

STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
GENERAL SERVICES DIVISION
OFFICE OF STATE PURCHASING
4200 SURFACE ROAD, COLUMBUS, OH 43228-1395

REQUIREMENTS CONTRACT: DIGITAL LICENSE PLATE PRODUCTION AND GRAPHICS DESIGN SYSTEM

CONTRACT No.: CSP904807

EFFECTIVE DATES: 03/09/2007 to 06/30/2010

* Renewal through 07/31/2012

The Department of Administrative Services has accepted proposals submitted in response to Request for Proposal No. CSP904807 that opened on December 13, 2006. The evaluation of the proposal responses has been completed. The Offeror listed herein has been determined to be the ranking Offeror and has been awarded a contract for the services listed. The respective proposal response, including, Contract Terms & Conditions, any proposal amendment, special contract terms & conditions, specifications, pricing schedules and any attachments incorporated by reference and accepted by DAS become a part of this Requirements Contract.

This Requirements Contract is effective beginning and ending on the dates noted above unless, prior to the expiration date, the Contract is renewed, terminated, or cancelled in accordance with the Contract Terms and Conditions.

This Requirements Contract is available to the Ohio Department of Public Safety, Bureau of Motor Vehicles as applicable.

Agencies are eligible to make purchases of the listed services in any amount and at any time as determined by the agency. The State makes no representation or guarantee that agencies will purchase the volume of services as advertised in the Request for Proposal.

Questions regarding this and/or the Requirements Contract may be directed to:

* Ryan Beers
Ryan.beers@das.state.oh.us

This Requirements Contract and any Amendments thereto are available from the DAS website at the following address:

<http://www.ohio.gov/procure>

* Indicates the renewal and change in contract analyst.

Lease Agreement

Digital License Plate Hardware and Software System Lease Agreement

THIS LEASE AGREEMENT ("Agreement") is made as of _____ (the "Effective Date"), by and between 3M COMPANY, acting through its Traffic Safety Systems Division, 3M Center, St. Paul, Minnesota, 55144-1000 ("3M"), and Ohio Department of Public Safety (the "State"). 3M and the State are hereinafter referred to jointly as the "Parties" and individually as "Party".

Lease and Software License. 3M leases to the State all that Equipment specified in RFP number CSP904807, attached to and made a part of this Agreement, on the terms and conditions contained in this Agreement. 3M grants to State the software license contained in the Software License Section below in this Agreement.

Term and Termination. The term of this Agreement shall begin on the "Acceptance" Date defined in section 3 hereof and shall end June 30, 2010. The State may renew the lease for two, one-year renewals. Lease shall be renewable upon mutual agreement by both parties.

Installation. State is responsible for providing the space necessary for installation of the Equipment, and for providing all utilities necessary to operate the system to within 7-8 feet of the equipment. State shall be responsible for paying for all utilities consumed by the Equipment. When the installation is complete and the Equipment is operating in accordance with the specification in RFP number CSP904807 the State shall sign the Certificate of Acceptance. The date on which the State signs the Certificate of Acceptance shall be the Acceptance Date. The Acceptance Date shall initiate the billing of the equipment lease and software lease. State, without prior written consent of 3M, shall not permit the Equipment to be removed from the location at which 3M installed it.

Assignment of Lease. 3M reserves the right to assign ownership of the lease to a third party for financing. In the case lease payments would be made by the State directly to the third party. 3M would still be responsible for servicing and the fulfillment of the requirements of the RFP.

