Amendment to the State of South Dakota Contract for Centralized Production and Distribution of License Plates

1. This amendment (this "Amendment") is made by Intellectual Technology, Inc. ("Contractor"), the South Dakota Department of Revenue ("State"), and the South Dakota Department of Corrections ("Pheasantland Industries") parties to the Contract for Centralized Production and Direct Distribution of License Plates (the "Agreement"), contract number 15-0200-017, executed April 13, 2015.

2. Section 6 of the Agreement is hereby amended by inserting the following sentences immediately after the last sentence of such Section:

   "Notwithstanding anything in this Section 6 to the contrary, commencing on July 1, 2016, the State shall reimburse the Contractor for postage to mail on demand license plate orders to vehicle owners. Contractor shall bill the State monthly for this cost. The term "postage" used in this section shall not include the cost of packaging or shipping materials."

3. Notwithstanding anything in the Agreement to the contrary, the State shall pay Contractor a total of $175,975.32 for postage incurred and for freight costs to ship license plates from Indiana to South Dakota incurred from November 1, 2015 through June 30, 2016. The State may pay this amount in installments, but such total amount shall be paid to Contractor by no later than December 31, 2016.

4. Except as expressly set forth in this Amendment, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is conflict between this Amendment and the Agreement or any earlier amendment, the terms of this Amendment will prevail.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties signify their agreement by the signatures affixed below.

SOUTH DAKOTA
DEPARTMENT OF REVENUE

BY: _____

Andy Gerlach, Secretary

South Dakota Department of Revenue

8.11.2016
(DATE)

INTELLECTUAL TECHNOLOGY, INC.

BY: _____

John W. Low

Chief Financial Officer

8/4/2016
(DATE)

STATE OF SOUTH DAKOTA
DEPARTMENT OF CORRECTIONS

BY: _____

Dennis Kaemingk, Secretary

South Dakota Department of Corrections

8-9-16
(DATE)

STATE OF SOUTH DAKOTA
CONTRACT FOR CENTRALIZED PRODUCTION AND DIRECT DISTRIBUTION OF LICENSE PLATES

INTELLECTUAL TECHNOLOGY, INC.
2980 E. COLISEUM BLVD.
FORT WAYNE, IN 46805

(Hereinafter referred to as Contractor)

AND

SOUTH DAKOTA DEPARTMENT OF REVENUE
445 E. CAPITOL AVENUE
PIERRE, SD 57501

(Hereinafter referred to as State)

SOUTH DAKOTA DEPARTMENT OF CORRECTIONS
3200 EAST HIGHWAY 34
PIERRE, SD 57501

(Hereinafter referred to as Pheasantland Industries)

The State hereby enters into this Contract for Centralized Production and Direct Distribution of License Plate Services and Materials (this "Contract") with Contractor in consideration of and pursuant to the terms and conditions set forth herein.

1. **TERM OF CONTRACT:** The Contractor's services under this Contract shall commence on September 1, 2015 and end on September 1, 2025, unless terminated pursuant to the terms of this Contract.

2. **CONTRACT NUMBER:** The state contract number assigned to this Contract is 15-6266-017

3. **CONTRACTOR INFORMATION:** The Contractor will provide the State with its Employer Identification Number, Federal Tax Identification Number or Social Security Number upon execution of this Contract.

4. **REFERENCE DOCUMENTS:** The contents of the Request for Proposal (as amended) ("RFP"), attached hereto as Appendix A, and the response submitted by the Contractor (the "Contractor's Response"), attached hereto as Appendix B, are hereby incorporated into this Contract by reference. In the event there is a discrepancy or conflict between the RFP, the Contractor's response and this Contract, the documents will be interpreted in the following order of priority: (A) this Contract, (B) RFP, and (C) the Contractor's Response. The Contractor shall perform those services described in the RFP and the Contractor's Response (collectively, the "Services") with the following changes:

   4.1. This Contract is for a ten year term as indicated in Section 1 of this Contract.
   4.2. The turnaround time, found in Section 21 of the RFP, shall be extended from seven (7) days to fourteen (14) days.

4.3. Contractor will work with the State to fully develop and integrate a full end-to-end license plate management program with SDCARS.

4.4. The State and Contractor will negotiate in good faith to reach an agreement to either amend the State's Consultant Contract, last amended December 5, 2011 (the "Consultant Contract") in order to modify or eliminate any provisions in the Consultant Contract that conflict with the provisions of this Contract or incorporate the Consultant Contract into this Contract.

4.5. The penalty clause in Section 3.6.2 of the RFP, shall be amended to allow the Contractor to receive payment for any plates delivered outside the acceptable turnaround time. The Contractor will still be liable for a $2.45 per plate, or the per plate cost as properly amended pursuant to this Contract, penalty for those plates delivered outside the turnaround time.

4.6. The Contractor may substitute the subcontractor services of JR Wald, Inc. for that of Irwin Hodson Group.

5. **ADDITIONAL SERVICES:** The Contractor shall not commence any additional work or change the scope of the work until authorized in writing by the State. The Contractor shall make no claim for additional compensation in the absence of a prior written approval and amendment executed by all signatories to this Contract.

6. **PAYMENT:** Pheasantland Industries will make payment for the Services upon satisfactory completion of the Services. Pheasantland Industries shall pay the Contractor $2.45 per plate. The TOTAL CONTRACT AMOUNT shall not to exceed $12,625,343.00 for every five years of the term hereof. Contract price maximums set out in this section are based on projected transaction volumes as outlined in the RFP. If actual transactions exceed the projected volume, the TOTAL CONTRACT AMOUNT paid shall be adjusted accordingly. The Contractor may propose, on the basis of increased cost and a substantiating justification, not more than a one and one-half (1 ½) percent increase in the price per plate, beginning with calendar year 2016 and for each successive year of the term. The State shall judge the adequacy of the justification for each proposed annual price increase and, if accepted, shall give its approval in writing.

7. **PAYMENT TO CONTRACTOR:** Pheasantland Industries shall be responsible for the payment of all amounts owed to the Contractor under this Contract. Pheasantland Industries will not pay Contractor's expenses as a separate item. Payment will be made pursuant to itemized invoices submitted with a signed state voucher. Payment will be made consistent with SDCL ch. 5-26.

8. **PERFORMANCE:** Services provided by the Contractor under this Contract must be performed to the State's reasonable satisfaction, as determined at the discretion of the undersigned State representative and in accordance with all applicable federal, state, and local laws, rules, regulations, and ordinances. Pheasantland Industries shall not be required to pay for work found to be reasonably unsatisfactory, inconsistent with this Contract or performed in violation of any federal, state or local statute, ordinance, rule or regulation.

9. **INDEMNIFICATION:** The Contractor agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings, including court costs, attorney's fees, and other expenses, that may arise as the result of performing Services hereunder. Specifically, the State shall not be liable for any error or transmission of inaccurate information by the Contractor or its subcontractors, if any, resulting in erroneous information relating to plate messaging, registration documents, and delivery to the vehicle owner, unless due solely to the error or omission of the State, its officers, agents, or employees. This section does not require the Contractor to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.

10. **INSURANCE REQUIREMENTS:** The Contractor, at all times during the term of this Contract, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

A. Commercial General Liability Insurance:

The Contractor shall maintain occurrence based commercial general liability insurance or equivalent form with a limit of not less than $1,000,000.00 for each occurrence. If such insurance contains a general aggregate limit it shall apply separately to this Contract or be no less than two times the occurrence limit.

B. Professional Liability Insurance or Miscellaneous Professional Liability Insurance:

The Contractor agrees to procure and maintain professional liability insurance or miscellaneous professional liability insurance with a limit not less than $1,000,000.00.

C. Business Automobile Liability Insurance:

The Contractor shall maintain business automobile liability insurance or equivalent form with a limit of not less than $1,000,000.00 for each accident. Such insurance shall include coverage for owned, hired and non-owned vehicles.

D. Worker's Compensation Insurance:

The Contractor shall procure and maintain workers' compensation and employers' liability insurance as required by South Dakota law.

E. Cyber Liability Insurance:

The Contractor shall maintain cyber liability insurance with liability limits of the amount of $1,000,000.00 to protect any and all State data

the Contractor receives as part of the project covered by this Contract, including State data that may reside on the Contractor's employees' owned devices. If the Contractor has a contract with a third-party to host any of the State data the Contractor receives as part of the project covered by this Contract, then the Contractor shall include a requirement for cyber liability insurance as part of the contract between the Contractor and the third-party hosting the data in question. The third-party cyber liability insurance coverage will include state data that resides on their employees' owned devices including but not limited to laptops and smart phones. The cyber liability insurance shall cover at a minimum expenses related to the management of a data breach incident, the investigation, recovery and restoration of lost data, data subject notification, call management, credit checking for data subjects, legal costs, and regulatory fines.

Before beginning work under this Contract, Contractor shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Contract. In addition, Contractor shall furnish copies of insurance policies if requested by the State.

The insurance required by this Contract, through policy or endorsement(s), shall include a provision that the policy and endorsement(s) may not be cancelled or modified without thirty (30) days prior written notice. In the event that any policy or endorsement is modified, a new policy is issued, or a policy is cancelled or not renewed, the Contractor agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required pursuant to this Contract.

Failure to provide insurance as required in this Contract may be deemed a material breach of contract entitling the State to immediately terminate this Contract.

11. **INDEPENDENT CONTRACTOR:** While performing Services hereunder, the Contractor is performing as an independent contractor. No part of this Contract shall be construed to represent the creation of an employment, agency, partnership or joint venture agreement between the parties. No party will assume liability for any injury (including death) to any persons, or damage to any property, arising out of the acts or omissions of the agents, employees or subcontractors of the other party.

12. **INJURY REPORTING:** Contractor agrees to report to the State any event encountered in the course of performance of this Contract which results in injury to the person or property of third parties, or which may otherwise subject Contractor or the State to liability. Contractor shall report any such event to the State immediately upon discovery.

Contractor's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable

law. Contractor's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Contractor to report any event to law enforcement or other entities under the requirements of any applicable law.

13. **TERMINATION PROVISION:** This Contract may be terminated by either the State or the Contractor upon ninety (90) days written notice. In the event the Contractor breaches any of the terms or conditions hereof and fails to cure such breach within sixty (60) days after being notified of such breach by the State, this Contract may be terminated by the State. If termination for such a default is effected by the State, any payments due to Contractor at the time of termination may be adjusted to cover any additional costs to the State because of Contractor's default. State shall pay to Contractor all reasonable, documented costs of work in process and raw material incurred before the termination for convenience in filling any outstanding requests for registrations or license plates pursuant to the terms of this Contract, but not in any event to exceed the proportionate purchase price of the goods or services involved. Contractor shall transfer all such purchased work in process and raw material to the State or its designee upon request of the State. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Contract. If after the State terminates for a default by Contractor it is determined that Contractor was not at fault, then the Contractor shall be paid for eligible services rendered and expenses incurred up to the date of termination.

14. **NON-APPROPRIATION OF FUNDS:** This Contract depends upon the continued availability of appropriated funds and expenditure authority from the South Dakota Legislature for this purpose. If for any reason the South Dakota Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Contract will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

15. **ASSIGNMENT OF CONTRACT:** This Contract may not be assigned without the express prior written consent of the State.

16. **GOVERNING LAW:** This Contract shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Contract shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

17. **COMPLIANCE WITH LAWS:** The Contractor will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing the Services pursuant to this Contract, and will be solely responsible for obtaining current information on such requirements.

18. **PROPER CERTIFICATION:** The Contractor warrants that the Contractor and its subcontractors, if any, shall obtain and maintain all required permits, licenses, registrations, and approvals, and shall comply with all health, safety, and environmental statutes, rules, or regulations in the performance of work activities for the State. Failure

to do so may be deemed a material breach of this Contract and grounds for immediate termination and denial of further work with the State.

19. **CONFIDENTIALITY:** The Contractor understands and agrees that data, materials, and information disclosed to the Contractor may contain confidential and protected personal information. The Contractor covenants that data, material, and information gathered, based upon or disclosed to the Contractor for the purpose of this Contract will not be disclosed to or discussed with third parties without the prior written consent of the State. The Contractor further agrees that this Contract, including any future amendments, is subject to SDCL 1-27-1.5, 1-27-1.6, and SDCL 32-5-143 through SDCL 32-5-151, inclusive. The Contractor shall only use or disclose State data, materials, and information, within statutory limitations and the parameters of this Contract, while receiving, storing, and transferring data to Pheasantland Industries or any subcontractors. Contractor will fully indemnify and hold harmless the State, its officers and employees for any damage or loss resulting from the Contractor's unauthorized use or disclosure of personal information. Notwithstanding any other provisions herein, the State may terminate this Contract for unauthorized use or disclosure of State's data, material, and information by written notice to the Contractor, such notice to be effective upon facsimile (FAX) transmission to the Contractor, at the number provided above, or five (5) days from the date of mailing of such notice. Any damages incurred due to a breach of this clause by the Contractor will be the sole responsibility of the Contractor, including, but not limited, to any damages or attorney fees incurred by the State.

20. **SECURITY:** The Contractor shall provide documentation and, at the discretion of the State, allow for on-site inspections as needed to demonstrate that all facilities supporting this Contract and controlled by the Contractor have adequate safeguards to assure needed logical and physical separation is in place and enforced to insure data security, physical security, and transport security.

21. **UNENFORCEABLE PROVISIONS:** In the event that any court of competent jurisdiction shall hold any provision of this Contract unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

22. **PRIOR DISCUSSIONS:** All other prior discussions, communications and representations concerning the subject matter of the Contract are superseded by the terms of this Contract, and except as specifically provided therein, this Contract (including all Appendices attached hereto) constitutes the entire agreement with respect to the subject matter thereof.

23. **COMMUNICATIONS BETWEEN PARTIES:** Any notice or other communication required under this Contract shall be in writing and sent to the address first set forth above. Notices shall be given by and to Peggy Laurenz, 445 E. Capitol Ave, Pierre, SD, 57501 or Peggy.Laurenz@state.sd.us on behalf of the State, and by and to Drew Nicholson, 2980 E. Coliseum Blvd., Fort Wayne, IN, 46805 or dnicholson@iti4dmv.com on behalf of the Contractor, or such authorized designees as either party may from time to time designate in writing.

Any notice or other communication required under this Contract between the Contractor and Pheasantland Industries will be given by and to Pat Gacke and Darold Diede, 1600 North Drive, PO Box 5911, Sioux Falls, SD, 57117, Pat.Gacke@state.sd.us or Darold.Diede@state.sd.us on the behalf of Pheasantland Industries and by and to Drew Nicholson, 2980 E. Coliseum Blvd., Fort Wayne, IN, 46805 or dnicholson@iti4dmv.com on behalf of the Contractor, or such authorized designees as either party may from time to time designate in writing.

Any notice or other communication required under this Contract between the Contractor and the South Dakota Bureau of Information and Telecommunications (BIT) will be between Carrie Tschetter or Matt Bauer, 700 Governors Drive, Pierre, SD, 57501, Carrie.Tschetter@state.sd.us or Matt.Bauer@state.sd.us on behalf of BIT and Drew Nicholson, 2980 E. Coliseum Blvd., Fort Wayne, IN, 46805 or dnicholson@iti4dmv.com on behalf of the Contractor.

Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

24. **USE OF SUBCONTRACTORS:** Except as provided in Section 4.6 above, Contractor may not use subcontractors to perform the Services described herein without the express prior written consent of the State. The Contractor will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Contract, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Contract. The Contractor will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.

25. **AMENDMENTS:** This Contract may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto. After the initial year of the term hereof, the parties upon mutual agreement may adjust the specific terms or guarantees of this Contract. All adjustments shall be proposed in writing to the State for approval and must be executed by all signatories to this Contract. Unless otherwise indicated, a change or amendment shall be effective on the date it is signed by both parties. Automatic upgrades to any software used by the Contractor to provide any of the Services that simply improve the speed, efficiency, reliability, or availability of existing services and do not alter or add functionality, are not considered "changes to the Services" and such upgrades will be implemented by the Contractor on a schedule no less favorable than that provided by the Contractor to any other customer receiving comparable types of Services.

26. **PENDING LITIGATION:** The Contractor warrants that it has no current, pending or outstanding criminal, civil, or enforcement actions initiated by the State or Pheasantland Industries, and agrees that it will immediately notify the State of any such actions. During the term of such actions, the Contractor agrees that the State may delay, withhold,

or deny work under any supplement, amendment, change order or other contractual device issued pursuant to this Contract.

27. **LEGAL REQUEST FOR DATA:** Except as otherwise expressly prohibited by law, Contractor shall immediately notify the State of any subpoenas, warrants, or other legal orders, demands or requests received by Contractor seeking State data, material, or information in the possession of the Contractor. The Contractor, in such instances, shall move to quash or modify the legal order, demand, or request. Upon the State's request, the Contractor shall provide the State with any documentation involved with the legal request of State data, material, or information.

