

BLANKET PURCHASE ORDER

STATE OF MARYLAND

***** STATE OF MARYLAND *****

BPO NO: 001B5400309

PRINT DATE: 10/31/15

PAGE: 01

SHIP TO: AS SPECIFIED ON INDIVIDUAL ORDERS		
VENDOR ID: MOORE WALLACE BCS RR DONNELLEY COMPANY 8401 CONNECTICUT AVE STE 500 CHEVY CHASE, MD 20815 (410)859-2841	REFER QUESTIONS TO: CHRISTINE VASILIAU (410)767-4281 CHRISTINE.VASILIAU@MARYLAND.GOV	
ITB:	EXPR DATE: 02/06/16 POST DATE: 01/15/15	DISCOUNT TERMS: . NET 30 DAY CONTRACT AMOUNT: .00

TERMS:

ARTICLES HEREIN ARE EXEMPT FROM MARYLAND SALES AND USE TAXES BY EXEMPTION CERTIFICATE NUMBER 3000256-3 AND FROM FEDERAL EXCISE TAXES BY EXEMPTION NUMBER 52-73-0358K. IT IS THE VENDOR'S RESPONSIBILITY TO ADVISE COMMON CARRIERS THAT AGENCIES OF THE STATE OF MARYLAND ARE EXEMPT FROM TRANSPORTATION TAX.

AGENCY CONTRACT FOR CHECK STOCK FOR
THE DEPARTMENT OF REVENUE ADMINISTRATION AND CENTRAL PAYROLL BUREAU
COMPTROLLER OF MARYLAND

THIS IS THE FOURTH AND FINAL RENEWAL OF CONTRACT 001B1400474

ONE (1) YEAR CONTRACT WITH SAME TERMS AND CONDITIONS.

CONTRACT PERIOD: THIS IS THE FINAL RENEWAL OPTION FOR A ONE-YEAR TERM FROM FEBRUARY 7, 2015 THROUGH FEBRUARY 6, 2016. THERE ARE NO RENEWAL OPTIONS REMAINING.

THIS CONTRACT SUPERCEDES #001B1400474

VENDOR: MOORE WALLACE BCS-RR DONNELLEY COMPANY

QUOTED PRICE BY BILL BROWN, SENIOR ACCOUNT REPRESENTATIVE, DATED JANUARY 18, 2011.

VENDOR CONTACT: BILL BROWN 410-859-2841

AGENCY: COMPTROLLER OFFICE

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TERMS (cont'd):

AGENCY CONTACT: MICHAEL HALL

AGENCY NUMBER: 410-260-7832

EMAIL ADDR: MHALL@COMP.STATE.MD.US

PRICES TO INCLUDE ALL COMPOSITION, TEST ORDERS, DELIVERY AND STORAGE.

PERSUANT TO SECTION TWO (2), SUBSECTION F OF THE MASTER CONTRACT, ALL PRICES SHALL REMAIN FIRM FOR A MINIMUM OF ONE YEAR FROM DATE OF AWARD. PRICE MAY BE ADJUSTED UPON CONTRACT RENEWAL BASED UPON DOCUMENTED RAW MATERIAL INCREASES FROM THE PAPER SUPPLIER.

REQUESTS FOR PRICE ADJUSTMENT MUST REFERENCE THE PRICE AGREEMENT BY TITLE AND NUMBER AND INCLUDE THE FOLLOWING:

- * PRICE AGREEMENT AND ITEM NUMBER
- * CURRENT ITEM PRICE
- * PROPOSED NEW PRICE
- * PERCENTAGE OF INCREASE/DECREASE
- * MANUFACTURER NOTIFICATION OF PRICE ADJUSTMENT (INCLUDE %)

IF THE STATE PURCHASING AGENT AGREES WITH THE EVIDENCE SUPPLIED BY THE VENDOR, THE STATE AND VENDOR WILL MUTUALLY AGREE TO A COST ADJUSTMENT.

ANY DECREASES IN COSTS TO THE CONTRACTOR MUST BE PASSED ON TO THE STATE AND ALL AGENCIES UTILIZING THIS AGREEMENT, PRICING DECREASES MUST BE REFLECTED ON QUOTATIONS AND BILLING INVOICES.