Use, Care and Consumables. State shall use the property in a careful and proper manner and shall comply with all laws, ordinances and regulations relating to the possession, or use of the Equipment during the term of the Agreement, State shall operate the Equipment as directed in Operating Manuals or other documentation provided by 3M. State agrees that it will make no alterations to the Equipment during the term of the Agreement without obtaining prior written permission from 3M. During the term of the Agreement, State shall purchase all approved System Consumables including reflective sheeting, thermal transfer ribbons, clear over-laminate and print heads from 3M

Maintenance. Under the lease agreement, 3M shall perform, during the term of the Agreement, all maintenance and all repair of the Equipment, which may become necessary for continued use of the Equipment. Certain minor maintenance such as lubrication and cleaning which is specified in the Operating Manual or other documentation supplied by 3M shall be performed by State. Any repairs, which become necessary because of misuse or abuse of the Equipment / Software will be performed by 3M and charged to State at 3M's standard rates. State will notify 3M when repair is necessary. 3M will perform the repair as promptly as practical, but 3M shall not be liable for any damages such as, but not limited to, lost profit, and loss of reputation or lost opportunity resulting from down time.

Title. Title to the Equipment shall remain with 3M throughout the term of the Agreement. During the term State agrees not to remove or cover any marks on the Equipment, which identify it as the property of 3M. State shall not misrepresent ownership of the Equipment and shall not, during the term of the Agreement, attempt to sell or transfer it to another and shall not pledge the Equipment as collateral for a loan or otherwise encumber the Equipment. State agrees to execute any documents 3M may reasonably request which memorialize or record 3M's ownership of the Equipment. At the end of the term the Equipment will be returned to 3M. 3M will remove the equipment from State's premises and pay transportation charges to return the Equipment to 3M. At the end of the Agreement 3M and State may negotiate a purchase price for the equipment and Title will subsequently transfer to State or an extension of the lease agreement.

Loss or Damage. Beginning on the Acceptance Date and continuing until the end of the Agreement term State assumes full responsibility for any and all loss or damage to the Equipment from any cause whatsoever, except for damage due to reasonable wear and tear from normal use and for loss or damage due solely to 3M's negligence.

3M's Right of Inspection. 3M, at all times during business hours, shall have the right to enter on the premises where the Equipment may be located for the purpose of inspecting it or observing its use. State shall give 3M immediate notice of any attachment or other judicial process affecting the Equipment.

Taxes and Fees. State shall pay all license fees, assessments, and sales, use, property, and other taxes imposed on the Equipment by reason of ownership, leasing, renting, sale, possession, or use, whether they be assessed to 3M or State, together with any penalties or interest, excepting federal, state, or local governmental taxes, or payments in lieu of those taxes, imposed on or measured by income of 3M.

Events Constituting Default. The following events shall constitute default under this Agreement:

- The nonperformance by State of any other term, covenant, or condition of this Agreement that is not cured within thirty (30) days after notice of nonperformance from 3M.
- The nonperformance by 3M of any term, covenant, or condition of this Agreement that is not cured within thirty (30) days after notice of nonperformance from the State.

3M' Rights on Default. On the occurrence of any of the events stated above as constituting defaults, 3M, without notice to or demand on State, may take possession of the Equipment.

Governing Law. This Agreement shall be governed by and construed under the laws of the State of Ohio.

System Upgrades and Modifications. During the term of this Agreement the State will receive the following at no additional charge.

- System fixes for any bugs found in the software or printer operating system that do not permit production of license plates.
- If 3M develops upgrades that are compatible with the Ohio custom software, 3M will provide those upgrades to Ohio as they become available. Any general issue version upgrades to the software will be provided at no-charge during the term of the contract.
- 3M will upgrade 3rd party software (including the operating system) when it no longer meets the original specifications of the DLP solution.
- During the term of the Agreement the State will be made available the following upgrades at 3M's standard terms and prices:
 - Any new technologies as part of successor Digital License Plate Production Systems that would require full or partial replacement of the printer, roll handling systems or computer hardware.
 - Any functional improvements to the software and license plate finished goods management system.
 - Any new software system developed for the Digital License Plate printer that is not a version upgrade of the existing software.

Software License

3M grants to State a non-exclusive license to use the 1530 Plate Making System Software and VIMS - Vehicle Information Management Software (the SOFTWARE) solely in connection with the Equipment listed in RFP number CSP904807 to the Equipment Agreement between State and 3M from the Acceptance Date to termination of this contract, on the terms and conditions set forth in this License.