28. **EDISCOVERY:** The Contractor shall contact the State upon receipt of any electronic discovery, litigation holds, discovery searches, and expert testimonies related to, or which in any way might reasonably require access to the data of the State. The Contractor shall not respond to service of process, and other legal requests related to the State without first notifying the State unless prohibited by law from providing such notice.

29. **ELIGIBILITY:** The Contractor certifies that neither Contractor nor its principals are presently debarred, suspended, proposed for debarment or suspension, or declared ineligible from participating in transactions by the federal government or any state or local government department or agency. Contractor further agrees that it will immediately notify the State if during the term of this Contract Contractor or its principals become subject to debarment, suspension or ineligibility from participating in transactions by the federal government, or by any state or local government department or agency.

30. **CONTRACTOR TAX OBLIGATIONS:** The Contractor certifies by entering into this Contract that neither it nor its principal(s) is presently in arrears in payment of taxes, permit fees or other statutory, regulatory or judicially required payments to the State of South Dakota. The Contractor agrees that any payments currently due to the State of South Dakota may be withheld from payments due to the Contractor. Additionally, further work or payments may be withheld, delayed, or denied and/or this Contract suspended until the Contractor is current in its payments and has submitted proof of such payment to the State.

31. **BIT SOFTWARE AND TECHNOLOGY APPENDIX:** Appendix C the Bureau of Information and Telecommunications (BIT) Software and Technology Appendix is hereby specifically incorporated into this Contract.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties signify their agreement effective as of the date first written above by the signatures affixed below.

STATE OF SOUTH DAKOTA
DEPARTMENT OF REVENUE

BY: _____

Andy Gerlach, Secretary

South Dakota Department of Revenue

4/13/2015

Date

INTELLECTUAL TECHNOLOGY, INC.

BY: _____

Drew Nicholson

Chief Operating Officer

4/10/15

Date

STATE OF SOUTH DAKOTA
DEPARTMENT OF CORRECTIONS

BY: _____

Dennis Kaemingk, Secretary

South Dakota Department of Corrections

4-13-15

Date

STATE OF SOUTH DAKOTA
OFFICE OF PROCUREMENT MANAGEMENT
523 EAST CAPITOL AVENUE
PIERRE, SOUTH DAKOTA 57501-3182

Centralized Production and Direct Distribution of License Plates
PROPOSALS ARE DUE NO LATER THAN FRIDAY, JANUARY 9, 2015 5:00PM (CST)

RFP #: 109	BUYER: Department of Revenue and Department of Corrections	EMAIL: Peggy.Laurenz@state.sd.us Scott.Bollinger@state.sd.us

READ CAREFULLY

FIRM NAME:		AUTHORIZED SIGNATURE:	
ADDRESS:		TYPE OR PRINT NAME:	
CITY/ STATE:		TELEPHONE NO:	
ZIP (9 DIGIT):		FAX NO:	
FEDERAL TAX ID#:		E-MAIL:	

PRIMARY CONTACT INFORMATION

CONTACT NAME:	Peggy Laurenz	TELEPHONE NO:	605-773-3541
E-MAIL:	Peggy.Laurenz@state.sd.us		

APPENDIX A

1.0 GENERAL INFORMATION

1.1 PURPOSE OF REQUEST FOR PROPOSAL (RFP)

The purpose of this request for proposal is to solicit interested parties to bid on a centralized production and distribution license plate system. It is the intent of the South Dakota Department of Revenue, Division of Motor Vehicles ("State") to contract with a Contractor that provides quality production of a variety of license plate types, matching up of documents, and distribution of South Dakota license plates by individual mailing and bulk shipments. The State will not accept bids for only portions of this RFP.

1.2 ISSUING OFFICE AND RFP REFERENCE NUMBER

The Department of Revenue and Department of Corrections are the issuing offices for this document and all subsequent addenda relating to it, on behalf of the State of South Dakota. The reference number for the transaction is RFP #109. This number must be referred to on all proposals, correspondence, and documentation relating to the RFP.

1.3 SCHEDULE OF ACTIVITIES (SUBJECT TO CHANGE)

RFP Publication	Tuesday, November 25, 2014
Deadline for Completion of Site Visits	Wednesday, December 10, 2014
Deadline for Submission of Questions	Monday, December 15, 2014
Responses to Questions	Friday, December 19, 2014
RFP Submission Deadline	Friday, January 9<u>16</u>, 2015
Oral Presentation of Proposal	<u>Tuesday</u>~~Wednesday,~~ ~~January~~<u>February 3</u>~~14~~, 2015 <u>and Wednesday, February 4, 2015</u>
Anticipated Award Decision/Contract Negotiation	~~Friday, January 23, 2015~~<u>Thursday, February 12, 2015</u>
Award of Contract No Later Than	<u>Friday, February 27, 2015</u>~~Monday, February 16, 2015~~
Production of Plates Commencement	September 1, 2015

1.4 SITE VISITS

Site visits will be scheduled through Darold Diede from Pheasantland Industries ("PI") (Department of Corrections). All requests are to be made via email to Darold.Diede@state.sd.us with at least 48 hours of notice of intent for time of visit. Only one Contractor may visit at any one time. Contractor may have a maximum of three people conduct the site visit and the visit shall last no longer than two hours. Individuals conducting the site visits may be subject to background checks.

1.5 SUBMITTING YOUR PROPOSAL

All proposals must be completed and received by the State on or before the date and time indicated in the Schedule of Activities.

Proposals received after the deadline will be late and ineligible for consideration.

An original and two (2) identical copies of the proposal shall be submitted.

All proposals must be signed, in ink, by an officer of the responder, legally authorized to bind the responder to the proposal, and sealed in the form intended by the Contractor. Proposals that are not properly signed may be rejected. The sealed envelope must be marked with the appropriate RFP Number and Title, which are listed on the first page of the RFP. The words "Sealed Proposal Enclosed" must be prominently denoted on the outside of the shipping container. **Proposals must be addressed and labeled as follows:**

REQUEST FOR PROPOSAL #109
PROPOSAL DUE FRIDAY, JANUARY 9, 2015
BUYER DEPARTMENT OF REVENUE
ATTN PEGGY LAURENZ
DIVISION OF MOTOR VEHICLES
445 EAST CAPITOL AVE PIERRE, SD 57501

All capital letters and no punctuation are used in the address. The State's address as displayed should be the only information in the address field.

In addition, the Contractor should provide one (1) copy of their entire proposal, including all attachments, in Microsoft Word or PDF electronic format. The electronic copy of the proposal should be sent via email to Peggy.Laurenz@state.sd.us

No proposal shall be accepted from, or no contract or purchase order shall be awarded to, any person, firm or corporation that is in arrears upon any obligations to the State of South Dakota, or that otherwise may be deemed irresponsible or unreliable by the State of South Dakota.

1.6 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

By signing and submitting this proposal, the offeror certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation, by any Federal department or agency, from transactions involving the use of Federal funds. Where the offeror is unable to certify to any of the statements in this certification, the bidder shall attach an explanation to their offer.

1.7 NON-DISCRIMINATION STATEMENT

The State of South Dakota requires that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting their proposal, the offeror certifies they do not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

1.8 MODIFICATION OR WITHDRAWAL OF PROPOSALS

Proposals may be modified or withdrawn by the offeror prior to the established due date and time.

No oral, telephonic, telegraphic or facsimile responses or modifications to informal, formal bids, or Request for Proposals will be considered.

1.9 OFFEROR INQUIRIES

Offerors may make written or email inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after the date and time indicated in the Schedule of Activities. Email inquiries shall be sent to Peggy Laurenz at Peggy.Laurenz@state.sd.us with the subject line "RFP #109". Inquires may also be sent by mail. If inquiries are submitted by mail the envelope should be addressed to: Peggy Laurenz, 445 East Capitol Avenue, Pierre, South Dakota, 57501. Be sure to reference the RFP number in your letter.

The State prefers to respond to offeror's inquiries (if required) via e-mail. If an offeror does not indicate an email address, the State's response will be sent via fax. If no fax number is provided, the State will mail the response to the offeror. All offerors will be informed of any inquiries and the State's response. Offerors may not rely on any other statements, either of a written or oral nature, that alter any specification or other term or condition of this RFP. Offerors will be notified in the same manner as indicated above regarding any modifications to this RFP.

1.10 PROPRIETARY INFORMATION

The proposal of the successful offeror(s) becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. Pricing and service elements are not considered proprietary. An entire proposal may not be marked as proprietary. Offerors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State of South Dakota and may be returned only at the State's option.

1.11 LENGTH OF CONTRACT

The term of the contract shall be for a period of five (5) years from the date of contract execution. There may be one (1) five-year renewal, at the State's option, for a total of ten (10) years.

1.12 GOVERNING LAW

Venue for any and all legal action regarding or arising out of the transaction covered herein shall be solely in the State of South Dakota. The laws of South Dakota shall govern this transaction.

1.13 DISCUSSIONS WITH OFFERORS (ORAL PRESENTATION/NEGOTIATIONS)

An oral presentation by a offeror to clarify a proposal may be required at the sole discretion of the State. However, the State may award a contract based on the initial proposals received without discussion with the offeror. If oral presentations are required, they will be scheduled for Wednesday, January 14, 2015, after the submission of proposals. Oral presentations will be made at the offeror's expense.

This process is a Request for Proposal/Competitive Negotiation process. Each Proposal shall be evaluated, and each Contractor shall be available for negotiation meetings at the State's request. The State reserves the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal award of a contract, each proposal is considered a working document and as such, will be kept confidential. The negotiation discussions will also be held as confidential until such time as the award is completed.

2.0 STANDARD CONTRACT TERMS AND CONDITIONS

Any contract or agreement resulting from this RFP will include the State's standard terms and conditions as listed below, along with any additional terms and conditions as negotiated by the parties:

2.1 The Contractor will perform those services described in the Scope of Work, attached hereto as Section 3 of the RFP and by this reference incorporated herein.

2.2 The Contractor's services under this Agreement shall commence on _____ and end on _____, unless sooner terminated pursuant to the terms hereof. There may be one (1) five-year renewal, at the State's option, for a total of ten (10) years.

2.3 The Contractor will provide the State with its Employer Identification Number, Federal Tax Identification Number or Social Security Number upon execution of this Agreement.

2.4 The State will make payment for services upon satisfactory completion of the services. The TOTAL CONTRACT AMOUNT is an amount not to exceed $_____. The State will not pay Contractor's expenses as a separate item. Payment will be made pursuant to itemized invoices submitted with a signed state voucher. Payment will be made consistent with SDCL ch. 5-26.

2.5 The Contractor agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings, including court costs, attorney's fees, and other expenses, that may arise as the result of performing services hereunder. Specifically, the State shall not be liable for any error or transmission of inaccurate information by the Contractor or its subcontractors, if any, resulting in erroneous information relating to plate messaging, registration documents, and delivery to the vehicle owner, unless due solely to the error or omission of the State, its officers, agents, or employees. This section does not require the Contractor to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.

2.6 The Contractor, at all times during the term of this Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

A. Commercial General Liability Insurance:

The Contractor shall maintain occurrence based commercial general liability insurance or equivalent form with a limit of not less than $1,000,000.00 for each occurrence. If such insurance contains a general aggregate limit it shall apply separately to this Agreement or be no less than two times the occurrence limit.

B. Professional Liability Insurance or Miscellaneous Professional Liability Insurance:

The Contractor agrees to procure and maintain professional liability insurance or miscellaneous professional liability insurance with a limit not less than $1,000,000.00.

C. Business Automobile Liability Insurance:

The Contractor shall maintain business automobile liability insurance or equivalent form with a limit of not less than $1,000,000.00 for each accident. Such insurance shall include coverage for owned, hired and non-owned vehicles.

D. Worker's Compensation Insurance:

The Contractor shall procure and maintain workers' compensation and employers' liability insurance as required by South Dakota law.

Before beginning work under this Agreement, Contractor shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement. In addition, Contractor shall furnish copies of insurance policies if requested by the State.

The insurance required by this Agreement, through policy or endorsement(s), shall include a provision that the policy and endorsement(s) may not be cancelled or modified without thirty (30) days prior written notice. In the event that any policy or endorsement is modified, a new policy is issued, or a policy is cancelled or not renewed, the Contractor agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required pursuant to this Agreement.

Failure to provide insurance as required in this Agreement may be deemed a material breach of contract entitling the State to immediately terminate this contract.

2.7 While performing services hereunder, the Contractor is an independent contractor. No part of this Agreement shall be construed to represent the creation of an employment, agency, partnership or joint venture agreement between the parties. Neither party will assume liability for any injury (including death) to any persons, or damage to any property, arising out of the acts or omissions of the agents, employees or subcontractors of the other party.

2.8 Contractor agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject Contractor or the State to liability. Contractor shall report any such event to the State immediately upon discovery.

Contractor's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Contractor's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Contractor to report any event to law enforcement or other entities under the requirements of any applicable law.

2.9 This Agreement may be terminated by either party hereto upon sixty (60) days written notice. In the event the Contractor breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Contractor at the time of termination may be adjusted to cover any additional costs to the State because of Contractor's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by Contractor it is determined that Contractor was not at fault, then the Contractor shall be paid for eligible services rendered and expenses incurred up to the date of termination.

2.10 This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the South Dakota Legislature for this purpose. If for any reason the South Dakota Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

2.11 This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

2.12 The Contractor shall not commence any additional work or change the scope of the work until authorized in writing by the State. The Contractor shall make no claim for additional compensation in the absence of a prior written approval and amendment executed by all signatories to this Agreement.

2.13 This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

2.14 The Contractor will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

2.15 The Contractor certifies by entering into this Agreement that neither it nor its principal(s) is presently in arrears in payment of taxes, permit fees or other statutory, regulatory or judicially required payments to the State of South Dakota. The Contractor agrees that any payments currently due to the State of South Dakota may be withheld from payments due to the Contractor. Additionally, further work or payments may be withheld, delayed, or denied and/or this Agreement suspended until the Contractor is current in its payments and has submitted proof of such payment to the State.

2.16 The Contractor warrants that it has no current, pending or outstanding criminal, civil, or enforcement actions initiated by the State, and agrees that it will immediately notify the State of any such actions. During the term of such actions, the Contractor agrees that the State may delay, withhold, or deny work under any supplement, amendment, change order or other contractual device issued pursuant to this Agreement.

2.17 The Contractor warrants that the Contractor and its subcontractors, if any, shall obtain and maintain all required permits, licenses, registrations, and approvals, and shall comply with all health, safety, and environmental statutes, rules, or regulations in the performance of work activities for the State. Failure to do so may be deemed a material breach of this Agreement and grounds for immediate termination and denial of further work with the State.

2.18 All services provided by the Contractor under this Agreement must be performed to the State's reasonable satisfaction, as determined at the discretion of the undersigned State representative and in accordance with all applicable federal, state, and local laws, rules, regulations, and ordinances. The State shall not be required to pay for work found to be unsatisfactory, inconsistent with this Agreement or performed in violation of any federal, state or local statute, ordinance, rule or regulation.

2.19 The Contractor understands and agrees that data, materials, and information disclosed to the Contractor may contain confidential and protected personal information. The Contractor covenants that data, material, and information gathered, based upon or disclosed to the Contractor for the purpose of this Agreement will not be disclosed to or discussed with third parties without the prior written consent of the State. The Contractor further agrees that this Agreement, including any future amendments, is subject to SDCL 1-27-1.5, 1-27-1.6, and SDCL 32-5-143 through SDCL 32-5-151, inclusive. The Contractor shall only use or disclose State data, materials, and information, within statutory limitations and the parameters of this Agreement, while receiving, storing, and transferring data to PI or any subcontractors. Contractor will fully indemnify and hold

harmless the State, its officers and employees for any damage or loss resulting from the Contractor's unauthorized use or disclosure of personal information. Notwithstanding any other provisions herein, the State may terminate this Agreement for unauthorized use or disclosure of State's data, material, and information by written notice to the Contractor, such notice to be effective upon facsimile (FAX) transmission to the Contractor, at the number provided above, or five (5) days from the date of mailing of such notice. Any damages incurred due to a breach of this clause by the Contractor will be the sole responsibility of the Contractor, including, but not limited, to any damages or attorney fees incurred by the State.

2.20 The Contractor shall use commercially reasonable efforts at all of its facilities used to store, retain, and process State data, materials, and information, including appropriate administrative, physical, and technical safeguards, to secure such data from unauthorized access, disclosure, alteration, and use, until the data is deleted, or for an alternate time period mutually agreed on in writing by the parties. Such measures will be no less protective than those used to secure the Contractor's own data of a similar type, and in no event less than reasonable in view of the type and nature of the data involved. Without limiting the foregoing, the Contractor warrants that all State data, materials, and information will be encrypted in transmission (including via web interface) and all portable storage media at no less than 128-bit level encryption, and that the Contractor will comply with all other technical specifications of the State as incorporated herein by reference.

2.21 The Contractor shall provide documentation and, at the discretion of the State, allow for on-site inspections as needed to demonstrate that all facilities supporting this Agreement and controlled by the Contractor have adequate safeguards to assure needed logical and physical separation is in place and enforced to insure data security, physical security, and transport security.