THIS IS AN INDEFINITE QUANTITY CONTRACT. RELEASES SHALL BE MADE AS REQUESTED BY THE USING AUGHORITY ON AN "AS NEEDED" BASIS.

QUANTITIES STATED ARE ESTIMATES ONLY AND ARE NOT TO BE CONSTRUED AS ANY MINIMUM OR MAXIMUM GUARANTEE. USAGE WILL BE FOR THE ACTUAL REQUIREMENTS OF THE AGENCY AND MAY VARY APPRECIABLY FROM THE ESTIMATED QUANTITIES.

DELIVERY OF CHECK STOCK:

THE VENDOR WILL BE NOTIFIED BY THE COM AT LEAST 1 WEEK IN ADVANCE OF THE DELIVERY DATE WHEN CHECK STOCK IS NEEDED. THE VENDOR WILL DELIVER THE REQUESTED CHECK STOCK TO THE LOCATION SPECIFIED BY THE COM. TO COMPLY WITH THIS CONTRACT PROVISION, THE VENDOR MUST MAINTAIN A SUFFICIENT SUPPLY OF RAD AND CPB CHECK STOCK IN SECURED STORAGE.

THE DATE AND VOLUME OF THE INITIAL DELIVERY OF RAD AND CPB CHECK STOCK

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TERMS (cont'd):

WILL BE COORDINATED WITH THE VENDOR AND COM OPS MANAGEMENT.

CHECK STOCK TRANSPORTATION:

DELIVERY TO BE FOB DESTINATION, INSIDE DELIVERY.

THE VENDOR IS RESPONSIBLE FOR PROVIDING SECURE AND GUARDED TRANSPORTATION OF CHECK STOCK TO THE COM AND/OR A DISASTER RECOVER SITE LOCATION. A COMMON CARRIER MAY NOT BE USED.

CHECK STOCK MUST BE SHIPPED NON-STOP FROM THE FACTORY/MILL, OR THE VENDOR'S SECURED STORAGE FACILITY TO THE LOCATION SPECIFIED BY THE COM. THERE MUST BE NO LAYOVERS OR REST STOPS, EXCEPT TO EAT OR USE RESTROOM FACILITIES, REFUEL, AND THE CHECK STOCK MUST BE GUARDED AT ALL TIMES.

THE ADC OPERATIONS MANAGER, OF THE COM'S ANNAPOLIS DATA CENTER MUST BE NOTIFIED ON (410) 260-7634 WHEN THE CHECK STOCK LEAVES THE FACTORY/MILL OR THE VENDOR'S SECURED STORAGE FACILITY AND THE ESTIMATED TIME OF ARRIVAL OF THE SHIPMENT. THIS PROCEDURE MUST BE FOLLOWED FOR EACH AND EVERY DELIVERY OF CHECK STOCK.

THE CHECK STOCK MUST BE DELIVERED DURING THE BUSINESS HOURS OF 8:00 AM AND 3:00 PM, MONDAY THROUGH FRIDAY FOR THE CHECK STOCK TO BE ACCEPTED AND VERIFIED.

PALLETS MUST BE LOADED IN THE DELIVERY TRUCK WITH THE HIGHEST CHECK CONTROL NUMBER TO BE THE FIRST TO BE OFF-LOADED. THE LAST PALLET OFF-LOADED WILL CONTAIN THE LOWEST CONTROL NUMBER (I.E., STARTING NUMBER). IF THE PALLETS ARE IMPROPERLY LOADED, THE VENDOR WILL BEAR THE RESPONSIBILITY AND COST, IF ANY, OF RELOADING THE CHECK STOCK INTO THE TRUCK IN A TIMELY MANNER. (A TIMELY MANNER IS LESS THAN 3 HOURS).

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<u>LINE #</u>	<u>STATE ITEM ID</u>	<u>U/M</u>	<u>UNIT COST</u>
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0001	64536-100000	M	48.5300
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PAPER, ROLL 18" WIDE, 40" DIAMETER, SUB. 28, WHITE MICR STAIN BOND

REVENUE ADMINISTRATION DIVISION (RAD) CHECKS.
SIDE-BY-SIDE TWO-UP CHECKS, 18" X 11"
28# DOCUCHECK SECURITY PAPER

1/2" PIN FEED ON THE LEFT AND RIGHT SIDE OF THE FORM.

