

April 2, 2012

**Confidential Quotation**

Prepared For: Martha Gonzales  
Gila County - Treasurer

Prepared By: Katie Dotts  
OSAM Document Solutions, Inc.

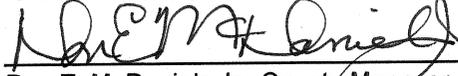
Here is the quotation you requested from OSAM Document Solutions. Please feel free to call if you have any questions.

Item	Description	Qty	Total Price
C&A check processing software	- Will allow check images and data files to be transmitted to the bank daily - will provide global research of all check images produced within the system - JP Morgan Chase interface - CAR/LAR module for automated 'encoding' 25,000 items per year	1	\$8,000
Software Support	For entire configuration (one year)	1	\$1,600
Installation	- Onsite installation and training - create template for remittance application and test the output file - testing system with JP Morgan output files	1	\$1,500
Estimated Sales Tax (9.3%)			\$1,033
<b>Total Price</b>			<b>\$12,133</b>

*\*Upon agreeing with this proposal, The DRS Group requires a 33% down payment on the system. Gila County will need to provide 33% payment upon delivery of the software and hardware, and a 33% final payment upon completion of the project.*

Attachment "A" by mention is made a binding part of this agreement as set forth herein.

GILA COUNTY

  
Don E. McDaniels Jr., County Manager

Date: 6/20/12

OSAM DOCUMENT SOLUTIONS, INC.

  
Authorized Signature

Date: 6-8-12

## **DRS Executive Overview**

At the request of the Gila County tax department, The DRS Group will provide a proposal for The C&A Check Processing system.

### **GOAL**

Our goal is to provide Gila County, a Turnkey check processing system. This system will be able to process check images for the county on a daily basis. The existing Canon CR 180 check scanner will physically scan each of the checks that arrive into the department. Once the checks are captured the CAR/LAR software will automatically encode up to 80% (industry standard) of the checks processed. The checks that could not be read by the CAR/LAR software will be manually encoded.

The system will also create a ICL file, so the electronic check information can be sent electronically to JP Morgan Chase for presentment and posting. This ICL file will contain 9.37x images that will be needed to process this file.

The C&A software system will at all times provide an audit trail of all transactions between Gila County and the Bank as well as a global image database of all checks processed within the system.

## **Benefits of check 21 Technology**

### **Availability**

Improved funds availability results in increased revenues because deposited funds become available more quickly in the Check 21 environment. The improved availability occurs for two reasons:

1. Out-of-district items are collected more quickly resulting in an improvement of collected funds. To make an approximate determination of the improvement, simply take a sample of cash letter availability for one week. Each day, have the bank provide the cash letter total along with the next day's availability provided by the Federal Reserve or another correspondent bank. The difference would most likely become immediately available with Image Cash Letter products offered by the FRB.
2. Items taken for deposit "after hours" could be processed on the same day resulting in next day availability. To determine this total, the bank would have to process the prior day's work and print a control report with the total transit items. This would obviously have to occur before any of the current day's work is processed.
3. Institutions in areas subject to inclement weather can also estimate the number of days that cash letter presentation is not possible.

### **Maintenance and Consumable costs**

The proof environment also needs to be analyzed because MICR encoding is no longer required in the Check 21 environment. CAR/LAR or manual data entry through ProofPC32 can replace proof machines resulting in significant savings. For institutions using proof machines and capturing items high-speed, significant personnel savings can also be experienced. These costs need to be identified to complete the cost/benefit analysis.

### **Transportation**

In an image environment, transportation costs can be reduced or eliminated. Certainly, some transportation between branches and the main office would have to occur for other reasons, but these costs could be reduced if the deadline demands were eliminated. Transportation costs occur in two areas:

1. Transportation of items from the branch to the central site.
2. Transportation of transit items to the FRB or correspondent bank.

## **DRS Corporate Information**

### **Corporate Locations**

The DRS Group has its corporate headquarters at 75 Maiden Lane, New York, NY 10038. In addition, The DRS Group maintains facilities in Pennsylvania, Tennessee, Virginia, North Carolina, South Carolina, Georgia and two offices in Florida. All sales and projects are managed through the New York facility. Currently, The DRS Group provides service and support to clients throughout the United States.