2.22 The Contractor shall ensure that employees or subcontractors, if any, who perform work under this Agreement have read, understood, and received appropriate instruction as to how to comply with the data protection provisions of this Agreement, and Contractor has diligently screened and reviewed the qualifications of such employees or subcontractors, if any, prior to granting access to State data, materials, and information.

2.23 Password policies for all Contractor employees or subcontractors, if any, shall be documented annually and provided to the State, on the effective date of this Agreement and on the anniversary of the same going forward, to assure adequate password protections are in place.

2.24 The Contractor shall take all actions necessary to protect State data, materials, and information from exploits, inappropriate alterations, access or release, and malicious attacks. By signing this Agreement the Contractor warrants that all known security issues are resolved.

2.25 Immediately upon becoming aware of a data compromise, or of circumstances that could have reasonably resulted in unauthorized access to, disclosure of, or use of State data, materials, or information after execution of this Agreement, Contractor shall notify the State, fully investigate the incident, and fully assist with the State's investigation of, analysis of, and response to the incident. This investigation can include security scans made at the State's discretion. Failure by the Contractor to remedy any security issues discovered can be considered a breach of this Agreement by the State. Notwithstanding any other provision of this Agreement, and in addition to any other remedies available to the State under law or equity, the Contractor shall reimburse the State in full for all costs incurred by the State connected to the investigation and remediation of such State data, material, or information compromise, including but not limited to providing notification to third parties whose data was compromised and to regulatory agencies or other entities as required by law or Agreement; the offering of 12 months credit monitoring to each person whose State data, material, or information was compromised; and the payment of legal fees, audit costs, fines, and other fees imposed by regulatory agencies or contracting partners as a result of the State data, material, or information compromise. Contractor's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., any attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Contractor to report any event to law enforcement or other entities under the requirements of any applicable law.

2.26 The Contractor will use industry standard and up-to-date security tools and technologies, such as anti-virus protections and intrusion detection methods, in providing services under this Agreement. The Contractor will, at its own expense, either conduct or have conducted at least on an annual basis:

2.26.1 A vulnerability scan, performed by a scanner approved by the State, of the Contractor's systems and facilities that are used in any way to deliver services under this Agreement; and

2.26.2 A formal penetration test, performed by a process and qualified personnel approved by the State, of the Contractor's systems and facilities that are used in any way to deliver services under this Agreement.

All test results must be provided to the State within 30 days of receipt by the Contractor. The results must be found acceptable by the State. If the results are not found acceptable, the State may terminate this Agreement and be reimbursed by the Contractor for any costs.

2.27 Contractor covenants that:

2.27.1 Any files shared with the State do not contain any code that does not support a software requirement;

2.27.2 Contractor will not insert into any file shared with the State any virus, rogue program, time bomb, worm, Trojan Horse, back doors, Easter eggs or other malicious or intentionally destructive code; and

2.27.3 Contractor will use commercially reasonable efforts consistent with industry standards to scan for and remove any Malicious Code from any file shared with the State before sharing. In the event any Malicious Code is discovered in the shared files as delivered by the Contractor to the State, under this Agreement, the Contractor shall provide the State a clean copy of the file, at no charge, which does not contain Malicious Code or otherwise correct the affected portion of the services provided to the State under this Agreement. The remedies in this paragraph are in addition to such other and additional remedies the State may have at law, equity, or otherwise.

2.28 Except as otherwise expressly prohibited by law, Contractor shall immediately notify the State of any subpoenas, warrants, or other legal orders, demands or requests received by Contractor seeking State data, material, or information in the possession of the Contractor. The Contractor, in such instances, shall move to quash or modify the legal order, demand, or request. Upon the State's request, the Contractor shall provide the State with any documentation involved with the legal request of State data, material, or information.

2.29 Contractor shall not store or subcontract the storage of State data, material, or information in any area outside the jurisdiction of the United States without the written consent of the State. At no time is it acceptable for any State data, material, or information, when at rest, to be located in facilities outside the United States of America. This restriction also applies to disaster recovery; any disaster recovery plan must provide for data storage entirely within the United States of America.

2.30 Contractor may not use subcontractors to perform the services described herein without the express prior written consent of the State. The Contractor will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Contractor will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.

2.31 Contractor hereby acknowledges and agrees that all reports, plans, specifications, technical data, miscellaneous drawings, software system programs and documentation, procedures, or files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, and all information contained therein provided to the State by the Contractor in connection with its performance of services under this Agreement shall belong to and is the property of the State and will not be used in any way by the Contractor without the

written consent of the State. Papers, reports, forms, software programs, source code(s) and other material which are a part of the work under this Agreement will not be copyrighted without written approval of the State.

2.32 The Contractor certifies that neither Contractor nor its principals are presently debarred, suspended, proposed for debarment or suspension, or declared ineligible from participating in transactions by the federal government or any state or local government department or agency. Contractor further agrees that it will immediately notify the State if during the term of this Agreement Contractor or its principals become subject to debarment, suspension or ineligibility from participating in transactions by the federal government, or by any state or local government department or agency.

2.33 Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to _____ on behalf of the State, and by and to _____, on behalf of the Contractor, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

2.34 In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

2.35 All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

3.0 SCOPE OF WORK

This RFP covers the production and distribution of all South Dakota license plates in South Dakota. This includes orders placed on demand through the Internet or kiosk (also referred to as "self-service terminal" or "SST"), along with long run bulk orders produced and shipped to county offices for distribution. The State currently utilizes Pheasantland Industries ("PI") at the South Dakota State Penitentiary in Sioux Falls, South Dakota for the production of license plates and intends that plates continue to be produced at PI. The State owns some of its own equipment (identified in section 3.5 below). The State is looking to change the current production process and vendors are encouraged to provide solutions that can provide efficiencies in the production, distribution, and cost of the license plates and associated registration documents where applicable.

Currently, the State manufactures all license plates at PI, and license plates will be manufactured at the SD State Penitentiary under this RFP. The majority of plates are shipped to county offices for issuance. This practice will continue so the majority of plates printed will be shipped in bulk to the 66 county treasurer offices in South Dakota. The contractor must provide a method to ship long run bulk plate orders to county offices.

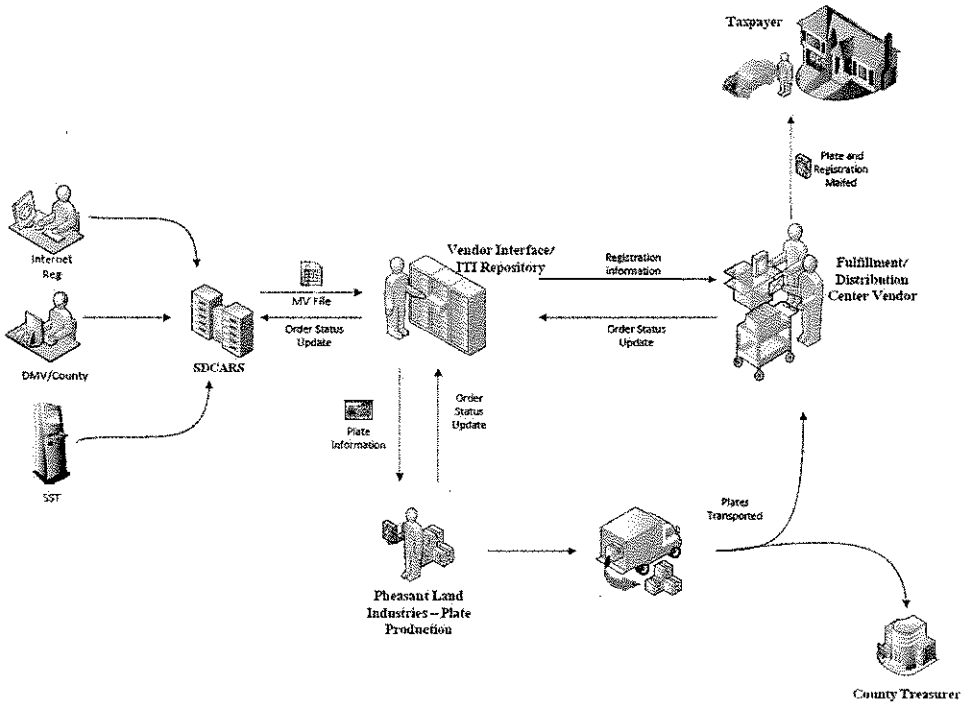
The State will be allowing citizens to renew registrations and order license plates through the Internet and via self-service kiosks. Orders placed through these methods will be fulfilled by mailing license plates and registration documents directly to the citizens' home. These plates are considered to be "on demand" and will not be printed until the order is placed. Specialty license plates will also be produced on demand and shipped directly to citizens' home. A key component of the on demand process is use of a fulfillment center to match up the license plate(s) with the registration document via use of a barcode feature, place them in an envelope, and mail them directly the citizens' home.

The fulfillment center will handle license plates printed on demand and must have the capability to transport license plates from PI to the center, print registration documents and registration decals in conjunction with Intellectual Technology Incorporation ("ITI"), match plates with registration documents through the use of barcoding, place the appropriate items in envelopes and mail to them to citizens' homes. Section 3.1 identifies the estimated percent of plates that will be produced on demand. The State anticipates annual growth in use of the electronic methods of obtaining license plates.

Intellectual Technology Incorporated ("ITI") is the current provider, and will continue to provide for the production and distribution of all of the registration documents. The State does not desire to change the registration document process and the current vendor (ITI) will work with the awarded Contractor to integrate its registration processes to produce and distribute the registration documents in the most efficient manner possible. This requirement maintains the consistency of the registration

documents throughout all distribution points associated with the State. Contractors should prepare their proposals understanding that proposed solutions must include PI and integration with ITI registration solutions.

The flow chart below further details the process that the State wishes to utilize:



This RFP covers the production and distribution of all South Dakota license plates for the period of September 1, 2015 to September 1, 2020. The agreement may be extended at the State's option to cover the period of September 1, 2020 to September 1, 2025.

Under this RFP, the State will provide the following:

- A location within the SD State Penitentiary for two separate plate lines to operate;
- A location within the SD State Penitentiary for storage of license plate materials and supplies;

- The use of all license plate line equipment, listed below, owned by the State at no charge to the Contractor; and
- The labor to produce the license plates at the SD State Penitentiary through PI.

Pursuant to this RFP, the Contractor will provide the following:

- All additional license plate line equipment and parts necessary to operate two license plate production lines;
- All materials and supplies necessary to produce the South Dakota license plates, delivered to the SD State Penitentiary;
- All materials and supplies provided must meet State design specifications;
- Transportation of the completed license plates from the SD State Penitentiary to a fulfillment center outside the SD State Penitentiary;
- Shipping for bulk order license plates to county treasurer offices throughout South Dakota;
- Shipping for individual plate orders to vehicle owners/taxpayers, which includes the correct number of plates and the appropriate registration documents;

The Contractor shall bill PI for all license plate production costs, fulfillment center costs, and postage.

Contractors should prepare their proposals in accordance with the flow chart, but may include suggested changes in their proposals. Those suggested changes should include a detailed explanation on why the change was suggested and how it is more efficient or effective.

3.1 License Plate Production Quantities and Timeline: The State projects the following license plate quantity needs for the first five years of the contract:

	Issue Year 2016	Issue Year 2017	Issue Year 2018	Issue Year 2019	Issue Year 2020
2+ color sheeting Automobile Plate Sets (2 Plates Per Set)	1,425,400 sets	95,000 sets	98,000 sets	125,000 sets	144,000 sets
1 color Automobile Plate Sets (2 Plates Per Set)	43,500 sets	60,000 sets	17,000 sets	18,500 sets	55,000 sets
1 color Trailer / Prorate Truck plate (1 Plate Only)	42,000	270,000	39,000	48,000	56,000
1 color Motorcycle (1 Plate Only)	94,300	16,000	16,000	16,000	16,500

	Issue Year 2016	Issue Year 2017	Issue Year 2018	Issue Year 2019	Issue Year 2020
Estimated Percentage of Transactions to be Produced On Demand	10%	12%	14%	16%	18%

3.2 License Plate Production and Distribution Mandatory Requirements:

1) Contractor must work closely with PI to facilitate the production of the license plates.

2) Contractor is required to provide PI with all of the necessary and compatible equipment, supplies, and training to allow license plate production and with the capacity to handle large daily demands during peak plate months at no additional expense beyond the license plate transactional fee. The transactional fee will also cover any costs associated with the fulfillment center.

3) The Contractor will bill PI monthly based on the number of transactions that occur in any given month multiplied by the license plate transaction fee. Contractor must state any costs associated with the fulfillment center and postage separately on the monthly invoices. Contractor shall provide a sample invoice with this bid.

4) Contractor understands and agrees that inmate(s) employed by PI must never have access to State customer personal information related to the license plates being produced.

5) Contractor must work in conjunction with the State to develop license plate designs compliant with all American Association of Motor Vehicle Administrators, State, and South Dakota Law Enforcement standards and expectations. Contractor must provide a proof of the license plate sheeting design to be approved by State and special recognition groups prior to production.

6) Contractor must agree to use aluminum for the license plate backing and must be at a minimum of .022 gauge. The State will consider alternative solutions to the use of .022 gauge aluminum for the license plate production; however, the Contractor must provide both a price for the .022 gauge aluminum and a price for their alternative solution material. All alternative solutions will be evaluated by the State and may or may not be approved and accepted for this RFP.

7) Contractor must have the ability to receive and handle a daily order text file(s) from the State which will contain all necessary information related to plate messaging, the registration document (if applicable), and delivery to the vehicle owner.

8) Contractor must provide a web service that provides real-time status updates for all license plate transactions – from order receipt to order completion/shipment, in order for the State to provide customer status updates via the SDCARS System, the State's online titling and renewal system. The vendor must also provide access to a web portal to the State. The web portal must also have the ability to generate daily production reports and management summary reports on performance including, but not limited to, volumes, quality, and turn-around time.

9) Contractor must have the ability to produce the current digitally printed license plates, which meet or exceed industry standards for reflectivity, durability, and performance. Newer technology solutions will also be considered as long as they also meet industry standards.

10) Contractor must take steps to reasonably ensure that Quality Control procedures are in place at PI to reasonably ensure that license plates produced and delivered to customers meet or exceed the State quality specifications as provided in this RFP ~~ensure and demonstrate that 100% of all license plates produced and delivered to customers meet or exceed State quality specifications as provided in this RFP~~.

11) The State is open to changes in the technology and materials for the production of the license plates and encourages Contractors to provide the best solution at the best price in addition to providing pricing for the equipment and materials specified in this RFP. Contractors should also provide information on how the alternative technology or materials would be beneficial or cost effective.

12) Contractor must be willing to coordinate and be compatible with the State's current registration document vendor, ITI, to ensure the corresponding registration document and license plates are mailed in a single mail piece to the customer. Contractor will need to work with ITI to ensure that the registration documents reach the fulfillment center and are paired with the correct license plate(s) for mailing. The current size of a registration document printed by ITI is 8 ½ inches by 4 inches.

13) Contractor must provide fulfillment center mailing services. As shown in the flow chart, Contractor must be able utilize bar codes to ensure that the correct license plate(s) and corresponding registration documentation are mailed together. Contractor must not combine multiple license plates and registration documents in a single mailing. All on demand orders must be mailed individually – even if multiple plates are going to the same customer and address. The State will consider an approach to "householding" for license plates; however the Contractor must provide both a price for individual plate shipping and a price for their "householding" solution. All alternative solutions will be evaluated by the State and may or may not be approved and accepted for this RFP.

14) Contractor must be able to provide for bulk shipments of license plates to county offices and the State's main office in Pierre, South Dakota.

15) Contractor is responsible for all shipping and packaging costs related to license plate distribution and accompanying registration documents. All packaging practices and materials must be approved by the State.

16) Contractor should base their postage rates for this RFP evaluation on current United States postage rates as of December 1, 2014. This price will be reviewed annually during

the life of the contract and may be adjusted through proper amendment process as outlined in the resulting contract of this RFP.

17) Contractor and the State will discuss cost adjustments annually for items such as aluminum and sheeting. At that time the Contractor must provide the State with current cost estimates. These estimates must be supported by documentation from a proper pricing source and that documentation must be provided to the State.

18) A margin of 2% or less will be allowed for scrap. Pheasantland Industries will be responsible for disposing of any scrap caused during production.

~~17)~~19) Contractor must provide a plan for training all relevant State and PI personnel on the proposed process, materials, equipment, and software that will be utilized for this solution.

~~18)~~20) Contractor must provide a plan for maintaining physical security of any facilities and process for handling and disposal of any damaged or returned license plates. This plan must also include details about Contractor's cyber security plan.