AN ACTUAL CHECK DIMENSION OF 8 1/2" X 3 2/3" AT THE BOTTOM OF THE
FORM (BELOW THE LIGHT PERFORATION, THAT CAN WITHSTAND PRINT AND POST
PRINT HANDLING).

TWO (2) USABLE CHECKS ON EACH SHEET OF CHECK STOCK. THE CHECKS WILL
BE ADJACENT TO EACH OTHER AND LOCATED BETWEEN THE LEFT & RIGHT PIN
FEED.

0002	64536-100000	M	74.2300
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PAPER, ROLL 18" WIDE, 40" DIAMETER, SUB. 28, WHITE MICR STAIN BOND

CENTRAL PAYROLL BUREAU (CPB) CHECKS
ONE-UP CHECKS; 9 1/2" X 11"

1/2" PIN FEED ON THE LEFT AND RIGHT SIDE OF THE FORM.

AN ACTUAL CHECK DIMENSION OF 8 1/2" X 3 2/3" AT THE BOTTOM OF THE
FORM, BELOW THE LIGHT PERFORATION, THAT CAN WITHSTAND PRINT AND POST
PRINT HANDLING.

0003	90634-000006	EA	700.0000
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EMERGENCY DELIVERY CHARGE

DISASTER RECOVERY DELIVERY (EMERGENCY) AS OUTLINED IN THE DISASTER
RECOVERY DELIVERY SPECIFICATIONS CONTAINED IN THIS CONTRACT.

THIS IS A PER INCIDENT PRICE.

END OF ITEM LIST

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TERMS (cont'd):

ALL CHECKS TO MEET THE FOLLOWING SPECIFICATIONS:

- * 28# SECURITY PAPER WITH 5 FAMILY CHEMICAL SENSITIZATIONS AND TONER FUSE (DOCUCHECK)
- * 5" CORES WITH 5" OF BLANK FORMS AT THE CORE.
- * 3 INK COLORS ON FACE, 2 INK COLORS ON BACK INCLUDING ONE THERMOCHROMIC .
- * WATERMARK IN PAPER
- * SECURITY FIBERS.
- * SERIAL CONTROL NUMBER PRINTED ON BACK OF CHECK, NO MISSING NUMBERS.
- * VOID PANTOGRAPH.
- * WARNING BAND FEATURE AT THE TOP OF THE CHECK.
- * MICROPRINT "LOGO LINE" AT BOTTOM ON THE CHECK TO HELP DETECT COUNTERFEITS
- * ALERT BACKER IN THE ENDORSEMENT AREA SHOWING A REPRESENTATION OF THE WATERMARK IN THE PAPER
- * NON-NEGOTIABLE PHANTOM IN THE VOUCHER PORTION OF THE FORM.
- * ALPHA LINES FEATURE ON BACK OF VOUCHER PORTION TO PREVENT CUT AND PASTE DOCUMENT ALTERATION.

* THE ONE-UP CPB CHECKS WILL ALSO HAVE THE FOLLOWING:

THE 1768 MARYLAND STATE CREST WILL BE PRINTED IN A PATTERN ACCEPTABLE TO THE COM, ON THE ENTIRE BACK OF EACH CHECK STOCK FORM. THIS PATTERN WILL BE PRINTED IN "WHITE ON WHITE" TO RESEMBLE A HOLOGRAM. THIS DESIGN MUST NOT BE ABLE TO BE SCANNED WITH DIGITAL SCANNING OR PHOTOCOPY EQUIPMENT. THE COM WILL PROVIDE THE VENDOR WITH A SKETCH/RENDERING OF THE ARTWORK AND THE PATTERN TO BE PRINTED. THE VENDOR WILL BE RESPONSIBLE FOR TAKING THE SKETCH/RENDERING AND PROVIDING ALL RESOURCES TO PRODUCE ONE OR MORE PROOFS FOR REVIEW AND APPROVAL BY THE COM. THE VENDOR WILL TAKE THE APPROVED PROOF AND DEVELOP IT INTO THE FINISHED PRODUCT.

THE ROLLS OF CHECK STOCK CANNOT CONTAIN ANY BREAKS OR SPLICES. SPECIFICALLY, CHECKS MUST BE MANUFACTURED WITHOUT ANY GLUE SPLICE OVERLAP. NO MEDIAL STRIP BETWEEN CHECKS. ROLLS WITH GLUE SPLICE OVERLAP OR MEDIAL STRIPS WILL BE REJECTED AND THE VENDOR WILL BEAR THE COST OF TIMELY REPLACEMENT AND DELIVERY.

