
- **Pilot** - County will inspect the first 1,000 images each time that the media changes and approve image quality and index accuracy.
- **Poor Quality Image Report** – County will review images on the poor quality image report and approve which images are to be enhanced.

US Imaging Requirements:

Stage 1 – Scanning

- **Scanning** - US Imaging will provide all necessary equipment and staff to perform scanning at US Imaging facility.
- **Inventory Report** – US Imaging will provide an On-Line Inventory Report to track the status of project.
- **Jacket Inspection** – Each microfilm jacket will be inspected for scratches, dirt, damages and density.
- **Jacket Scanning** - Microfilm contains 256 shades of gray. 100% of the microfilm images will be scanned at 300 dpi in 256 shades of gray and saved as grayscale JPEG images with 85% compression and black & white TIFF images with Group IV compression. Both JPEG and TIFF images are sequentially numbered by a zero filled 8 digit number and stored in directories named by the Document Type and Book # or Document # Range. Directories with Document # Ranges will typically contain 1,000 documents per directory.
- **DVD** – All single page JPEG and TIFF images will be copied to 2 sets of external DVDs. 1 set will be shipped to the County for review and on-site backup. 1 set will be stored at US Imaging for Stage 2 processing as well as off-site backup.

Stage 2 – Extract, Index and Verify

- **Excess Border Removal/Extraction** – Due to certain microfilm camera copy boards, page sizes, scratches on film and film formats, the automatic crop included in Stage 1 may leave large white borders, black borders, black lines and shadows on the images. Manual cropping can be performed to provide a more accurate original page size, fewer bytes per image and better performance of your system and overall appearance of every image. No data or marginal notations will be removed from the image during this process. Since there are multiple images per fiche, individual pages must be extracted.
- **Index & Verify** – During scanning images are captured as single images and stored in folders by fiche title. (year and election type).
- **DVD** – 100% of the cropped, indexed and verified TIFF images will be copied to 2 sets of DVDs. 1 set will be shipped to the County. 1 set will be stored at US Imaging for off-site backup.

Exhibit "A" is made a binding part of this agreement as set forth herein.

Estimated Investment to Scan Election Records from 154 Microfilm Jackets

154 Jackets	@	62 Images per Jacket	=	9,548 Images	
9,548 Images	@	1,000 Images per Gigabyte for JPEG Format	=	10 GB for JPEG's	
9,548 Images	@	10,000 Images per Gigabyte for TIFF Format	=	1 GB for TIFF's	
Stage 1					
9,548 Images	@	0.05 Per Image to Scan 300dpi Grayscale JPEG	=	\$477.40	
9,548 Images	@	0.02 Per Image to convert JPEG Images to TIFF	=	\$190.96	49%
2 DVD	@	\$25.00 Per DVD & Copying	=	\$50.00	\$718.36
Stage 2					
9,548 Images	@	\$0.03 Per TIFF Image to Extract and Remove borders	=	\$286.44	
9,548 Images	@	\$0.04 Per TIFF Image to Index & Verify	=	\$381.92	
2 DVD	@	\$25.00 Per DVD & Copying	=	\$50.00	\$718.36
2 Shipments	@	\$20.00 Per UPS Ground Shipment	=	\$40.00	
Total Investment			=	<u>\$1,476.72</u>	

The proposed quantities above are estimated, invoiced quantities will be actual. Invoices will be issued when Stage 1, Stage 2. Stages can be divided into multiple shipments & invoices if desired.

All DVDs, images and indexes are the exclusive property of the County. US Imaging will not reproduce or distribute Gila County images and/or indexes to any other entity except Gila County.

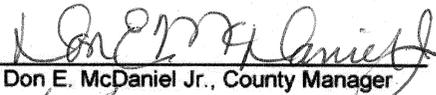
ACCEPTANCE AND AUTHORIZATION:

Gila County may designate acceptance of this proposal by signature of a duly authorized officer of the company. Total Estimated costs for initial implementation and ongoing costs have been described herein.

In exchange for products and services outlined in this proposal, Gila County agrees to pay US Imaging, Inc., the total amount due within 30 days from the date of invoice. Any amounts outstanding will be assessed a finance charge of 1.5% per month on the unpaid balance.

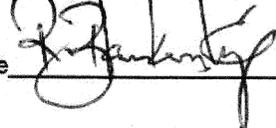
US Imaging also reserves the right to collect monies owed in the event of nonpayment and recover any and all legal fees in addition to the unpaid balance.

Accepted by: GILA COUNTY

Signature 
 Don E. McDaniel Jr., County Manager

Date 1/25/12

Accepted by: US IMAGING, INC.

Signature 

Date January 6, 2012

Approved as to Form

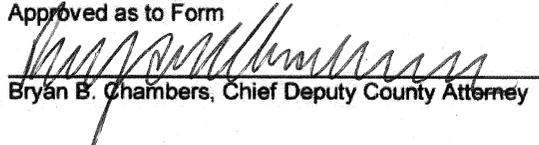

 Bryan B. Chambers, Chief Deputy County Attorney

EXHIBIT "A"

Gila County Contractor Standard Terms and Conditions Addendum

A. Addendum Applicability: Contractor and Gila County agree that the terms and conditions of this Addendum shall apply to and govern the contractual relationship between Contractor and Gila County and shall supplement any other contract or agreement entered into between the parties. In the event that the terms and conditions in this Addendum conflict with any provision of any other agreement entered into between the Contractor and Gila County (including a superiority provision similar to this provision), the terms and conditions of this Addendum shall control the contractual relationship between the parties and shall supersede any conflicting provisions found in any other contract or agreement. Contractor understands that acceptance of the terms and conditions contained in this Addendum are a condition precedent to entering into a contractual relationship with Gila County.

B. Contract Defined: As used in this Addendum, the term "Contract" shall refer to any written agreement between Gila County and a person, organization, corporation, company or other entity that provides supplies or services to Gila County regardless of the title or other name applied to that written agreement. The term includes by this reference all the terms and conditions of this Addendum.

C. Contractor Defined: As used in this Addendum, the term "Contractor" shall refer to a person, provider, organization, corporation, company or other entity providing supplies or services to Gila County pursuant to a written agreement regardless of the title or other name applied to "Contractor" in that written agreement.

D. Relationship of the Parties: Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

E. Non-Appropriations Clause: Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

F. Hold Harmless/Indemnification Clause: Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that the Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

G. Entire Contract Clause: The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

H. Non-Waiver of Enforceability: Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision.

I. Severability: *If any provision of this Agreement is held unenforceable, all remaining provisions of this Contract shall remain in full force and effect.*

J. Governing Law: Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

K. Cancellation: This contract is subject to the cancellation provisions of A.R.S. §38-511.

L. Anti-Terrorism Warranty: Pursuant to A.R.S. §§ 35-393.06(B) and 35-391.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

M. Legal Arizona Workers Act Compliance: Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. §§ 41-4401 and 23-214(A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies

with the State and Federal Immigration Laws.

County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."