~~19)~~21) Contractor must meet turn-around-time requirements for license plate production. Turn-around time is defined as the amount of time that elapses between the Contractor receiving an accurate order file from the State and the completed package entering the mail stream from the fulfillment center. The turn-around time schedule begins the next business day from when the Contractor receives the order file. For this Project, the required turn-around time is seven (7) business days. Contractor is required to have one hundred percent (100%) of the completed packages into the mail stream within the required turn-around time. Penalties will be outlined in the resulting contract of this RFP and enforced if this metric is not met.

~~20)~~22) Advanced production of plates commencing on or after September 1, 2015 will be required for supplying inventory to the county treasurer offices by December 15, 2015. The State will provide the required inventory quantities to the Contractor.

~~21)~~23) The State will attempt to keep the Contractor informed regarding potential license plate production needs for material ordering purposes.

~~22)~~24) A Disaster Recovery Plan must be in place and provided in detail in this RFP. Any proposed Disaster Recovery Plan must include provisions and timeframes for:

a. Resuming license plate production;
b. Resuming fulfillment center activities; and
c. Replacement of equipment and materials.

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Any proposed Disaster Recovery Plan must meet the turnaround requirement set forth above.

3.3 License Plate Size Specifications

The current size specifications for the South Dakota license plates are listed below. Only two sizes of plates will be produced. All Contractors should prepare their proposals in accordance with the current size specifications.

Car, Truck and Trailer
Dimensions = 12" wide X 6" tall
Hole Placement = 5/8" from the top or bottom of the plate and 2 ½" from the sides of the plate
Hole Size = ¼" radius

Motorcycle
Dimensions = 7" wide X 4.125" tall
Hole placement = each hole is 5/8" from the top or bottom of the plate and 5/8" from the sides of the plate.
Hole size – ¼" radius

3.4 Number of License Plates per Transaction Type

Car and general truck transactions require a plate set (two identical plates). Transactions involving trailers and prorate trucks require a single plate. Transactions involving motorcycles require a single plate.

3.5 Equipment to be included in RFP

3.5.1 The following equipment will be needed to operate two full license plate production lines and the fulfillment center:

1. For License Plate Production:
    a. Blanking Line Press
    b. Unwinder
    c. Coil Straightener
    d. Blanking Die (minimum 2, 1 for truck, auto and trailer and 1 for motorcycle)
    e. Applicator Registry System (minimum of 2)
    f. Supporting Components
    g. Digital License Plate printers (minimum of 2)
    h. Barcode scanner (minimum of 4)
    i. Computer (minimum of 4)
    j. Computer software to read barcodes (minimum of 4)
2. For the Fulfillment Center:

a. Barcode scanner (minimum of 2)
b. Computer (minimum of 2)
c. Computer software to read barcodes

3. The State has the following blanking line components that can either be used with compatible equipment provided by the Contractor for license plate production or upgraded to the same performance standards of the new blanking line:
   a. 1-Vertical Unwind
      Cooper Weymouth 2,500 lb
      Serial # 25-12P-1401;
   b. 1-Coil Straightener
      Cooper Weymouth Peterson
      Model # 12B
      Serial # M21284;
   c. 1-Blanking Line Press
      Federal Press # 5
      Serial #5 2355;
   d. 3-Blanking Dies: All are Detroit Tool blanking dies
      1-Truck and Auto Serial # 4487
      1-Trailer Serial # V0837
      1-Motorcycle Serial # V0838;
   e. 1-Digital License Plate Printer
      Serial # ET-02-008; and
   f. 1-Cincinnati Press
      135 CB x 8 Press Brake
      Serial # 43813
   g. Contractor must maintain and repair any equipment owned by the State and used by the Contractor for license plate production under this RFP. Contractor must pay for or replace any State owned equipment subject to more than normal wear and tear while being used for license plate production under this RFP. The State must give written approval before the Contractor replaces, disposes, or uses parts from any of the State owned equipment.

3.5.2 All equipment used to fulfill this RFP must be new and unused.

3.6 Performance Penalties

3.6.1 Any agreement reached may be terminated for non-performance as determined pursuant to this RFP and any contract or agreement entered into between the Contractor and the State.

3.6.2 Contractor will not charge for plates delivered outside of the acceptable turnaround time as explained in Scope of Work Section 3.2 paragraph 19. The State will charge a penalty of $10 per transaction for plates delivered outside the turnaround time. These penalties shall not apply in the event of a delay caused by

Force Majeure or prison delays. A Force Majeure Event shall be an event where either party is unable to perform any of its obligations under this RFP and any executed contract or to enjoy any of its benefits because of natural disaster or decrees of governmental bodies not the fault of the affected party. If a Force Majeure event occurs the affected party shall immediately give notice to the other party and shall do everything possible to resume performance. If a delay, not caused by Force Majeure or prison delay, occurs due to an event outside of the Contractor's control the State shall review the circumstances and have discretion regarding whether a penalty should be applied.

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3.7 License Plate Sheeting Specification

Plate sheeting, thermal transfer ribbons, and protective clear film for digital license plate production should be consistent with all of the standards below.

DIGITALLY PRINTED LICENSE PLATE SPECIFICATIONS

SECTION I - GENERAL

This specification shall cover the materials, performance characteristics, quality, and testing of retroreflective sheeting and support services necessary for the successful manufacture of South Dakota ~~to produce~~ digitally printed license plates.

A. DESCRIPTION:

1. The retroreflective license plate shall consist of retroreflective (hereinafter referred to as "reflective" only) sheeting that is digitally printed by the license plate manufacturer (PI) with thermal transfer ribbons and then laminated to a specified aluminum substrate according to the sheeting manufacturer's recommendations.

2. The reflective sheeting shall consist of lens elements enclosed within a transparent resin and shall have a pre-coated pressure sensitive adhesive backing protected by a removable liner.

3. The reflective sheeting, when applied to the license plate substrate and blanked to finished size, shall contain:

   a. Identifying marks for purposes of on-vehicle traceability, warranty enforcement and anti-counterfeiting in accordance with these specifications. The warranty marks shall be buried below the sheeting surface for durability and shall incorporate the manufacturer's production run number that designates the source of manufacture, year of manufacture, and specific lot from which the material was supplied. The warranty marks shall not interfere or detract from the graphic design or reduce sheeting brightness and shall be durable for the service life of the license plate.

b. A three-dimensional security mark that runs from the top to the bottom of the plate or from the left to the right side of the plate. The design(s) shall be visibly distinct from an approximate distance of 0 to 40 feet (0 to 12 meters). The security mark shall be durable for the service life of the license plate.

4. Pre-printed reflective sheeting shall conform to the design, colors and sheeting type as approved by the state and reflective sheeting manufacturer.

B. PREQUALIFICATION

Before any bid is considered, the reflective sheeting manufacturer utilized by the successful vendor shall meet the following criteria:

1. To assure high quality license plate performance, durability and service, the successful sheeting manufacturer shall provide the vendor, for inclusion with its RFP proposal, ~~State with~~ proof of successful in-field performance ~~license plate manufacturing~~ in other North American jurisdictions~~states~~. The ~~s~~sheeting manufacturer ~~successful bidder~~ shall provide the following documentation to the vendor for inclusion with the RFP proposal ~~with the bid~~:

   a. Show evidence of successful manufacture of reflective sheeting that has been used successfully with ~~,~~ thermal transfer ribbons and protective clear overlaminate~~, as parts of a totally integrated license plate system.~~ to produce jurisdictional license plates that qualify for finished license plate warranties as required by the State.

   b. Provide a list and qualifications of experienced, full-time graphic design, customer service, technical service and sales service personnel.

   c. Submit a plan for providing expert on-site technical service within 48 hours and immediate toll-free call-in technical service.

   d. Submit a plan for next day delivery of stocked equipment parts; provide the using agency with a detailed list of stocked parts.

   e. Provide independent test lab data demonstrating that the license plate sheeting the bidder~~'s~~ proposes ~~products~~ conforms to all performance requirements of this specification as specified in Section II. Additional testing may be conducted by the State's designated test lab.

   f. Properly warrant the plates produced from the sheeting manufacturer's sheeting by posting a $1,000,000 product bond during the duration of this issue. The sheeting manufacturer shall also provide buried directional warranty mark in the sheeting in

accordance with Section IV.B, which facilitates on-vehicle traceability and warranty enforcement.

g. Prior to contract award, Ssupply sample rolls of sheeting printed with graphic designs to be designated by the State to demonstrate the ~~supplier's~~ sheeting manufacturer's production capability to providing general issue designs.

h. Supply evidence of successfully supplying reflective sheeting ~~and digital license plate production systems~~ to ~~another~~ ~~state~~North American jurisdictions to manufacture finished license plates with comparable production volumes and finished plate warranties to those required by this State.

2. The sheeting manufacturer will provide any/all necessary samples for the State or their designated testing facility to certify the material compliance with these specifications. At the request of the State, the sheeting supplier may also be required to compensate the State or their testing agents for the cost of any material testing.

3. A corporate officer shall certify that all license plate sheeting ~~thermal transfer ribbons and protective clear laminate~~ used or provided by Contractor are covered by the sheeting manufacturer's ISO 9001 Registration.

4. The reflective sheeting and thermal transfer ribbon suppliers shall submit to the bidder for inclusion with their proposal technical data exhibiting characteristics of all materials proposed. Information submitted shall include detailed processing conditions for each phase of license plate manufacture.

5. Vendors/Bidders failing to conform to any of these prequalification requirements shall be disqualified.

C. PERIODIC EVALUATION:

The State reserves the right to periodically evaluate the performance of materials. Samples for periodic evaluation of performance will be selected at random from materials used or provided by the Contractor for use in the license plate production process. Failure of materials to comply with the requirements of this specification shall be cause for removal.

D. TECHNOLOGICAL IMPROVEMENTS

The sheeting manufacturer may, with agreement of the State, incorporate technological improvements that better optimize the license plate production process and/or license plate performance.

SECTION II – PERFORMANCE STANDARDS
REFLECTIVE SHEETING FOR DIGITAL LICENSE PLATE PRODUCTION

A. SUBSTRATE

The sheeting shall be laminated to aluminum substrate recommended by the sheeting manufacturer.

B. DIFFUSE DAYTIME COLOR

Through instrumental color testing, the diffuse daytime color of the reflective sheeting shall conform to color requirements as determined spectrophotometrically in accordance with ASTM E-1164 and E-1349, utilizing either 45/0 or 0/45 degree illumination/viewing conditions as described in E- 1164 and E-1349 for retroreflective materials. Chromaticity and the Luminance Factor based on CIE tristimulus values for the 2° observer and illuminant D65 shall be calculated in accordance with ASTM E-308.

The color specification limits for white license plate sheeting are listed on the following chart.

C. COLOR SPECIFICATION

Chromaticity Coordinates

Pairs	White Corner Points		Luminance Factor
	x	y	Y%
1	.303	.287	42 min.
2	.368	.353	
3	.340	.380	
4	.274	.316	

D. ADHESIVE AND PROTECTIVE LINER:

1. The precoated adhesive shall form a durable bond to flat conversion coated license plate surfaces as recommended by the reflective sheeting manufacturer.

2. The protective liner attached to the adhesive shall be removable by peeling without soaking in water or other solvents and shall be easily removed after accelerated conditioning for four hours at 150°F (66°C) under weight of 2.5 lbs. per square inch (1.14KG per 6.45 sq. cm). The liner shall be non-printed to permit reuse.

E. THERMAL TRANSFER PRINTING

1. The reflective sheeting shall be printable with thermal transfer ribbons as utilized by the license plate manufacturer (PI). ~~supplied by the sheeting manufacturer.~~

2. The reflective sheeting manufacturer, if required, shall provide a complete line of thermal transfer ribbons, (in process and spot colors), that are compatible with the reflective sheeting used by ~~allow~~ the license plate shop and that will allow the license plate shop to print the graphic designs and variable information required by the State.

F. PROTECTIVE CLEAR OVERLAMINATE

The sheeting manufacturer shall provide a protective clear film that will be laminated to the sheeting in-line with the thermal transfer printing process. Printed sheeting with the protective clear film shall pass all performance tests as delineated in Section II.B.

G. INVENTORY CONTROL

To assist PI with inventory control, the sheeting manufacturer shall mark the sheeting with an integral, directional image that incorporates the lot number so that PI can employ first in - first out principles.

SECTION III - FINISHED LICENSE PLATES

Test panels shall be prepared in accordance with Section III, Para. A.

A. RETROREFLECTIVE CHARACTERISTICS

The coefficient of retroreflection for the sheeting shall be measured on flat, clean, finished license plate test panels prepared per Section III and shall have the following minimum values at 0.2° observation angle, expressed as candelas per lux per square meter of material. Measurements shall be conducted in accordance with ASTM E-810, "Standard Test Method for Coefficient of Retroreflection of Retroreflective Sheeting". Measurements on reflective sheeting with a preprinted graphic design shall be taken in an unprinted sheeting area.

Color	Entrance Angle	
	-4°	40°
White	50	16

B. RESISTANCE TO ACCELERATED WEATHERING

1. The sheeting shall be weather resistant and show no appreciable discoloration, crazing, cracking, blistering, lifting or dimensional change and the surface shall continue to be essentially smooth to provide direct application of validation stickers, determined after the following accelerated weathering tests:

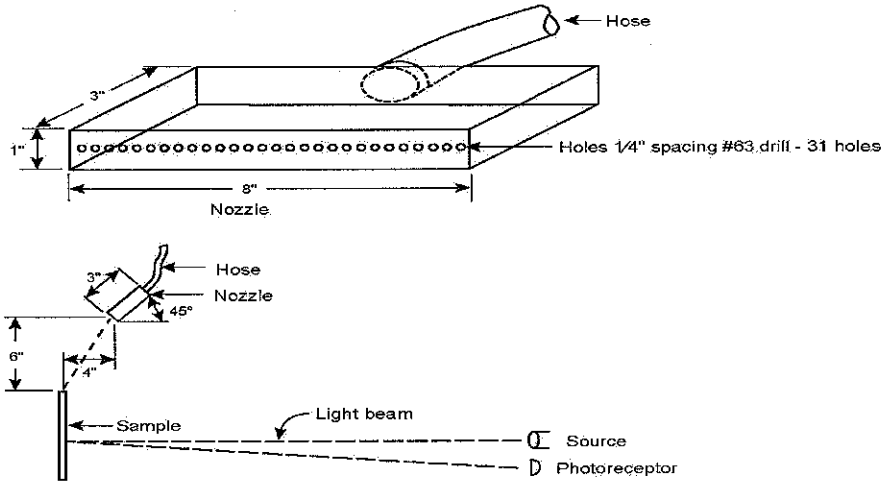
2. Laboratory testing – 2,000 hours in Xenon arc weatherometer using ASTM G 155 -Type BH, Cycle 1. Samples shall maintain 70% of retroreflective table values shown in II, B. 1.

3. Outdoor accelerated testing – Samples shall be placed in a 24 month unprotected outdoor exposure, facing the equator and positioned vertically. Retroreflective measurements, taken after cleaning, shall result in 70% or more retention of the table values shown in II, B. 1.

C. RAINFALL PERFORMANCE

The Coefficient of Retroreflection of the same finished license plate test panels, measured on the same flat area of the test panels, totally wet by rain, shall not be less than 90 percent of the values specified above. The photometric performance during rainfall shall be determined as follows:

1. Test set-up for rainfall performance:



Place source and photoreceptor in horizontal plane

2. Place the test panel in an upright position 6 inches (15.2 cm) below and 4 inches (10.1 cm) in front of the nozzle as shown above

3. Apply sufficient water pressure so that the upper surface of the spray envelope strikes the top of the panel.

4. With water falling on the panel, measure the coefficient of retroreflection. Wet performance measurements shall be conducted at 0.2° observation and -4° entrance angles in accordance with ASTM E-810.

D. DAYTIME/NIGHTTIME COLOR

To assist in positive daytime/nighttime identification of license plates, the color of the reflective background of the sheetings, including any pre-printed design or digitally printed design, shall be similar in daylight and by illumination at night.

E. FLEXIBILITY-EMBOSSING

1. The sheeting shall, when correctly applied to treated aluminum, conform to the minimum/maximum tolerances for an embossed rim or flange as used by the manufacturing facility that supplies finished plates to the state and as recommended by the sheeting manufacturer.

2. Finished license plates shall show no appreciable wrinkling, cracking, or squirming at or around the embossed rim or flange.

F. CLEANABILITY

1. Finished license plates, manufactured in accordance with the recommendations of the reflective sheeting manufacturer, shall be easily cleansed of normal dirt accumulation by washing with water and mild detergent. A test panel shall be sprayed with water-suspended soils collected from the underside of vehicle fenders, mixed with water in the proportion of five pounds (2.27 kg) of soil to one gallon (3.78 liters) of water, and poured through a paint strainer.

2. The mixture shall then be sprayed onto the panel while particles are in suspension. After the panel is thoroughly dry, it shall be cleaned by washing with a mixture of water and mild detergent, rinsed with clean water and wiped dry for examination. The panel shall show no appreciable difference when compared to a new clean panel.

G. SOLVENT RESISTANCE

1. License plate panels prepared per III.A shall be sufficiently solvent resistant to withstand exposure to mineral spirits and turpentine in accordance with the test method described in this section without wrinkling, puckering or edge lifting.