THE END OF EACH ROLL OF CHECK STOCK MUST CONTAIN, AT A MINIMUM, 5" OF CHECK STOCK WITH "VOID" STAMPED ACROSS THE CHECK PORTION OF THE PAPER AND THE LAST GOOD CONTROL NUMBER PRINTED ON EACH OF THE VOIDED CHECKS.

THE CHECK STOCK WILL CONTAIN HORIZONTAL PERFORATIONS 3 2/3" FROM THE BOTTOM OF THE FORM. THIS MUST BE A LIGHT PERFORATION THAT CAN WITHSTAND PRINTER AND POST PRINT HANDLING (E.G., BURST AND MAILING MACHINERY).

CHECK STOCK MUST CONTAIN SERIAL CONTROL NUMBERING. THE LOCATION OF

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TERMS (cont'd):

THE SERIAL CONTROL NUMBERING ON THE CHECK STOCK WILL BE IN THE PAYEE ENDORSEMENT AREA. AN EXAMPLE OF THE EXISTING CHECK STOCK WILL BE PROVIDED TO THE VENDOR SO THE VENDOR KNOWS THE EXACT LOCATION, FONT, INTENSITY, ETC., OF THE SERIAL CONTROL NUMBER. THE SERIAL CONTROL NUMBER LOCATION AND CHARACTERISTICS MUST NOT IMPEDE THE PAYEE'S SIGNATURE.

THERE MUST BE NO MISSING OR DUPLICATE SERIAL CONTROL NUMBERS.

ALL CHECKS ON EACH ROLL OF CHECK STOCK MUST BE USABLE (EXCEPT THOSE CHECKS AT THE END OF THE ROLL STAMPED "VOID").

ANY UNUSABLE CHECK STOCK FOUND TO BE IN VIOLATION OF THE DOCUMENTED SPECIFICATIONS MUST BE REPLACED BY THE VENDOR AT THE VENDOR'S EXPENSE.

DURING THE TERM OF THIS CONTRACT, CHECK STOCK MUST FUNCTION SATISFACTORILY WITH LESS THAN .5% FAILURE RATE IN THE COMPTROLLER OF MARYLAND'S PRINT AND POST PRINT EQUIPMENT. THE VENDOR WILL PROVIDE ASSISTANCE IN DETERMINING THE CAUSE OF CHECK STOCK THAT FAILS, BUT ULTIMATELY, THE VENDOR IS RESPONSIBLE FOR REPLACEMENT OF THE DEFECTIVE CHECK STOCK IN A TIMELY MANNER AT THE VENDOR'S EXPENSE.

UNIQUE CHECK DESIGN (FRONT AND BACK) SPECIFICATIONS:

A UNIQUE DESIGN (AS SPECIFIED BY THE COM) WILL BE PRINTED ON THE FACE OF EACH CHECK. THE CHECK IS THE PORTION OF THE CHECK STOCK FORM LOCATED BELOW THE HORIZONTAL PERFORATIONS, 3 2/3" FROM THE BOTTOM OF THE FORM. THIS UNIQUE DESIGN IS A MODIFIED VERSION OF THE MARYLAND STATE FLAG. A VOIDED SAMPLE OF THE CURRENT RAD AND CPB CHECK STOCK WILL BE PROVIDED TO THE VENDOR FOR MATCHING AND QUALITY CONTROL PURPOSES. THESE SAMPLES WILL PROVIDE THE VENDOR WITH COLORS, COLOR INTENSITIES AND THE PATTERNS TO BE APPLIED TO THE FACE OF EACH CHECK PRODUCED. THE BOTTOM .800 INCH OF EACH WILL BE WHITE (I.E., CONTAIN NO COLOR GRAPHIC OF ANY KIND). THIS .800 INCH OF CLEAN WHITE SPACE IS USED FOR THE MICR ENCODING TO BE DONE BY THE COM. THE VENDOR WILL BE RESPONSIBLE FOR USING THE SAMPLES OF CHECK STOCK PROVIDED TO GENERATE A FINISHED PRODUCT ACCEPTABLE TO THE COM.