Ownership, Confidentiality: The SOFTWARE contains copyrighted material, trade secrets and other proprietary material and remains the property of 3M, or other companies, which have licensed their SOFTWARE to 3M. State agrees to keep the SOFTWARE confidential and agrees that it will not disclose the contents of the SOFTWARE to anyone.

Prohibition Against Reverse Engineering: State shall not decompile, reverse engineer, disassemble or otherwise reduce the SOFTWARE to a human-perceivable form, or allow any third party to do so. State shall not modify, distribute or create any derivative work based upon the SOFTWARE in whole or in part. State also agrees not to provide copies of the SOFTWARE to any third party, or allow any third party to use the SOFTWARE without prior written consent. STATE may make one copy of the SOFTWARE solely for archival purposes. All copies shall be the property of 3M. STATE shall reproduce and include on any such copies any copyright notice, which are included in the original. STATE may not transfer license rights in the SOFTWARE to any other party.

Warranty: The SOFTWARE shall perform the functions as described in the Product Manual(s). 3M's sole liability and STATE'S exclusive remedy for deficiencies in the SOFTWARE that cause failures of the described functions will be to correct the deficiencies with revised SOFTWARE to be provided free of charge.

Revisions and Upgrades: Modifications to the SOFTWARE to add features or functions not described in the Product Manual(s) are available for a fee. SOFTWARE, with enhanced features and functions when made available in the market by 3M, will be available to STATE for an upgrade fee, except when version upgrades of the SOFTWARE are generally offered to the market, the upgraded SOFTWARE will be licensed free of charge.

The following are mutually agreed upon revisions to the submitted proposal:

- The existing blanking line will be refurbished to new standards rather than replaced with all new equipment. A new DLP printer and roll handling unit will still be supplied.
- Existing VRIMS computer equipment will be replaced with new computer equipment.
- The current VRIMS software will be retained and transferred to new computer equipment instead of being replaced with new, updated 3M VIMS software.
- The State will retain an option to replace VRIMS with 3M VIMS, per the RFP requirements, at a future date during the first three years of the new contract term. (If Ohio goes to fully digital license plate production, a software update will be necessary.)

Installation of the new printer, roll handling unit, and computer equipment, and refurbishment of the existing blanking line, can be accomplished with minimal disruption of production. Each activity can be scheduled to coordinate production down time requirements, minimizing production stoppages:

Activity	Total Time (Min – Max)	Production Down Time
DLP Printer and Roll Handling Unit Exchange	1/2 Day – 1 Day	1/2 Day – 1 Day
Blanking Line Refurbishment	1 Week	1/2 Day – 1 Day
Computer Equipment Replacement	2 Days – 4 Days	1/2 Day – 1 Day
TOTAL	1 Week	1/2 Day – 3 Days (allowing for potential scheduling variance)

Following is a table summarizing the proposed equipment disposition:

Equipment	Source
Blanking Line	
Metal Substrate Unwind	Existing
Wash Rinse Tanks	Existing, to be converted to steam heat
Metal Straightener	Existing
Sheeting Applicator and Roll Feed	Existing, reconditioning service provided
Blanking Press	Existing, reconditioning service provided
Blanking Dies	Existing
Plate Conveyor	Existing
Vacuum System	Existing
Digital License Plate System	
DLP Printer	New
Roll Handling Unit	New
1530 computer	New, existing 1530 / DLP files transferred

Digital License Plate System (contd.)	
Design Computers	New, existing design files transferred
Vehicle Information Management System	
VIMS Computers	New, VRIMS software and data fields transferred

COST SUMMARY
 DIGITAL LICENSES PLATE PRODUCTION AND GRAPHICS DESIGN SYSTEM

4042

Table 1 - Reflective Sheeting for Sunburst and Other Plate Designs

Description	Sheet Width (Finished Plate)	Minimum Order Quantity/ Rolls	Length of Roll in Square Feet	Estimated First Year Usage (Square Feet)	Cost per Square Feet	Cost per Roll	Total Cost
Oaks Item ID: 15868							
Red, White & Blue with Sunburst Design (SB)	12"	1	900	120,000	X\$1.29	\$1,161.00	=\$154,800.00
Oaks Item ID: 15869							
Red and White (R)	12"	1	900	60,000	X\$1.29	\$1,161.00	=\$77,400.00
Oaks Item ID: 15870							
Plain White	12"	1	900	900	X\$1.25	\$1,125.00	=\$1,125.00
FIRST YEAR SHEETING TOTAL (A)					\$233,325.00		