2. Test panels shall be 1 inch x 6 inch strips cut from license plate blanks. Strips of the license plate shall be exposed as follows: mineral spirits and turpentine - submerged in a container with 4 inches of solvent for 10 minutes.

3. Samples shall be allowed to dry and be examined for any wrinkling, puckering, blistering, or edge lifting. Failure of samples shall be cause for rejections.

SECTION IV - TEST PANELS AND QUALITY CONFORMANCE

A. TEST PANELS

Finished license plate test panels 6" x 12" (15.2cm x 30.5cm) must be provided for testing and evaluation within ten (10) calendar days if required by the state, and shall be produced of the same materials, on the same equipment and by the same general processes of substrate preparation as the production plates, in accordance with the sheeting manufacturer's recommendations. Test panels shall be provided with and without thermal transfer printed graphics and variable information as required by the state.

B. QUALITY CONFORMANCE

Failure of the reflective sheeting to meet any requirement specified herein shall be cause for refusal to accept materials until evidence has been provided by the manufacturer that corrective action has been taken to eliminate deficiencies.

SECTION V - PERFORMANCE LIFE & WARRANTIES

A. PERFORMANCE LIFE

1. Reflective sheeting applied and processed into finished license plates according to the sheeting manufacturer's instruction shall be considered to perform effectively for the service life specified (excluding those plates showing mechanical damage) if:

    a. The plates show no fading, cracking, blistering or peeling which will significantly impair the intended visibility or legibility of the plate, and if

    b. The clean rear plate retains at least 9 candlepower per foot-candle per plate (.84 candelas per lux per plate) for the length of the intended issue being bid (up to a period of 5 years). Measurements shall be taken in clean, white, unprinted areas of rear plates.

2. Measurements shall be conducted at 0.2° observation angle and -4° entrance angle. Coefficient of Luminous Intensity shall be measured using the test method outlined in ASTM E-810 except that the coefficient of luminous intensity shall be determined in accordance with ASTM E-808-01 Para. 3.2.2 and ASTM E-809-02 Para. 12.3. Note: Reflective license plates with a digitally printed graphic design may not meet this requirement as large graphic printed areas may affect the reflectivity levels of the finished license plates.

B. WARRANTY PROVISIONS

1. The sheeting shall be imaged with a directional, integral warranty mark, so as to be traceable to the specific manufacturer's production run numbers from which the material originated. If at any time during the specified performance life of the reflective material provided, a one half of one percent sample of clean, rear plates produced from a given production run (identified by the integral warranty mark) reveals that 10 percent or more of that sample are found to be defective in visual or brightness performance requirements as defined herein, the Contractor shall be responsible for replacement of all plates manufactured from that specific lot of material.

2. The sheeting manufacturer shall be responsible for all replacement costs associated with a specific lot; a maximum liability assessment of $5.00 per plate will be invoked for failed plates associated with a specific lot. Reimbursement of the State shall be in dollars and/or materials equal to the assessed damage, at the State's discretion.

3. To assure effective identification, the warranty marks shall be approximately 1.125 inches in diameter on standard 6" x 12" plates and shall be of a design mutually agreed upon by the State and the sheeting manufacturer. The manufacturer may vary the number, design and placement of the marks for motorcycle or smaller license plate sizes.

4. The warranty marks shall be verifiable on a license plate once properly affixed to the vehicle's designated mounting area, from an approximate head-on distance of six (6) feet; warranty marks shall not be observable at 2 feet or 20 feet or when the viewer steps to one side from the head-on viewing position so as not to compete or conflict with vital plate information.

5. The warranty marks shall be verifiable under both ambient light and retroreflected light at night, shall not interfere or conflict with the plate design or aesthetics, and shall not alter sheeting colors or reduce sheeting brightness below specified levels.

C. THREE-DIMENSIONAL SECURITY MARK

1. The retroreflective sheeting shall also have a three-dimensional security mark that runs vertically or horizontally through standard vehicle registration plates for purposes of security and anti-counterfeiting in accordance with these specifications. The three-dimensional security mark shall be buried beneath the surface of the sheeting and shall feature a design that must be pre-approved by the state. The three-dimensional security mark shall be durable for the service life of the license plate.

2. The three-dimensional security mark shall be verifiable under both daylight and retroreflected light, shall not interfere or conflict with the plate legibility, and shall not reduce sheeting brightness below minimum specified brightness levels when measured in accordance with ASTM E 808 and ASTM E 809.

3. The three-dimensional security mark shall be visible in the unprinted areas of the plate from within a standard police vehicle under high beam headlight illumination, as well as outside of the vehicle, on a license plate properly affixed to the vehicle's designated mounting area, from an approximate distance of 0 to 40 feet (0 to 12 meters) at a head-on viewing angle. The three-dimensional security mark shall not be visible when viewed at an angle greater than 45 degrees from the head-on viewing position.

SECTION VI - PACKAGING AND SHIPPING

To ensure easy access and proper inventory control, the reflective sheeting shall be shipped in bulk packages. To prevent roll damage, each pallet of bulk packages shall be designed to prevent double stacking by the shipper. Production run sequence numbers shall be affixed to the outside of each shipping package that corresponds to the materials contained therein. Each roll shall be additionally designated by a core identifier stamped or affixed with a permanent label to the inside of each roll core. A shipping or packaging list shall be affixed to one box on a pallet identifying all production runs contained within the shipment.

SECTION VII - DELIVERY SCHEDULE

All deliveries of materials and supplies shall be provided F.O.B. to the State's designated point of delivery. The first expected delivery of reflective sheeting shall be not later than 45 days following official notification of contract award, initial order and receipt of state approved artwork. All subsequent orders shall be F.O.B. destination with expected delivery within 30 days after receipt.

SECTION VIII - ACCOUNTABILITY

The manufacturer shall be accountable for all sheeting from the place of manufacture to the point of delivery. All over-run materials remaining in the manufacturer's possession after discontinuation of any design or the contract's cancellation, shall be destroyed and used for no other purpose.

SECTION IX - PROCESSING

The reflective sheeting processing shall be in accordance with the recommendations of the manufacturer. All processing procedures for reflective material, thermal transfer ribbons and clear protective laminate must be compatible, or made compatible at the Contractor's expense, with equipment and procedures ~~currently~~ employed by the State.

4.0 PROPOSAL REQUIREMENTS AND COMPANY QUALIFICATIONS

4.1 The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal.

4.2 **Offeror's Contacts**: Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc. to the buyer of record indicated on the first page of this RFP. Offerors and their agents may not contact any state employee other than the buyer of record regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.

4.3 **Business Proposal**

A. **General** (optional) - This section of the business proposal may be used to introduce or summarize any information the Contractor deems relevant or important to the State's successful acquisition of the products and/or services requested in this RFP.

B. **Contractor's Company Structure** - The legal form of the Contractor's business organization, the state in which formed (accompanied by a certificate of authority), the types of business ventures in which the organization is involved, and a chart of the organization are to be included in this section. If the organization includes more than one product division, the division responsible for the development and marketing of the requested products and/or services in the United States must be described in more detail than other components of the organization.

C. **Company Financial Information** - This section must include the Contractor's audited financial statements, including an income statement and balance sheet, for each of the two (2) most recently completed fiscal years. The financial statements must demonstrate the Contractor's financial stability. If the financial statements being provided by the Contractor are those of a parent or holding company, additional financial information should be provided for the entity/organization directly responding to this RFP.

D. **Integrity of Company Structure and Financial Reporting** – This section must

include a statement indicating that the CEO and/or CFO has taken personal responsibility for the thoroughness and correctness of any/all financial information supplied with this proposal. The particular areas of interest to the State in considering corporate responsibility include the following items: separation of audit functions from corporate boards and board members, if any, the manner in which the organization assures board integrity, and the separation of audit functions and consulting services. The State will consider the information offered in this section to determine the responsibility of the Contractor under IC 5-22-16-1(d).

The Sarbanes Oxley Act of 2002, H.R. 3763, is NOT directly applicable to this procurement; however, its goals and objectives may be used as a guide in the determination of corporate responsibility for financial reports.

E. **Contract Terms/Clauses** -- Sample contract terms that the State expects to execute with the successful Contractor(s) are provided in Section 2.0. The final contract executed by the parties may also contain additional provisions presented by the State to which the parties agree. However, it is the State's expectation that the final contract will be substantially similar to the sample contract terms provided in Section 2.0.

If you require additional contract terms please include them in this section.

To reiterate it's the State's strong desire to not deviate from the contract terms provided and as such the State reserves the right to reject any and all of these requested changes.

If there are no contract clauses identified Contractor is considered to have accepted the clauses as they are currently written.

F. **References** - Please identify three (3) major current customers in the table below. State government customers are strongly preferred.

Customer 1	
Legal Name of Company or Governmental Entity	
Company Mailing Address	
Company City, State, Zip	
Company Website Address	

Contact Person	
Company Telephone Number	
Company Fax Number	
Contact E-mail	
Industry of Company	
Customer 2	
Legal Name of Company or Governmental Entity	
Company Mailing Address	
Company City, State, Zip	
Company Website Address	
Contact Person	
Company Telephone Number	
Company Fax Number	
Contact E-mail	
Industry of Company	
Customer 3	
Legal Name of Company or Governmental Entity	
Company Mailing Address	
Company City, State, Zip	
Company Website Address	
Contact Person	
Company Telephone Number	
Company Fax Number	
Contact E-mail	
Industry of Company	

1. Does your company have any pending litigation regarding contract disputes? Please provide a yes/no response. If yes, please provide details of dispute without violating any confidentiality requirements.

2. Please list any contracts lost or terminated in the last 3 years and provide reasons for loss or termination, and contact information.

G. **Registration to do Business**- Selected out-of-state Contractors providing the products and/or services required by this RFP must be registered to do business

within the State by the South Dakota Secretary of State. This process must be concluded prior to contract negotiations with the State. It is the successful Contractor's responsibility to complete the required registration with the Secretary of State. Please indicate the status of registration, if applicable. Please clearly state if you are registered and if not provide an explanation.

H. **Authorizing Document**- Contractor personnel signing the Transmittal Letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section shall contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement. Please enter your response below and indicate if any attachments are included.

I. **Subcontractors**- The Contractor is responsible for the performance of any obligations that may result from this RFP, and shall not be relieved by the non-performance of any subcontractor. Any Contractor's proposal must identify all subcontractors and describe the contractual relationship between the Contractor and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal.

Any subcontracts entered into by the Contractor must be in compliance with all State statutes, and will be subject to the provisions thereof. For each portion of the proposed products and services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience. The combined qualifications and experience of the Contractor and any or all subcontractors will be considered in the State's evaluation.

The Contractor must furnish information to the State as to the amount of the subcontract and subcontract percentage of the total bid amount, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by the State. All subcontracts held by the Contractor must be made available upon request for inspection and examination by appropriate State officials, and such relationships must meet with the approval of the State.

The Contractor must list any subcontractor's name, address, and the state in which formed that are proposed to be used in providing the required products and/or services. The subcontractor's responsibilities under the proposal, anticipated dollar amount for subcontract, form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included

for each subcontractor. This assurance in no way relieves the Contractor of any responsibilities in responding to this RFP or in completing the commitments documented in the proposal.

J. General Information –

Business Information	
Legal Name of Company	
Contact Name	
Contact Title	
Contact E-mail Address	
Company Mailing Address	
Company City, State, Zip	
Company Telephone Number	
Company Fax Number	
Company Website Address	
Number of Employees (company)	
Years of Experience	
Number of U.S. Offices	
Year South Dakota Office Established (if applicable)	
Parent Company (if applicable)	
Revenues ($MM, previous year)	
Revenues ($MM, 2 years prior)	

Does your company have a formal disaster recovery plan? Please provide a yes/no response. If no, please provide an explanation of any alternative solution your company has to offer. If yes, please note and include as an attachment.

2. What is your company's technology and process for securing any State information that is maintained within your company?

K. Experience Serving State Governments- Please provide a brief description of your company's experience in serving state governments and/or quasi-governmental accounts.

L. **Experience Serving Similar Clients-** Please describe your company's experience in serving customers of a similar size to the State of South Dakota with similar scope. Please provide specific clients and detailed examples.

10. PROPOSAL RESPONSE FORMAT

10.1 An original proposal and 2 copies shall be submitted consistent with Section 1.5 above.

10.1.1 In addition, the offeror should provide one (1) copy of their entire proposal, including all attachments, in Microsoft Word or PDF electronic format. Offerors may not send the electronically formatted copy of their proposal via email to Peggy.Laurenz@state.sd.us

10.1.2 The proposal should be page numbered and should have an index and/or a table of contents referencing the appropriate page number.

10.2 All proposals must be organized and tabbed with labels for the following headings:

10.2.1 **RFP Form**. The State's Request for Proposal form completed and signed.

10.2.2 **Executive Summary.** The one or two page executive summary is to briefly describe the offeror's proposal. This summary should highlight the major features of the proposal. It must indicate any requirements that cannot be met by the offeror. The reader should be able to determine the essence of the proposal by reading the executive summary. Proprietary information requests should be identified in this section.

10.2.3 **Detailed Response.** This section should constitute the major portion of the proposal and must contain at least the following information:

10.2.3.1 A complete narrative of the offeror's assessment of the work to be performed, the offeror's ability and approach, and the resources necessary to fulfill the requirements. This should demonstrate the offeror's

understanding of the desired overall performance expectations.

10.2.3.2 A specific point-by-point response, in the order listed, to each requirement in the RFP. The response should identify each requirement being addressed as enumerated in the RFP.

10.2.4 **Cost Proposal.** This Section should contain the detailed cost proposal.

10.2.5 **Alternative Proposals.** This Section should contain a clear and detailed description of the alternative method proposed, how the alternative method compares to the State's preferred method, and a clear and complete cost proposal.

~~10.2.3.2~~

~~10.2.3.3 A clear description of any options or alternatives proposed.~~

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11. PROPOSAL EVALUATION AND AWARD PROCESS

11.1 After determining that a proposal satisfies the mandatory requirements stated in the Request for Proposal, the evaluator(s) shall use subjective judgment in conducting a comparative assessment of the proposal by considering each of the following criteria:

11.1.1 Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements (30 points);

11.1.2 Resources available to perform the work, including any specialized services, within the specified time limits for the project (10 points);

11.1.3 Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration (10 points);

11.1.4 Availability to the project locale (10 points);

11.1.5 Familiarity with the project locale (10 points);

11.1.6 Proposed project management techniques (10 points);

11.1.7 Ability and proven history in handling special project constraints (10 points); and

11.1.8 Cost of Contractor's bid in comparison to other bids (10 points).

~~11.1.8~~ Each category has been assigned a numerical value above for a total of one hundred possible points. The proposals will be ranked based on these points.

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11.2 Experience and reliability of the offeror's organization are considered subjectively in the evaluation process. Therefore, the offeror is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.

11.3 The qualifications of the personnel proposed by the offeror to perform the requirements of this RFP, whether from the offeror's organization or from a proposed subcontractor, will be subjectively evaluated. Therefore, the offeror should submit detailed information related to the experience and qualifications, including education and training, of proposed personnel.

11.4 The State reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the State of South Dakota.

11.5 **Award:** The requesting agency and the highest ranked offeror shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule.

11.5.1 If the agency and the highest ranked offeror are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the agency, the agency shall, either orally or in writing, terminate negotiations with the contractor. The agency may then negotiate with the next highest ranked contractor.

11.5.2 The negotiation process may continue through successive offerors, according to agency ranking, until an agreement is reached or the agency terminates the contracting process.

13. COST PROPOSAL

All Contractors who intend to submit a proposal for the production and distribution for all South Dakota license plates should provide a per plate cost for each plate type (1 color automobile sets; 2+ color automobile sets; 1 color trailer and prorate truck single plates; 1 color motorcycle single plates that includes the following breakdown:

- Per Plate or Plate Set License Plate Production (Materials and Equipment) Cost
- Per Plate or Plate Set Fulfillment Center (Equipment, Labor, and Packaging) Cost
- Per Plate or Plate Set Postage Cost
- Per Plate or Plate Set Other Services Costs

The following template should be used by the Contractors in submitting their bid. Any attempt to manipulate the format of the Cost Proposal document, attach caveats to pricing, or submit pricing that deviates from the current proposal could put the Contractor's proposal at risk. For purposes of this bid UOM stands for "unit of measurement," "per plate set" is the cost for two identical license plates, and "per plate" is the cost for one license plate. The Contractor should describe what is included in each cost element.