THE ENDORSEMENT AREA OF THE CHECK STOCK SHALL BE PRINTED IN THE COLORS SELECTED BY THE COM AND SHOULD BE THE SAME AS THE SAMPLE CHECK STOCK PROVIDED TO THE VENDOR. THE ENDORSEMENT AREA MUST CONTAIN A RED THERMO CHROMATIC INK AREA IN ACCORDANCE WITH THE SAMPLE PROVIDED TO VENDOR. THE ENDORSEMENT AREA SHALL BE PRINTED IN SUCH DENSITY AS REQUIRED BY STANDARD BANKING PRACTICES AND BE APPROVED BY THE STATE'S BANKING INSTITUTIONS.

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TERMS (cont'd):

MANUFACTURING SECURITY:

THE COM REQUIRES THAT WORK BE EXECUTED UNDER SECURE CONDITIONS. IN THIS REGARD, THE COM PREFERS THAT ALL PRINTING WORK BE PERFORMED ENTIRELY ON THE PREMISES OF THE VENDOR. HOWEVER, IS THIS IS NOT FEASIBLE, THE VENDOR WILL CLEARLY DEFINE THE LOCATION WHERE SAID SERVICES WILL BE PERFORMED AND MAKE PROVISIONS FOR THE COM, OR ITS REPRESENTATIVES TO VISIT THE FACILITY FOR THE PURPOSE OF DETERMINING IF THERE IS ADEQUATE SECURITY.

ALL PRINTING PLATES AND NON-CONSUMABLE PRINTING MATERIALS USED IN THE DIRECTION PRODUCTION OF THE RAD AND CPB CHECK STOCK WILL BE KEPT IN LOCKED VAULTS AT ALL TIMES WHEN NOT IN USE.

ALL SPOILAGE WILL BE SECURELY DESTROYED BY EITHER INCINERATION ON-SITE OR BY SHREDDING THAT MEETS UNITED STATES DEPARTMENT OF DEFENSE (DOD) FEDERAL SPECIFICATION F-S-001169 RELATING TO THE SHREDDING OF TOP SECRET INFORMATION (0.8 X 11.1 MM OR 1/32" X 7/16").

PLANT SECURITY SHOULD INCLUDE FIRE DOORS WITH ALARM BELLS FOR ALERT IN THE EVENT OF AN EXIT.

PLANT DOORS SHOULD HAVE UNIFORM LOCKING DEVICES ON ALL OUTSIDE DOORS.

A LOG SHOULD BE KEPT OF ALL VISITORS ENTERING THE MANUFACTURING AREA WHEN COM CHECK STOCK IS BEING PRODUCED.

ALL COM CHECK STOCK PRODUCED IS TO BE KEPT UNDER LOCKED SECURITY WITH LIMITED AND RECORDED ACCESS UNTIL TIME OF SHIPMENT.

WHEN THE COM CHECK STOCK IS SHIPPED, A SHIPPING MANIFEST SHALL BE MADE UP CONTAINING, AT A MINIMUM, THE NUMBER OF ROLLS OF CHECK STOCK AND THE SEQUENTIAL NUMBERING OF THE CHECKS CONTAINED ON EACH ROLL.

CHECK STOCK PACKAGING:

EACH ROLL OF 2-UP RAD CHECK STOCK SHALL CONTAIN APPROXIMATELY 37,500 USABLE CHECKS. (18,750 SHEETS)

EACH ROLL OF 1-UP CPB CHECK STOCK SHALL CONTAIN APPROXIMATELY 18,000 USABLE CHECKS. (18,000 SHEETS)

ROLLS OF RAD CHECK STOCK WILL BE PACKAGED 2 ROLLS PER PALLET.

ROLLS OF CPB CHECK STOCK WILL BE PACKAGED 3 ROLLS PER PALLET. THE PALLET SIZE IS 40" X 50".

ROLLS OF CHECK STOCK MUST BE WRAPPED IN PLASTIC OR OTHER PROTECTIVE

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TERMS (cont'd):

COVERING TO PREVENT DAMAGE DURING TRANSIT, STORAGE, WEATHER, MOISTURE, CONTAMINATION, DIRT, ETC.

ROLLS OF CHECK STOCK MUST BE BANDED TO PALLETS.

EACH ROLL OF CHECK STOCK WILL BE PROPERLY LABELED TO REFLECT THE SERIAL NUMBER SEQUENCE CONTAINED ON THE ROLL OF CHECK STOCK.