### **Company Background**

Documentary Reproduction Service, Ltd. was founded in 1964 with the basic goal of providing a less costly and more efficient means of document conversion. The DRS Group is the oldest and one of the largest service bureaus in the metropolitan area with a complete line of services such as Imaging, Data Capture, and Micrographics.

Our experience and operational insight, which were achieved through the years, have helped our customers attain measurable results through increased productivity, lowered cost, and technological innovation.

To date, we have successfully completed more than 25,000 projects with a variety of systems and formats. Our success, which is measured by the satisfaction of our customers, has resulted in the continued growth of our reputation as a leader in document conversion to financial institutions, hospitals, and major corporations. We believe that the future will demand greater efficiency in current information systems as electronic technologies grow.

The DRS Group, with our staff of trained professionals, is committed to guiding our customers through the maze of document conversion. We provide transportation for our customers with DRS employees who are bonded.

If on site conversions are required we can provide a certificate of insurance that will ensure customer satisfaction.

## Imaging Systems and Components

The DRS Imaging Group is an authorized Canon U.S.A. Image Filing dealer in the New York Metropolitan area. The executive management team has had years of experience with the Canon Digital Microfilm/Fiche Products and document Scanners.

Canon is a recognized leader in the field of imaging components and the DRS Group is only authorized dealer in New York. The DRS Group has several large Canon installations throughout the metropolitan area utilizing digital film and check scanning products. The DRS Group team of field technicians and administration support staff supports all of these customer installations.

## C&A Associates

### High Speed Capture & Balancing or Read & Key Proof-of-Deposit

#### Highlights:

Check 21  
Compliant -  
Image Cash  
Letters

Remote  
Branch and  
Customer  
Capture

On-line  
Balancing

CAR/LAR  
Amount  
Recognition

Wide Range  
Sorter  
Support

Data Mining

Standard  
Database

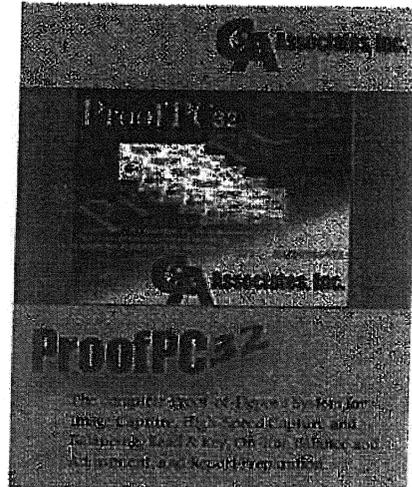
Image  
Capable

*ProofPC32* takes advantage of the latest Microsoft™ technologies to provide a powerful, easy-to-use environment for performing complex transaction processing in financial institutions. Using a combination of database technologies and hardware capture speeds, *ProofPC32* can be scaled to meet the needs of nearly any financial institution.

*ProofPC32* includes robust support for a variety of image capture devices. And support for the Panini, Digital Check and Canon series of desktop scanners make this the perfect solution for low volume proof-of-deposit operations, branch capture, customer capture, and microfilm replacement. For high volume environments, *ProofPC32* can drive BancTec, Panini and NCR high volume sorters. Imaging support on all platforms includes display of images during capture at sample rates selected by the user for real-time viewing of image quality.

Implementation is accomplished with user-defined tables providing pocket selection, range checking, rule validation, MICR line parsing, and edit checking. As a result, installation can occur in the field with no programmer interaction required.

**Electronic Cash Letters.** Cash letters are prepared electronically either at the branch location or the central site. Using ANSI standard X9.37 files, cash letters are sent electronically to the Federal Reserve Bank or another correspondent bank. Using electronic cash letters eliminate courier costs and result in quicker funds availability. *ProofPC32* includes extensive testing for possible errors to minimize returns and adjustments, and these tests can be performed throughout the day to provide ample time to correct errors before sending the file at the end of the day.



## ATTACHMENT "A"

**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.

**Legal Arizona Workers Act Compliance:** Firm hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Firm's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Firm shall further ensure that each subcontractor who performs any work for Firm 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 Firm and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Firm'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 Firm 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, Firm 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.

Firm 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."

**Cancellation:** This agreement is subject to cancellation pursuant to A.R.S. §38.511.