Issue Year 2016

2+ Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	
Postage Cost	Per Plate Set	
All Other Service Cost	Per Plate Set	
Total Plate Set Cost		$

1 Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	

Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	
Postage Cost	Per Plate Set	
All Other Service Cost	Per Plate Set	
Total Plate Set Cost		$

1 Color Trailer or Prorate Truck Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	
Fulfillment Center Packaging Cost	Per Plate	
Postage Cost	Per Plate	
All Other Services Cost	Per Plate	
Total Plate Cost		$

1 Color Motorcycle Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	
Postage Cost	Per Plate	
All Other Services Cost	Per Plate	
Total Plate Cost		$

Issue Year 2017

2+ Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	
Postage Cost	Per Plate Set	
All Other Service Cost	Per Plate Set	
Total Plate Set Cost		$

1 Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	
Postage Cost	Per Plate Set	
All Other Service Cost	Per Plate Set	
Total Plate Set Cost		$

1 Color Trailer or Prorate Truck Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	
Fulfillment Center Packaging Cost	Per Plate	
Postage Cost	Per Plate	
All Other Services Cost	Per Plate	
Total Plate Cost		$

1 Color Motorcycle Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	
Postage Cost	Per Plate	
All Other Services Cost	Per Plate	
Total Plate Cost		$

Issue Year 2018

2+ Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	
Postage Cost	Per Plate Set	
All Other Service Cost	Per Plate Set	
Total Plate Set Cost		$

1 Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	
Postage Cost	Per Plate Set	
All Other Service Cost	Per Plate Set	
Total Plate Set Cost		$

1 Color Trailer or Prorate Truck Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	
Fulfillment Center Packaging Cost	Per Plate	
Postage Cost	Per Plate	
All Other Services Cost	Per Plate	
Total Plate Cost		$

1 Color Motorcycle Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	
Postage Cost	Per Plate	
All Other Services Cost	Per Plate	
Total Plate Cost		$

Issue Year 2019

2+ Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	
Postage Cost	Per Plate Set	

All Other Service Cost	Per Plate Set	
Total Plate Set Cost		$

1 Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	
Postage Cost	Per Plate Set	
All Other Service Cost	Per Plate Set	
Total Plate Set Cost		$

1 Color Trailer or Prorate Truck Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	
Fulfillment Center Packaging Cost	Per Plate	
Postage Cost	Per Plate	
All Other Services Cost	Per Plate	
Total Plate Cost		$

1 Color Motorcycle Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	

Postage Cost	Per Plate	
All Other Services Cost	Per Plate	
Total Plate Cost		$

Issue Year 2020

2+ Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	
Postage Cost	Per Plate Set	
All Other Service Cost	Per Plate Set	
Total Plate Set Cost		$

1 Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	
Postage Cost	Per Plate Set	
All Other Service Cost	Per Plate Set	
Total Plate Set Cost		$

1 Color Trailer or Prorate Truck Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	

Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	
Fulfillment Center Packaging Cost	Per Plate	
Postage Cost	Per Plate	
All Other Services Cost	Per Plate	
Total Plate Cost		$

1 Color Motorcycle Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	
Postage Cost	Per Plate	
All Other Services Cost	Per Plate	
Total Plate Cost		$

Total Contract Cost

Issue Year	**License Plate Production Cost**	**Fulfillment Center Cost**	**Postage Cost**	**All Other Services Cost**	**Total Cost**
2016					
2017					
2018					
2019					
2020					
Total Contract Cost	$	$	$	$	$

If Contractor is providing a bid for an alternative method as well, Contractor should provide a detailed itemize listing of costs, which clearly lists the cost per component as well as the total by the issue year.

Intellectual Technology, Inc.

January 14, 2015

Ms. Peggy Laurenz
Director of the Division of Motor Vehicles
South Dakota Department of Revenue
445 East Capitol Avenue
Pierre, SD 57501

RE: Request for Proposal 109
Centralized Production and Direct Distribution of License Plates

Dear Ms. Laurenz:

This Proposal is submitted by Intellectual Technology, Inc. ("ITI") in response to the *South Dakota Request for Proposals 109, Centralized Production and Direct Distribution of License Plates,* hereinafter referred to as "the RFP".

ITI is pleased to have this opportunity to propose a total solution that meets or exceeds the South Dakota Division of Motor Vehicles ("DMV") requirements and looks forward to working closely with the DMV to implement this project.

ITI is working closely with its primary subcontractor, The Irwin Hodson Group, LLC. ("IHG") to provide a first-class solution that incorporates the most technologically current hardware, consumables, software, durable finished goods, and project management procedures. ITI and IHG have a decade-long cooperative relationship in providing direct registration documents and license plate manufacturing and distribution direct to motorists' homes.

ITI is the leading provider of on-demand vehicle registrations and validation decals in the United States. ITI's systems produce over 40 million vehicle registrations annually for various states. IHG, along with its sister North American companies and its corporate parents, are the acknowledged worldwide leaders in the production of high-quality license plates, producing tens of millions of license plates annually while supplying a variety of design, distribution and fulfillment services to the industry. Together, ITI and IHG have more exacting experience providing the type of solution sought by the DMV than any other single company or group of companies.

Corporate Headquarters
1901 Camino Vida Roble, Suite 204 | Carlsbad, California 92008
T. 760-476-9100 F. 760-476-9150

Technology & Logistics
2980 E. Coliseum Blvd. | Fort Wayne, Indiana 46805
T. 260-459-8800 F. 260-459-8820

APPENDIX
B

Intellectual Technology, Inc.

The ITI total solution is based on existing solutions currently used successfully in several North American jurisdictions. ITI's RFP response is compliant with all RFP requirements and offers exceptional value; in addition, ITI has provided an alternative solution that offers significant additional value to the State.

ITI is submitting its financial information in a separate sealed envelope marked "Proprietary Information". This is the only information in the Response that ITI deems "Confidential".

Other Information
ITI and primary subcontractor IHG have developed an integrated, industry-tested, state-of-the-art solution to produce and issue license plates, registration cards and validation decals directly to vehicle owners through the U.S. mail or bulk deliveries to offices.

ITI has developed and will implement an overall system management program that insures advanced levels of customized software development to provide any information required by the DMV. This overall system management program is not new to ITI; we have implemented similar procedures in all of our existing customer accounts, including South Dakota, and have been perfecting these processes over the past 25 years.

Intellectual Technology, Inc. ("ITI") is a Delaware Corporation incorporated in 1989. ITI's Federal Tax ID number is 84-1130227. ITI is headquartered at 1901 Camino Vida Roble, Suite 204, Carlsbad, CA 92008. ITI's principal place of business is 2980 E. Coliseum Blvd., Fort Wayne, IN 46805.

ITI and its entire qualified and experienced team appreciate this opportunity to present this total solution in response to RFP 109. The solution offers the performance, ease of use and flexibility required by the State. ITI looks forward to demonstrating how its total solution can help the DMV meet and exceed its goals, both now and in the future.

Sincerely,

Intellectual Technology, Inc.

Drew Nicholson
COO
(I have the authority to bind the Company.)

VCL
Encls.

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RFP FORM

STATE OF SOUTH DAKOTA
OFFICE OF PROCUREMENT MANAGEMENT
523 EAST CAPITOL AVENUE
PIERRE, SOUTH DAKOTA 57501-3182

Centralized Production and Direct Distribution of License Plates
PROPOSALS ARE DUE NO LATER THAN FRIDAY, JANUARY 9, 2015 5:00PM (CST)

RFP #: 109

BUYER: Department of Revenue and Department of Corrections

EMAIL:
Peggy.Laurenz@state.sd.us
Scott.Bollinger@state.sd.us

READ CAREFULLY

FIRM NAME:	Intellectual Technology, Inc.	AUTHORIZED SIGNATURE:	
ADDRESS:	2980 E. Coliseum Blvd.	TYPE OR PRINT NAME:	Drew Nicholson
CITY/ STATE:	Fort Wayne, IN	TELEPHONE NO:	(260) 459-8800
ZIP (9 DIGIT):	46805	FAX NO:	(260) 459-8820
FEDERAL TAX ID#:	84-1130227	E-MAIL:	dnicholson@iti4dmv.com

PRIMARY CONTACT INFORMATION

CONTACT NAME:	Drew Nicholson	TELEPHONE NO:	(260) 459-8800
E-MAIL:	dnicholson@iti4dmv.com		

EXECUTIVE SUMMARY

January 13th, 2015

STATE OF SOUTH DAKOTA
OFFICE OF PROCUREMENT MANAGEMENT
523 EAST CAPITOL AVENUE
PIERRE, SOUTH DAKOTA 57501-3182

Regarding: Request for Proposal #109
Centralized Production and Direct Distribution of License Plates

Dear Office of Procurement Management,

This Executive Summary is being submitted by Intellectual Technology, Incorporated (hereinafter referred to as ITI) in response to the State of South Dakota Request for Proposal #109 for the Centralized Production and Direct Distribution of License Plates (hereinafter referred to as the "RFP"). ITI is pleased to have this opportunity to propose a solution that will meet and exceed the State of South Dakota's requirements for this RFP. We look forward to the opportunity to continue to work with the State to successfully implement this project in a timely manner.

ITI will work closely with its primary subcontractor, The Irwin Hodson Group (hereinafter referred to as IHG) to provide first-class solutions. The solutions will incorporate the most technologically current and industry best hardware, consumables, license plates, registration documentation, software and project management procedures. ITI and IHG have been working closely together for twelve years now on license plate and registration fulfillment projects. ITI and IHG share a mutual vision for providing excellent service and innovative solutions to our customers. ITI looks forward to working with Pheasantland Industries (hereinafter referred to as PI), as ITI has worked with other correctional industries and fully understands their importance to this project.

ITI has been working with the State of South Dakota since 2002 providing print-on-demand registration services to the counties and the State as well as our innovative Self-Service Terminal program. ITI understands the needs of the State very well, and has a comprehensive understanding of the functional and technical environments of the Division of Motor Vehicles (hereinafter referred to as "DMV"). ITI is excited to expand its DMV services to include license plate production and fulfillment as ITI feels this is a natural progression from our current solution offerings.

Experience

ITI is currently the largest provider of print-on-demand registration fulfillment in the country currently producing over 43 million registrations per year. ITI is currently the largest provider of Self-Service Terminals (kiosks) to the motor vehicle market with over 140 terminals deployed producing over 1 million transactions annually. ITI entered the license plate fulfillment market in 2010 and now currently produces and fulfills an average of 3.5 million plates annually.

Irwin Hodson, with locations in Portland, Oregon and Columbia, South Carolina, has been providing industry-leading manufacturing, fulfillment, and software solutions to the USA, the Caribbean, and Latin American jurisdictional Motor Vehicle communities since 1917. IHG currently maintains six license plate fulfillment contracts across North America. Worldwide, IHG is dedicated to license plate manufacture, distribution/fulfillment of license plates and registration documents, innovative license plate security solutions, and software solutions that support the varied expectations that are required by the states and countries that they service. IHG, along with their family of companies around the world, produce and deliver tens of millions of license plates annually, while supplying a variety of state-of-the-art registration solutions, distribution, and fulfillment services to the industry.

RFP Solution

ITI will provide the State a complete turnkey solution that will fully satisfy all requirements of the RFP. ITI will introduce to the State an industry proven and successful Plate Registration Inventory Software Management (PRISM) solution. Taking full advantage of the wide range of experience and expertise of the ITI/IHG Team, the PRISM solution will provide seamless efficiencies beginning with the order entry process and continuing through successful and timely delivery to the motorist and counties all while providing state-of-the-art inventory controls and industry-best management reporting tools. Throughout our RFP response, the attributes and efficiencies of PRISM will be brought to light, along with the cost and fulfillment efficiencies that are associated with the PRISM solution.

ITI will work with Pheasantland Industries for the manufacturing of the plates by providing modern processes and equipment for the efficient manufacturing of license plates. By providing new and modern Digital License Plate printers and Blanking lines combined with the PRISM software, PI will realize efficiencies and production levels never before obtained. ITI will provide PI with all consumables necessary to produce the plates including; sheeting, ribbons, over-laminate, and packaging supplies. ITI shall provide PI with all support and training necessary to efficiently produce license plates throughout the contract.

ITI will set up an office at Qualified Presort Service (QPS) in Sioux Falls to provide fulfillment and mailing services for the license plates and registrations. ITI selected QPS as a fulfilment facility because their operation is a secure facility that provides data processing and mailing services to many companies that perform work with sensitive data. ITI will transport the manufactured license plates from PI to QPS daily. Once received by QPS, ITI personnel will ensure the proper fulfillment of all plate orders whether they are matched with registrations and direct mailed to consumers or boxed and mailed to the county offices or the Pierre DMV location. ITI will utilize the same processes and procedures that it has used in Indiana for years with a 99.999% accuracy rate.

ITI shall provide the State with real-time visibility into the plate manufacturing and fulfillment process via the Intranet that will be provided as part of the PRISM solution. Here the State can monitor plate production metrics, registration document production, distribution, and shipping details in real-time. The State will have the ability to look up orders or individual plates and/or registrations in real-time to determine where they are at in the production process. The Intranet provided will be quite similar to the Intranets provided currently to the DMV for the print-on-demand registration process and Self-Service Terminal process currently in use.

Proprietary Information
ITI has provided 2 years of audited financial statements in a sealed envelope marked "Proprietary Information" with the RFP response.

ITI Company Information
Intellectual Technology Inc. Corporate Headquarters
1901 Camino Vida Roble
Suite 204
Carlsbad, CA 92008
Phone: 800-488-2774

Intellectual Technology Inc. Operations Facility
2980 East Coliseum Blvd.
Fort Wayne, IN 46805
866-955-5258

Key contact for all matters regarding this RFP response:

Drew Nicholson, COO
2980 East Coliseum Blvd.
Fort Wayne, IN 46805
866-955-5258
dnicholson@iti4dmv.com

DETAILED RESPONSE

2.0 STANDARD CONTRACT TERMS AND CONDITIONS

Any contract or agreement resulting from this RFP will include the State's standard terms and conditions as listed below, along with any additional terms and conditions as negotiated by the parties:

ITI Response:

ITI acknowledges and accepts the Standard Contract Terms and Conditions contained in Section 2.0 Standard Contract Terms and Conditions.

2.1 The Contractor will perform those services described in the Scope of Work, attached hereto as Section 3 of the RFP and by this reference incorporated herein.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.2 The Contractor's services under this Agreement shall commence on _____ and end on _____, unless sooner terminated pursuant to the terms hereof. There may be one (1) five-year renewal, at the State's option, for a total of ten (10) years.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.3 The Contractor will provide the State with its Employer Identification Number, Federal Tax Identification Number or Social Security Number upon execution of this Agreement.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.4 The State will make payment for services upon satisfactory completion of the services. The TOTAL CONTRACT AMOUNT is an amount not to exceed $_____. The State will not pay Contractor's expenses as a separate item. Payment will be made pursuant to itemized invoices submitted with a signed state voucher. Payment will be made consistent with SDCL ch. 5-26.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.5 The Contractor agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings, including court costs, attorney's fees, and other expenses, that may arise as the result of performing services hereunder. Specifically, the State shall not be liable for any error or transmission of inaccurate information by the Contractor or its subcontractors, if any, resulting in erroneous information relating to plate messaging, registration documents, and delivery to the vehicle owner, unless due solely to the error or omission of the State, its officers, agents, or employees. This section does not require the Contractor to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.6 The Contractor, at all times during the term of this Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

A. Commercial General Liability Insurance:

The Contractor shall maintain occurrence based commercial general liability insurance or equivalent form with a limit of not less than $1,000,000.00 for each occurrence. If such insurance contains a general aggregate limit it shall apply separately to this Agreement or be no less than two times the occurrence limit.

B. Professional Liability Insurance or Miscellaneous Professional Liability Insurance:

The Contractor agrees to procure and maintain professional liability insurance or miscellaneous professional liability insurance with a limit not less than $1,000,000.00.

C. Business Automobile Liability Insurance:

The Contractor shall maintain business automobile liability insurance or equivalent form with a limit of not less than $1,000,000.00 for each accident. Such insurance shall include coverage for owned, hired and non-owned vehicles.

D. Worker's Compensation Insurance:

The Contractor shall procure and maintain workers' compensation and employers' liability insurance as required by South Dakota law.

Before beginning work under this Agreement, Contractor shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement. In addition, Contractor shall furnish copies of insurance policies if requested by the State.

The insurance required by this Agreement, through policy or endorsement(s), shall include a provision that the policy and endorsement(s) may not be cancelled or modified without thirty (30) days prior written notice. In the event that any policy or endorsement is modified, a new policy is issued, or a policy is cancelled or not renewed, the Contractor agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required pursuant to this Agreement.

Failure to provide insurance as required in this Agreement may be deemed a material breach of contract entitling the State to immediately terminate this contract.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.7 While performing services hereunder, the Contractor is an independent contractor. No part of this Agreement shall be construed to represent the creation of an employment, agency, partnership or joint venture agreement between the parties. Neither party will assume liability for any injury (including death) to any persons, or damage to any property, arising out of the acts or omissions of the agents, employees or subcontractors of the other party.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.8 Contractor agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject Contractor or the State to liability. Contractor shall report any such event to the State immediately upon discovery.