VENDOR STORAGE OF CHECK STOCK:

TO FACILITATE THE TIMELY DELIVERY OF CHECK STOCK DURING THE TERM OF THIS CONTRACT, THE VENDOR SHALL MAINTAIN A SECURED, ENVIRONMENTALLY CONTROLLED STORAGE FACILITY TO STORE UNDELIVERED CHECK STOCK UNTIL REQUESTED BY COM.

AT A MINIMUM, A SECURED STORAGE FACILITY IS A FACILITY WHERE ACCESS TO THE COM'S RAD AND CPB CHECK STOCK IS RESTRICTED TO ONLY AUTHORIZED PERSONNEL FOR THE PURPOSE DEPOSITING CHECK STOCK PRINTED AND REMOVING CHECK STOCK FOR DELIVER PURPOSES. ADDITIONALLY, THE FACILITY WILL SEGREGATE THE COM'S RAD AND CPB CHECK STOCK FROM ALL OTHER ITEMS BEING HELD IN THE FACILITY. FINALLY, THERE SHALL BE NO OTHER MATERIALS IN THE FACILITY THAT CAN DAMAGE OR DESTROY THE COM'S RAD AND CPB CHECK STOCK.

THE VENDOR'S SECURE AND ENVIRONMENTALLY CONTROLLED STORAGE FACILITY MUST MEET THE SPECIFICATIONS OF THE CHECK STOCK PAPER MANUFACTURER FOR THE PROPER STORAGE OF THEIR CHECK STOCK PAPER.

THE VENDOR WILL BEAR THE SOLE RESPONSIBILITY AND COST FOR REPLACING CHECK STOCK THAT IS DETERMINED TO BE UNUSABLE OR DAMAGED AS A RESULT OF TRANSIT, STORAGE, WEATHER, MOISTURE, CONTAMINATION, DIRT, ETC.

DISASTER RECOVERY CHECK INVENTORY:

THE VENDOR WILL STORE A MINIMUM OF 200,000 RAD CHECK STOCK (APPROX. 6 ROLLS) AND 60,000 CPB CHECK STOCK (APPROX. 4 ROLLS) IN THE SECURED, ENVIRONMENTALLY CONTROLLED STORAGE FACILITY FOR DISASTER RECOVERY PURPOSES, DURING THE TERM OF THE CONTRACT. THE DISASTER RECOVERY CHECK ROLLS WILL BE THE LAST CHECK ROLLS PRINTED. THIS WILL BE DETERMINED BY USING THE ENDING CHECK CONTROL SEQUENCE NUMBERS FOR RAD AND CPB CHECK STOCK.

THE INVENTORY OF DISASTER RECOVERY CHECKS WILL BE ROTATED WITH EACH SUBSEQUENT PRINTING OF CHECKS SO THAT THE LAST 200,000 RAD (APPROX. 6 ROLLS) AND 60,000 CPB (APPROX. 4 ROLLS) CHECKS PRINTED (ACCORDING TO THE CONTROL NUMBERS) WILL BE HELD FOR DISASTER RECOVERY PURPOSES.

IN CASE OF A DISASTER BEING DECLARED, THE VENDOR MUST FAN FOLD AND BOX

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THE CHECKS IN STORAGE AND DELIVER THE CHECKS TO THE TO THE SPECIFIED RECOVERY CENTER NO LATER THAN 48 HOURS, AFTER NOTIFICATION IS GIVEN. EACH BOX MUST BE MARKED 1-UP OR 2-UP, WITH BEGINNING AND ENDING CHECK CONTROL NUMBERS ON THE OUTSIDE OF EACH BOX.