Note: When the protective film or laminate is applied, it is included in the costs in the above boxes with the sheeting

Oaks Item ID: 4042

Table 2 - System Costs

System	Cost / Period	3+2 Year Lease	Total Cost
Digital system: including printer(s), design station(s), plate making system, order management option with additional hardware, plus installation training.	\$90,177.46/ year	X 5	=\$450,887.30
	(3+2 year lease)		
Existing Blanking production line including applicator registry machine.	\$5,000/ year	X 5	=\$25,000.00
	(3+2 year lease)		
System warranty and maintenance contract for system for life of contract.	\$214,120.00/ one time cost		=\$214,120.00
Initial graphic conversion service of all standard plate designs into system.	\$0.00/ one time cost		=\$0.00
Graphic conversion service on changeover to new basic design (for future designs).	\$0.00/ one time cost		=\$0.00
Initial graphic conversion service of all special plate designs, including logos, into system.	\$0.00/ plate	X 219	=\$0.00
	category		
Additional graphic design training (as needed), and help with subsequent logo design work.	\$75.00/ hour	X 150 (Estimated 5 Year)	=\$11,250.00
Initial conversion and interface work to link current ODPS electronic plate ordering system with digital system ordering database.	\$0.00/ hour	X 80 (Estimate One Time)	=\$0.00
Print heads.	\$0.038/ ribbon foot	X1,250,000 (5 years)	=\$47,500.00
Printer Ribbons.	\$0.17/ ribbon foot	X1,250,000 (5 years)	=\$212,500
Other Costs:			=\$0.00
(At no cost to State if not otherwise identified)			
5 YEAR LEASE TOTAL (B)			\$ 961,257.30

Oaks Item ID: 15871

Table 3 – Reflective Preprinted Graphic Sheeting For Future Digital Plate Designs (Not Evaluated)

Description	Length of Roll(Square Feet)	Cost per Square Foot	Cost per Roll	Estimated Contract Usage (Square Feet)		Total Cost
One (1) color plate	900	\$1.29				
Two (2) color plate	900	\$1.29				
Three (3) color plate	900	\$1.29				
© Four (4) color plate	900	\$1.29	\$1,161.00	x	800,000 (Four Year)	= \$1,032,000
Five (5) color plate	900	\$1.30				
Six (6) color plate	900	\$1.31				
Seven (7) color plate	900	\$1.32				

Note 1: Estimated contract usage is based on a total of 400,000 non-white plates (200,000 sets) per year.

Note 2: Future designs for standard plates may not be as many as the three designs that are currently manufactured.

Note 3: For evaluation purposes, the one design, four (4) color plates pricing was used. However, one or more of the other seven (7) color plate combinations may be used for actual plate production.

Table 4 - Not-to-Exceed Fixed Price

First Year Sheeting Total (A)	\$233,325.00
Equipment Total (B)	\$961,257.30
4 Year - Four (4) Color Plate Total (C)	\$1,032,000.00
Total Not-To-Exceed Fixed Price for 3+2 Year Lease	\$2,226,582.30

Table 5 - Optional Software Upgrade (Not Evaluated) – Offer valid three (3) years from start of contract.