Contractor's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Contractor's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Contractor to report any event to law enforcement or other entities under the requirements of any applicable law.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.9 This Agreement may be terminated by either party hereto upon sixty (60) days written notice. In the event the Contractor breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Contractor at the time of termination may be adjusted to cover any additional costs to the State because of Contractor's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by Contractor it is determined that Contractor was not at fault, then the Contractor shall be paid for eligible services rendered and expenses incurred up to the date of termination.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.10 This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the South Dakota Legislature for this purpose. If for any reason the South Dakota Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.11 This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.12 The Contractor shall not commence any additional work or change the scope of the work until authorized in writing by the State. The Contractor shall make no claim for additional compensation in the absence of a prior written approval and amendment executed by all signatories to this Agreement.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.13 This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.14 The Contractor will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.15 The Contractor certifies by entering into this Agreement that neither it nor its principal(s) is presently in arrears in payment of taxes, permit fees or other statutory, regulatory or judicially required payments to the State of South Dakota. The Contractor agrees that any payments currently due to the State of South Dakota may be withheld from payments due to the Contractor. Additionally, further work or payments may be withheld, delayed, or denied and/or this Agreement suspended until the Contractor is current in its payments and has submitted proof of such payment to the State.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.16 The Contractor warrants that it has no current, pending or outstanding criminal, civil, or enforcement actions initiated by the State, and agrees that it will immediately notify the State of any such actions. During the term of such actions, the Contractor agrees that the State may delay, withhold, or deny work under any supplement, amendment, change order or other contractual device issued pursuant to this Agreement.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.17 The Contractor warrants that the Contractor and its subcontractors, if any, shall obtain and maintain all required permits, licenses, registrations, and approvals, and shall comply with all health, safety, and environmental statutes, rules, or regulations in the performance of work activities for the State. Failure to do so may be deemed a material breach of this Agreement and grounds for immediate termination and denial of further work with the State.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.18 All services provided by the Contractor under this Agreement must be performed to the State's reasonable satisfaction, as determined at the discretion of the undersigned State representative and in accordance with all applicable federal, state, and local laws, rules, regulations, and ordinances. The State shall not be required to pay for work found to be unsatisfactory, inconsistent with this Agreement or performed in violation of any federal, state or local statute, ordinance, rule or regulation.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.19 The Contractor understands and agrees that data, materials, and information disclosed to the Contractor may contain confidential and protected personal information. The Contractor covenants that data, material, and information gathered, based upon or disclosed to the Contractor for the purpose of this Agreement will not be disclosed to or discussed with third parties without the prior written consent of the State. The Contractor further agrees that this Agreement, including any future amendments, is subject to SDCL 1-27-1.5, 1-27-1.6, and SDCL 32-5-143 through SDCL 32-5-151, inclusive. The Contractor shall only use or disclose State data, materials, and information, within statutory limitations and the parameters of this Agreement, while receiving, storing, and transferring data to PI or any subcontractors. Contractor will fully indemnify and hold harmless the State, its officers and employees for any damage or loss resulting from the Contractor's unauthorized use or disclosure of personal information. Notwithstanding any other provisions herein, the State may terminate this Agreement for unauthorized use or disclosure of State's data, material, and information by written notice to the Contractor, such notice to be effective upon facsimile (FAX) transmission to the Contractor, at the number provided above, or five (5) days from the date of mailing of such notice. Any damages incurred due to a breach of this clause by the Contractor will be the sole responsibility of the Contractor, including, but not limited, to any damages or attorney fees incurred by the State.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.20 The Contractor shall use commercially reasonable efforts at all of its facilities used to store, retain, and process State data, materials, and information, including appropriate administrative, physical, and technical safeguards, to secure such data from unauthorized access, disclosure, alteration, and use, until the data is deleted, or for an alternate time period mutually agreed on in writing by the parties. Such measures will be no less protective than those used to secure the Contractor's own data of a similar type, and in no event less than reasonable in view of the type and nature of the data involved. Without limiting the foregoing, the Contractor warrants that all State data, materials, and information will be encrypted in transmission (including via web interface) and all portable storage media at no less than 128-bit level encryption, and that the Contractor will comply with all other technical specifications of the State as incorporated herein by reference.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.21 The Contractor shall provide documentation and, at the discretion of the State, allow for on-site inspections as needed to demonstrate that all facilities supporting this Agreement and controlled by the Contractor have adequate safeguards to assure needed logical and physical separation is in place and enforced to insure data security, physical security, and transport security.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.22 The Contractor shall ensure that employees or subcontractors, if any, who perform work under this Agreement have read, understood, and received appropriate instruction as to how to comply with the data protection provisions of this Agreement, and Contractor has diligently screened and reviewed the qualifications of such employees or subcontractors, if any, prior to granting access to State data, materials, and information.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.23 Password policies for all Contractor employees or subcontractors, if any, shall be documented annually and provided to the State, on the effective date of this Agreement and on the anniversary of the same going forward, to assure adequate password protections are in place.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.24 The Contractor shall take all actions necessary to protect State data, materials, and information from exploits, inappropriate alterations, access or release, and malicious attacks. By signing this Agreement the Contractor warrants that all known security issues are resolved.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.25 Immediately upon becoming aware of a data compromise, or of circumstances that could have reasonably resulted in unauthorized access to, disclosure of, or use of State data, materials, or information after execution of this Agreement, Contractor shall notify the State, fully investigate the incident, and fully assist with the State's investigation of, analysis of, and response to the incident. This investigation can include security scans made at the State's discretion. Failure by the Contractor to remedy any security issues discovered can be considered a breach of this Agreement by the State. Notwithstanding any other provision of this Agreement, and in addition to any other remedies available to the State under law or equity, the Contractor shall reimburse the State in full for all costs incurred by the State connected to the investigation and remediation of such State data, material, or information compromise, including but not limited to providing notification to third parties whose data was compromised and to regulatory agencies or other entities as required by law or Agreement; the offering of 12 months credit monitoring to each person whose State data, material, or information was compromised; and the payment of legal fees, audit costs, fines, and other fees imposed by regulatory agencies or contracting partners as a result of the State data, material, or information compromise. Contractor's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., any attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Contractor to report any event to law enforcement or other entities under the requirements of any applicable law.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.26 The Contractor will use industry standard and up-to-date security tools and technologies, such as anti-virus protections and intrusion detection methods, in providing services under this Agreement. The Contractor will, at its own expense, either conduct or have conducted at least on an annual basis:

2.26.1 A vulnerability scan, performed by a scanner approved by the State, of the Contractor's systems and facilities that are used in any way to deliver services under this Agreement; and

2.26.2 A formal penetration test, performed by a process and qualified personnel approved by the State, of the Contractor's systems and facilities that are used in any way to deliver services under this Agreement.

All test results must be provided to the State within 30 days of receipt by the Contractor. The results must be found acceptable by the State. If the results are not found acceptable, the State may terminate this Agreement and be reimbursed by the Contractor for any costs.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.27 Contractor covenants that:

2.27.1 Any files shared with the State do not contain any code that does not support a software requirement;

2.27.2 Contractor will not insert into any file shared with the State any virus, rogue program, time bomb, worm, Trojan Horse, back doors, Easter eggs or other malicious or intentionally destructive code; and

2.27.3 Contractor will use commercially reasonable efforts consistent with industry standards to scan for and remove any Malicious Code from any file shared with the State before sharing. In the event any Malicious Code is discovered in the shared files as delivered by the Contractor to the State, under this Agreement, the Contractor shall provide the State a clean copy of the file, at no charge, which does not contain Malicious Code or otherwise correct the affected portion of the services provided to the State under this Agreement. The remedies in this paragraph are in addition to such other and additional remedies the State may have at law, equity, or otherwise.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.28 Except as otherwise expressly prohibited by law, Contractor shall immediately notify the State of any subpoenas, warrants, or other legal orders, demands or requests received by Contractor seeking State data, material, or information in the possession of the Contractor. The Contractor, in such instances, shall move to quash or modify the legal order, demand, or request. Upon the State's request, the Contractor shall provide the State with any documentation involved with the legal request of State data, material, or information.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.29 Contractor shall not store or subcontract the storage of State data, material, or information in any area outside the jurisdiction of the United States without the written consent of the State. At no time is it acceptable for any State data, material, or information, when at rest, to be located in facilities outside the United States of America. This restriction also applies to disaster recovery; any disaster recovery plan must provide for data storage entirely within the United States of America.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.30 Contractor may not use subcontractors to perform the services described herein without the express prior written consent of the State. The Contractor will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Contractor will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.31 Contractor hereby acknowledges and agrees that all reports, plans, specifications, technical data, miscellaneous drawings, software system programs and documentation, procedures, or files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, and all information contained therein provided to the State by the Contractor in connection with its performance of services under this Agreement shall belong to and is the property of the State and will not be used in any way by the Contractor without the written consent of the State. Papers, reports, forms, software programs, source code(s) and other material which are a part of the work under this Agreement will not be copyrighted without written approval of the State.

ITI Response:

Contractor hereby acknowledges and agrees that all reports, plans, specifications, technical data, miscellaneous drawings, software system programs and documentation, procedures, or files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, and all information contained therein provided to the State by the Contractor in connection with its performance of services under this Agreement not developed or licensed by the Contractor prior to execution of this Contract, but specifically developed under this Agreement (the "Contractor Deliverables"), shall be considered "work for hire". Use of these materials, other than related to contract performance by the Contractor, without the prior written consent of the State, is prohibited. Such papers, reports, forms, software programs, source code(s) and other material which are a part of the work under this Agreement will not be copyrighted without written approval of the State. In addition, an escrow agent to be mutually determined and agreed upon by the parties may maintain copies of all Contractor Deliverables in an escrow account and in accordance with an escrow agreement that reflects at least the terms set forth herein and with the State bearing all fees and expenses associated therewith. The Contractor Deliverables shall be released upon the occurrence of one or more of the following events (each, a "Release Event"): (A) if Contractor becomes insolvent or admits insolvency or admits a general inability to pay its debts as they become due; (B) if Contractor files a petition for protection under the Bankruptcy Code of the United States, or an involuntary petition in bankruptcy is filed against Contractor and is not dismissed within sixty (60) days thereafter; (C) if Contractor ceases operations as a going concern; (D) if Contractor is in breach of a material obligation under this Agreement, which breach has not be cured within thirty (30) days' notice of such breach. Upon the occurrence of a Release Event and delivery of the Contractor Deliverables to State, all copyrights, patents, trademarks, service marks or other intellectual property or proprietary rights related to the Contractor Deliverables are and shall remain solely with Contractor, both prior to and after the occurrence of the Release Event.

2.32 The Contractor certifies that neither Contractor nor its principals are presently debarred, suspended, proposed for debarment or suspension, or declared ineligible from participating in transactions by the federal government or any state or local government department or agency. Contractor further agrees that it will immediately notify the State if during the term of this Agreement Contractor or its principals become subject to debarment, suspension or ineligibility from participating in transactions by the federal government, or by any state or local government department or agency.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.33 Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to _____ on behalf of the State, and by and to _____, on behalf of the Contractor, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.34 In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

2.35 All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

ITI Response:

ITI acknowledges and accepts these terms and conditions.

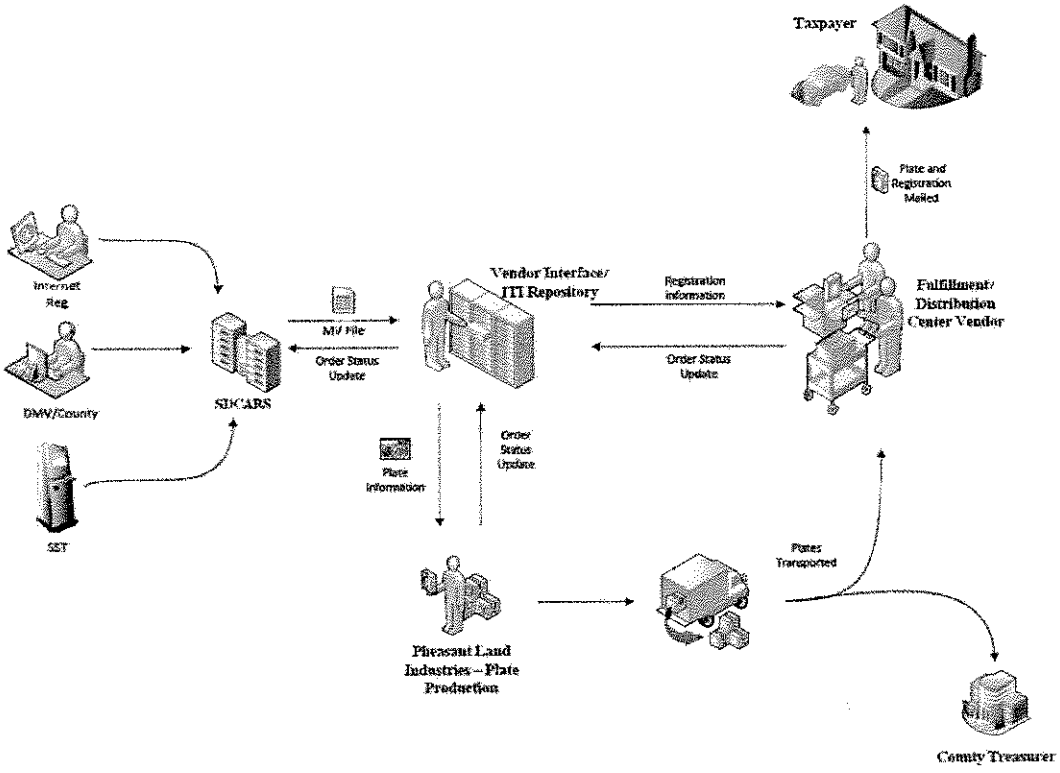
3.0 SCOPE OF WORK

This RFP covers the production and distribution of all South Dakota license plates in South Dakota. This includes orders placed on demand through the Internet or kiosk (also referred to as "self-service terminal" or "SST"), along with long run bulk orders produced and shipped to county offices for distribution. The State currently utilizes Pheasantland Industries ("PI") at the South Dakota State Penitentiary in Sioux Falls, South Dakota for the production of license plates and intends that plates continue to be produced at PI. The State owns some of its own equipment (identified in section 3.5 below). The State is looking to change the current production process and vendors are encouraged to provide solutions that can provide efficiencies in the production, distribution, and cost of the license plates and associated registration documents where applicable.

Currently, the State manufactures all license plates at PI, and license plates will be manufactured at the SD State Penitentiary under this RFP. The majority of plates are shipped to county offices for issuance. This practice will continue so the majority of plates printed will be shipped in bulk to the 66 county treasurer offices in South Dakota. The contractor must provide a method to ship long run bulk plate orders to county offices.
The State will be allowing citizens to renew registrations and order license plates through the Internet and via self-service kiosks. Orders placed through these methods will be fulfilled by mailing license plates and registration documents directly to the citizens' home. These plates are considered to be "on demand" and will not be printed until the order is placed. Specialty license plates will also be produced on demand and shipped directly to citizens' home. A key component of the on demand process is use of a fulfillment center to match up the license plate(s) with the registration document via use of a barcode feature, place them in an envelope, and mail them directly the citizens' home.

The fulfillment center will handle license plates printed on demand and must have the capability to transport license plates from PI to the center, print registration documents and registration decals in conjunction with Intellectual Technology Incorporation ("ITI"), match plates with registration documents through the use of barcoding, place the appropriate items in envelopes and mail to them to citizens' homes. Section 3.1 identifies the estimated percent of plates that will be produced on demand. The State anticipates annual growth in use of the electronic methods of obtaining license plates.

Intellectual Technology Incorporated ("ITI") is the current provider, and will continue to provide for the production and distribution of all of the registration documents. The State does not desire to change the registration document process and the current vendor (ITI) will work with the awarded Contractor to integrate its registration processes to produce and distribute the registration documents in the most efficient manner possible. This requirement maintains the consistency of the registration documents throughout all distribution points associated with the State. Contractors should prepare their proposals understanding that proposed solutions must include PI and integration with ITI registration solutions.
The flow chart below further details the process that the State wishes to utilize:



This RFP covers the production and distribution of all South Dakota license plates for the period of September 1, 2015 to September 1, 2020. The agreement may be extended at the State's option to cover the period of September 1, 2020 to September 1, 2025.
Under this RFP, the State will provide the following:

- A location within the SD State Penitentiary for two separate plate lines to operate;
- A location within the SD State Penitentiary for storage of license plate materials and supplies;
- The use of all license plate line equipment, listed below, owned by the State at no charge to the Contractor; and
- The labor to produce the license plates at the SD State Penitentiary through PI.

Pursuant to this RFP, the Contractor will provide the following:

- All additional license plate line equipment and parts necessary to operate two license plate production lines;
- All materials and supplies necessary to produce the South Dakota license plates, delivered to the SD State Penitentiary;
- All materials and supplies provided must meet State design specifications;
- Transportation of the completed license plates from the SD State Penitentiary to a fulfillment center outside the SD State Penitentiary;
- Shipping for bulk order license plates to county treasurer offices throughout South Dakota;
- Shipping for individual plate orders to vehicle owners/taxpayers, which includes the correct number of plates and the appropriate registration documents;

The Contractor shall bill PI for all license plate production costs, fulfillment center costs, and postage.