PERFORMANCE:

IF AT ANY TIME DURING THE 12 MONTH PERIOD FOLLOWING THE DELIVERY OF THE CHECK STOCK, THE REJECTION RATE EXCEEDS .5% FOR ANY REASON, SUCH AS, BUT NOT NECESSARILY LIMITED TO THE QUALITY OF THE PRINTED IMAGES (FRONT AND/OR BACK OF THE CHECK STOCK), CHECK STOCK BEING IMPROPERLY ROLLED ON THE CORE, CHECK STOCK STICKING TOGETHER, PROBLEMS ENCOUNTERED IN USAGE ON THE STATE'S CHECK PRINTING AND POST PRINT PROCESSING EQUIPMENT, AND THE BANK'S PROCESSING EQUIPMENT, THE VENDOR WILL IMMEDIATELY ASSIST THE COM TO DETERMINE THE CAUSE OF THE PROBLEM. THE VENDOR WILL REPLACE THE DEFECTIVE CHECK STOCK AND DELIVER IT TO THE COM IN A TIMELY MANNER. DEPENDING ON THE CAUSE AND SEVERITY/MAGNITUDE OF THE PROBLEM, THE VENDOR MAY BE REQUIRED BY THE COM TO REPLACE THE REMAINING INVENTORY OF THE ORDER (BOTH DELIVERED AND UNDELIVERED) WITHIN TEN (10) BUSINESS DAYS AFTER THE RECEIPT OF NOTICE TO REPLACE THE REMAINING CHECKS AT THE VENDOR'S EXPENSE.

SPECIAL CONTRACT PROVISIONS:

A DUPLICATE SET OF ALL NEGATIVES/POSITIVES, ENGRAVINGS, DIES, TAPES, DISCS, OR OTHER PHOTOMECHANICAL MEDIA AND OTHER PRODUCTION MEDIA INVOLVED WITH THIS CONTRACT SHALL BE GIVEN AT TIME OF FINAL DESIGN APPROVAL AND BECOME OR REMAIN THE PROPERTY OF THE STATE OF MARYLAND AND THE SET USED BY THE PRINTER DURING THE LIFE OF THE CONTRACT SHALL BE SURRENDERED TO THE COM UPON COMPLETION OF AND WITH THE FINAL DELIVERY OF THE CONTRACT, OR AT SUCH A TIME AS REQUIRED BY THE COM. THE VENDOR AGREES TO A PENALTY NOT TO EXCEED 10% OF THE TOTAL CONTRACT AMOUNT WHICH MAY BE ASSESSED BY THE COM AGAINST THE VENDOR FOR FAILURE TO DELIVER THESE ITEMS (NEGATIVES/POSITIVES, ENGRAVINGS, DIES, TAPES, DISCS, OR OTHER PHOTOMECHANICAL MEDIA AND OTHER PRODUCTION MEDIA).

THE VENDOR SHALL NOT ACCEPT CHANGES, ADDITIONS, WAIVERS OR SUBSTITUTIONS IN THE PROVISIONS OF THIS ORDER UNLESS FURNISHED IN WRITING AND SIGNED BY THE CONTRACTING AUTHORITY FOR THE STATE OF MARYLAND. SHOULD ANY CHANGE CAUSE AN INCREASE IN THE VENDOR'S COST OR TIME FOR THE PERFORMANCE THAT IS NOT REFLECTED IN THE WRITTEN NOTICE, THE VENDOR SHALL ASSERT ITS CLAIM FOR SAME WITHIN TEN (10) CALENDAR DAYS AFTER THE DATE OF THE PURCHASE ORDER OR NOTICE.

THE VENDOR WILL BE RESPONSIBLE FOR PICKING UP THE DISASTER RECOVERY INVENTORY OF CHECK STOCK FROM THE PRIOR CHECK STOCK VENDOR AND STORING IT IN ACCORDANCE WITH THE STORAGE SPECIFICATIONS CONTAINED HEREIN. ADDITIONALLY, THE VENDOR WILL DELIVER SAID CHECK STOCK IN ACCORDANCE

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WITH THE DELIVERY SPECIFICATIONS CONTAINED HEREIN.

THE VENDOR WILL BE RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH THE PICKUP, SECURE DESTRUCTION AND REPLACEMENT OF CHECK STOCK THAT IS UNUSABLE DUE TO MANUFACTURING AND/OR PACKAGING DEFECT, SHIPPING/DELIVERY DAMAGE, VENDOR STORAGE DAMAGE, CHECK STOCK THAT WILL NOT FUNCTION PROPERLY ON THE COMPTROLLER OF MARYLAND'S PRINTING AND POST PRINT PROCESS EQUIPMENT, AND CHECK STOCK FOUND TO CONTAIN SPLICES, BREAKS, AND/OR MEDIAL STRIPS.

***** LAST PAGE *****

AUTHORIZED BY: _____ **DATE:** _____
BUYER AUTHORIZED DESIGNEE