System	Cost	Period	Total Cost
Replacement of the Vehicle Registration Information Management System (VRIMS) Software with updated version that meets the requirements within this RFP. (If Ohio goes to fully digital license plate production, a software update will be necessary.)	\$105,300.00	1 Time Cost	=\$105,300.00

Table 6 - Offeror Reflective Preprinted Graphic Sheeting For Motorcycle Plates (Not Evaluated)

Description	Sheet Width (Finished Plate)	Minimum Order Quantity/ Rolls	Length of Roll in Square Feet	Estimated Annual Usage (Square Feet)	Cost per Square Feet	Total Cost
Red, White & Blue Sunburst Design (SB)	7"	1	350	18,000	X\$1.29	=\$23,220.00
Red & White Sunburst Design (R)	7"	1	350	2,100	X\$1.29	=\$2,709.00
Plain White	7"	1	350	2,100	X\$1.25	=\$2,625.00
NOT EVALUATED						

Oaks Item ID: 4042

**Table 7 - System Costs for Motorcycle Plate Production (Not Evaluated)
 Option A – New Motorcycle Die to be Interchanged on Existing Blanking Line**

System	Cost / Period	3+2 Year Lease	Total Cost
Digital system: including printer(s), design station(s), plate making system, order management option with additional hardware, software, plus installation and training.	\$0.00/ year	X5	=\$0.00 (Motorcycle Solution does not require an additional DLP Printer)
	(3+2 year lease)		
Blanking production line including applicator registry machine Includes installation costs.	\$19,853.00/ year	X5	=\$99,265.00 (Motorcycle Solution does not require a new blanking line and applicator)
	(3+2 year lease)		
System warranty and maintenance contract for system for life of contract.	\$0/ one time cost		=\$0.00
Initial graphic conversion service of all standard plate designs into system	\$0/ one time cost		=\$0.00
Graphic conversion service on changeover to new basic design (for future designs).	\$0.00/ one time cost		=\$0.00
Additional graphic design training (as needed), and help with subsequent logo design work.	\$75.00/ hour		=\$75.00/ per hour plus travel
Initial conversion and interface work to link current ODPS electronic plate ordering system with digital system ordering database.	\$0.00/ hour		=\$0.00

**Table 12 - System Costs for Motorcycle Plate Production (Not Evaluated)
 Option A – New Motorcycle Die to be Interchanged on Existing Blanking Line (contd.)**

System	Cost / Period	3+2 Year Lease	Total Cost
Print heads.	\$0.068/ ribbon foot		
Printer Ribbons.	\$0.17/ ribbon foot		
Other Costs: (At no cost to State if not otherwise identified)			\$0.00
5 YEAR LEASE TOTAL (B)			\$99,340.00 (plus graphic conversion costs)

CONTRACTOR INDEX

CONTRACTOR AND TERMS:

99458
3M Corporation
P.O. Box 371227
Pittsburgh, PA 15250-7227

CONTRACT NO: CSP904807-1

TERMS: Net 30 Days

CONTRACTOR'S CONTACT:

Richard J. LaClair
Contract Administrator
3M Traffic Safety Systems Division
3M Center, Building 225-5S-08
St. Paul, MN 55144-1000

Telephone: (651) 575-5521
FAX: (651) 737-5204

E-mail: tvS@mmm.com

SUMMARY OF AMENDMENTS

Amendment Number	Revision Date	Description
7	07/01/12	Amendment is issued due to a one month unilateral renewal effective 07/01/12 thru 07/31/12 and a change in the contract analyst.
6	07/01/11	Contract renewal for twelve calendar months effective 07/01/11 thru 06/30/12 and a change in the contract analyst.
5	07/01/10	Contract renewal for twelve calendar months effective 07/01/10 thru 06/30/11.
4	03/13/09	Adding a new column (Cost per Roll) on Table 1 on page 7 and one to Table 3 on page 9. Contractor's new software system item description is set at the Cost Per Roll and will not accept the Price Per Square Foot. Please remove pages 7, 9 and 13 from the contract and replace them with the attached pages. Changed Oaks ID Number on pages 7 and 9.
3	02/20/08	Change Contractor's Contact name, telephone number, fax number and e-mail address. Remove page 12 of the contract award and replace it with the attached page.
2	02/15/08	Correct Contract Number on pg 12.
1	05/23/07	Change page 12, Contract Number and the Contractor's Contact telephone number due to typographical errors. Remove page 12 of the contract award and replace it with the attached page.