Contractors should prepare their proposals in accordance with the flow chart, but may include suggested changes in their proposals. Those suggested changes should include a detailed explanation on why the change was suggested and how it is more efficient or effective.

ITI Response:

ITI will provide the State a complete turnkey solution that will fully satisfy all requirements of this RFP. ITI will introduce to the State an industry proven and successful Plate Registration Inventory Software Management (PRISM) solution. Taking full advantage of the wide range of experience and expertise of the ITI/IHG Team, the PRISM solution will provide seamless efficiencies beginning with the order entry process and continuing through successful and timely delivery to the motorist and counties all while providing state-of-the-art inventory controls and industry-best management reporting tools. Throughout our RFP response, the attributes and efficiencies of PRISM will be brought to light, along with the cost and fulfillment efficiencies that are associated with the PRISM solution.

ITI's solution begins with expanding its current web service for registration fulfillment to include the addition of license plates. The Department of Motor Vehicles (DMV) can simply append their current process to include license plate orders and the ITI PRISM suite will take care of the rest. The PRISM suite will sort the orders for plates and registrations automatically sending PI the proper information needed for plate manufacturing and sending ITI's fulfillment center the information it needs for producing registrations. The PRISM component at Pheasantland Industries (PI) will automatically stage all plate orders for the PI operators in a fashion that will ensure the most efficient production of the plates with regard to consumable waste and production speed.

ITI will work with Pheasantland Industries for the manufacturing of the plates by providing modern processes and equipment for the efficient manufacturing of license plates. By providing new and modern Digital License Plate printers and Blanking lines combined with the PRISM software, PI will realize efficiencies and production levels never before obtained. ITI will provide PI with two new and unused Matan DLP printers and a new complete blanking line from JR Wald, Inc., along with all other required equipment. The current blanking line at PI will be upgraded to modern standards as this unit will last for many more years. ITI will provide PI with all consumables necessary to produce the plates including sheeting, ribbons, over-laminate, and packaging supplies. ITI shall provide PI with all support and training necessary to efficiently produce license plates throughout the contract.

ITI will set up an office at Qualified Presort Service (QPS) in Sioux Falls to provide fulfillment and mailing services for the license plates and registrations. ITI selected QPS as a fulfilment facility because their operation is a secure facility that provides data processing and mailing services to many companies that perform work with sensitive data. ITI will transport the manufactured license plates from PI to QPS daily where ITI personnel will ensure the proper fulfillment of all plate orders whether they are matched with registrations and direct mailed to consumers or boxed and mailed to the county offices or the Pierre DMV location. ITI will utilize the same processes and procedures that it has used in the Indiana BMV license plate contract for years with a 99.999% accuracy rate. These processes include barcode scanning procedures that will be implemented at plate sheeting printing and packaging lines at PI as well as QA stations, receiving areas, and mailing equipment at ITI's QPS facility to ensure chain of custody throughout transportation and shipping process.

ITI's Quality Assurance component of the PRISM suite will require every plate to be scanned at all stages of the production process to ensure 100% fulfillment. All scans are recorded and establish a plate status which the PRISM suite tracks. The quality assurance personnel ensure that the plate orders that require registrations and direct mailing are properly matched through the scanning process. If a plate that is scanned requires a registration, it will alert the staff and require the registration to be scanned as well, thus ensuring that all plate and registration orders are properly matched for direct mailing. ITI's PRISM suite employs numerous safeguards and validations to ensure plates are fulfilled properly and mailed properly to either the county offices or directly to the consumer.

ITI shall provide the State with real-time visibility into the plate manufacturing and fulfillment process via the Intranet that will be provided as part of the PRISM solution. Here the State can monitor plate production metrics, registration document production, distribution, and shipping details in real-time. The State will have the ability to look up orders or individual plates and/or registrations in real-time to determine where they are at in the production process. The Intranet provided will be quite similar to the Intranets provided currently to the DMV for the print-on-demand registration process and Self-Service Terminal process currently in use.

3.1 License Plate Production Quantities and Timeline:

The State projects the following license plate quantity needs for the first five years of the contract:

	Issue Year 2016	Issue Year 2017	Issue Year 2018	Issue Year 2019	Issue Year 2020
2+ color sheeting Automobile Plate Sets (2 Plates Per Set)	1,425,400 sets	95,000 sets	98,000 sets	125,000 sets	144,000 sets
1 color Automobile Plate Sets (2 Plates Per Set)	43,500 sets	60,000 sets	17,000 sets	18,500 sets	55,000 sets
1 color Trailer / Prorate Truck plate (1 Plate Only)	42,000	270,000	39,000	48,000	56,000
1 color Motorcycle (1 Plate Only)	94,300	16,000	16,000	16,000	16,500

	Issue Year 2016	Issue Year 2017	Issue Year 2018	Issue Year 2019	Issue Year 2020
Estimated Percentage of Transactions to be Produced On Demand	10%	12%	14%	16%	18%

3.2 License Plate Production and Distribution Mandatory Requirements:

1) Contractor must work closely with PI to facilitate the production of the license plates.

ITI Response:

ITI shall, and looks forward to working with PI to facilitate the production of license plates. ITI shall set up an office in Sioux Falls and place an ITI manager there to ensure good communication and support for PI.

2) Contractor is required to provide PI with all of the necessary and compatible equipment, supplies, and training to allow license plate production and with the capacity to handle large daily demands during peak plate months at no additional expense beyond the license plate transactional fee. The transactional fee will also cover any costs associated with the fulfillment center.

ITI Response:

ITI's RFP response includes all necessary and compatible equipment, supplies, and training services required for the successfully and specified production of South Dakota license plates, including large daily demands during peak months. All such costs, including the fulfillment center, will be captured by the license plate transactional fee.

3) The Contractor will bill PI monthly based on the number of transactions that occur in any given month multiplied by the license plate transaction fee. Contractor must state any costs associated with the fulfillment center and postage separately on the monthly invoices. Contractor shall provide a sample invoice with this bid.

ITI Response:

ITI shall bill PI for the license plates completed and mailed on a monthly basis. ITI shall itemize the billing to separate fulfillment and postage costs from the manufacturing costs. ITI shall provide throughout the contract a real time web portal that will clearly identify all plates produced along with their applicable mailing or shipping dates. This web portal shall be the basis for all billings and shall be available to both PI and the State of South Dakota.

A sample invoice of the fulfillment and postage costs can be found on page 145 in the Appendix.

4) Contractor understands and agrees that inmate(s) employed by PI must never have access to State customer personal information related to the license plates being produced.

ITI Response:

ITI does understand and agrees that no personal information such as names, addresses, and other registration card information will ever be available to the inmates employed by PI. All information sent to PI to produce the license plates shall be limited to plate numbers, plate types, and quantities. All Registration information will only be available to the ITI and State staff.

5) Contractor must work in conjunction with the State to develop license plate designs compliant with all American Association of Motor Vehicle Administrators, State, and South Dakota Law Enforcement standards and expectations. Contractor must provide a proof of the license plate sheeting design to be approved by State and special recognition groups prior to production.

ITI Response:

The ITI Team has an in-house graphic design team that will work with State staff to design new license plates. This Team works to provide new specialty plate designs to over 18 jurisdictional customers as well as all changes and digitalization of existing graphic designs. The ITI Team has created and cataloged thousands of different designs for its customers, and advised numerous State teams as to how to keep within AAMVA guidelines during the process. We also employ strict revision control on design work to ensure that the customer and the ITI Team are always working from the same approved version. Each change is first approved as an e-proof. Once the e-proof is approved, the ITI Team will print "Gold Standard" graphics on reflective sheeting. The State will keep the signed off "Gold Standard" designs and ITI will also maintain a set of "Gold Standard" approved samples. All license plates and designs will be printed to these "Gold Standards".

6) Contractor must agree to use aluminum for the license plate backing and must be at a minimum of .022 gauge. The State will consider alternative solutions to the use of .022 gauge aluminum for the license plate production; however, the Contractor must provide both a price for the .022 gauge aluminum and a price for their alternative solution material. All alternative solutions will be evaluated by the State and may or may not be approved and accepted for this RFP.

ITI Response:

ITI acknowledges and accepts the requirement to use .022 gauge aluminum. While no aluminum gauge alternative is being proposed as part of this RFP response, ITI will be happy to change aluminum gauge in the future should the State require such a change.

7) Contractor must have the ability to receive and handle a daily order text file(s) from the State which will contain all necessary information related to plate messaging, the registration document (if applicable), and delivery to the vehicle owner.

ITI Response:

ITI already handles registration information for the State via its web services developed in conjunction with the State. ITI will simply extend these web services to accommodate the license plate information. ITI's order entry system will then send the license plate information to PI and the registration information to the ITI fulfillment center.

8) Contractor must provide a web service that provides real-time status updates for all license plate transactions – from order receipt to order completion/shipment, in order for the State to provide customer status updates via the SDCARS System, the State's online titling and renewal system. The vendor must also provide access to a web portal to the State. The web portal must also have the ability to generate daily production reports and management summary reports on performance including, but not limited to, volumes, quality, and turn-around time.

ITI Response:

ITI shall supply an Intranet for reporting items such as production status, shipping status, performance metrics, and historical records of produced license plates and registrations. The reports shall be provided to end users utilizing user access level authorization established in coordination with the DMV. Report details are as follows:

Production Report – This will be a real time report that will report each order and corresponding individual plates with production status as well as associated date and time stamps. Production order reports include the order number, plate count, production status, issue status, issue count, and status date. Production order metrics include:

- **Order Received – provides date and time of order received**
- **Plate file**
- **Created – provides date and time of orders received successfully**
- **Rejected – provides date and time of orders rejected due to duplication or file error.**
- **Plates Shipped to Fulfillment Center (FC) – provides date and time of orders shipped in entirety to fulfillment center from license plate manufacturing facility**
- **Registration Printing**
- **Complete – provides date and time of orders successfully printed in entirety.**
- **Incomplete – Provides latest date and time of orders that have partially completed the registration printing process**
- **Incomplete – provides latest date and time of orders that have not been mailed in entirety**
- **QA Process**
- **Complete - provides date and time of orders successfully verified through QA scanning process in entirety.**
- **Incomplete – Provides latest date and time of orders that have partially been verified through QA scanning process**
- **Mailing -**
- **Complete – provides date and time of orders that have been mailed in entirety**
- **Incomplete – provides latest date and time of orders that have not been mailed in entirety**

- **Production plate detail reports include the order number, order date, plate number, production status, issue status, issue count, plate type, expiry year, last four of VIN, county, STB status, operator ID, transaction ID, Batch ID, and status date.**
- **Plate Cycle Time Report – This will be a date range searchable report to show the average production time of each step of production as defined above. Cycles include:**
  - **SDCARS to Order Entry**
  - **LP Production**
  - **Reg Production**
  - **QA Process**
  - **Mailing Process**

Historical Reports – These reports are be date range searchable reports that will demonstrate production analysis, shipping analysis, and production level details down to the individual plate request.

Plate and Order Issue Reports – each individual plate and order status is constantly assessed against the SLA requirements. If a plate or order has not reached Mailing Complete status within five business days, the order and plate record will be marked as a Mailing Issue. If the order or plate record does not reach Mailing Complete status within seven business days, the plate and order are marked as a Violation.

Pulled Plate Report – This report provides information on all plates that are expedited or pulled from normal production operation. Reports includes date, time, plate number, order number, technician, and reason for pull.

Sticker Forecast Reports – provides details for number of county, weight, county ID, month/day, and expiration year stickers needed to fulfill active orders.
Express Fee Summary Report – displays all plates that have been expedited through express mailing.

Executive Dashboard – a dashboard created with three graphical representations of plate production as follows:

- **Average cycle hours**
- **Completed plates and count of issues**
- **Plate types fulfilled**

Billing Report – a date selectable report that breaks down the plates by the category and provides counts by category. Categories are directly related to billing price differences. Billing report displays counts by standard, transport, and STB plates. Billing report displays any violations per category encountered.

Sample screen shots of the various menus listed above can be found on page 146 in the Appendix.

9) Contractor must have the ability to produce the current digitally printed license plates, which meet or exceed industry standards for reflectivity, durability, and performance. Newer technology solutions will also be considered as long as they also meet industry standards.

ITI Response:

ITI subcontractor IHG has been manufacturing state license plates for over 60 years and was the first private company to purchase a 3M digital license plate printer. IHG manufacturers millions of license plates each year, from the same materials, and using the same methods currently employed to manufacture South Dakota's license plates. The ITI Team agrees to provide all consumables, supplies, equipment and know how necessary to print and assemble finished license plates that meet current State standards for reflectivity, durability and performance as described in this RFP.

10) Contractor must ~~ensure and demonstrate that 100% of all license plates produced and delivered to customers meet or exceed State quality specifications as provided in this RFP.~~take steps to reasonably ensure that Quality Control procedures are in place at PI to reasonably ensure that license plates produced and delivered to customers meet or exceed the State quality specifications as provided in this RFP.

ITI Response:

Once they have been approved by the State for use, the plates will be manufactured only with materials that have been specifically designed for the production of warranted South Dakota license plates. The Team only uses materials that meet or exceed the State's quality specifications as provided in the RFP, the Team processes these materials in the manner recommended by the material manufacturers to produce finished license plates that meet or exceed the States quality specifications. In addition, Team quality processes require 100% lot traceability of raw materials and ensures 100% quality checking of license plates, through the manufacturing and fulfillment processes, via the use of the ITI developed Plate Registration Inventory Software Management (PRISM) software system that is part of the ITI Team response. The PRISM system will integrate with the State's systems, allowing for seamless order entry from the State to the production scheduling site. Orders will be scheduled by PRISM to take into account production requirements and efficiencies as well as any DMV or PI special requirements.

The ITI Team also employs a rigorous Quality Assurance Program. The quality assurance program will consist of a group project oversight manager, project managers, and operational personnel that perform a variety of activities supporting the operation and maintenance of the proposed system. In order to provide the highest quality products and services, each support team member must adhere to documented processes, procedures and standards. The Team's independent Quality Assurance Team's QA process will be used to monitor and evaluate the adherence to processes, procedures, and standards to determine potential product and service quality issues. It involves reviewing and auditing the products and activities to verify that they comply with the applicable procedures and standards, and assuring the appropriate visibility for results of the reviews and audits.

All Team system activity is required to include QA activities as an integral part of processes used for the development and delivery of products/services. This policy supports:

- **Rational Quality Assurance goals will be specified and coordinated with the Department. They will be fully accepted and supported by all personnel supporting the system.**
- **A continual improvement effort will be implemented in support of Quality Assurance for the system.**
- **All quality control and quality measurement activities will be coordinated with the Department and documented.**
- **A QA Manager will be appointed to supervise and lead the QA Team and will be designated to be responsible for all Quality Assurance activities.**
- **Senior Management of the Department and the Team, supported by technical personnel will review Quality Assurance activities.**

Quality Assurance will work to foster constructive communication, provide feedback to detect and prevent development problems, control risks, discuss alternative solutions, and ensure quality is built-in to all products services provided to the Department.

Different methods and techniques will be utilized depending on the specific quality assurance activity. The techniques, tools, and procedures that will be used are as follows:

Walkthroughs - Formal or informal, structured walkthroughs are used for orientation, examining promising ideas, identifying defects or errors, and improving products at any stage in the process.

Reviews - An independent evaluation of an activity or process to assess compliance with the project plan; or to examine products or processes against quality factors through the use of checklists, interviews, and meetings.

Audits - An independent examination of a work product or process to determine compliance with specifications, standards, contractual agreements, or other pre-established criteria.

Evaluations - An evaluation activity that examines products/services to determine compliance to customer requirements.

Process Improvement - A process improvement program designed to reduce the error rate in a process.

The QA team will work with the technical support staff to identify indicators and their associated measures (Metrics) that are needed to control performance and predict future status of processes used to produce products and services. The metrics will be used to help determine when and where a problem is occurring and what type of impact it will have on the product or service. The metrics will be used to base decisions concerning the selection of best practices to implement in the project.

Metrics that are necessary to monitor the effectiveness of QA processes and procedures are:

- **Number of reviews (QA activities) conducted.**
- **Status of non-conformance items identified.**
- **Status of action items open/closed/on-hold.**
- **Number of days to correct and close a non-conformance item.**
- **Customer satisfaction levels relating to product and service quality.**
- **Trends for process improvement.**
- **Lessons learned.**

A detailed Quality Control Plan can be found in the Appendix beginning on page 168.

11) The State is open to changes in the technology and materials for the production of the license plates and encourages Contractors to provide the best solution at the best price in addition to providing pricing for the equipment and materials specified in this RFP. Contractors should also provide information on how the alternative technology or materials would be beneficial or cost effective.

ITI Response:

The ITI RFP response has focused on the requirements as listed in the RFP. A single alternative process proposal has also been submitted for your review to show how ITI's flexibility in working with PI might be alternatively pursued. Once ITI's compliant and alternative proposals have been evaluated by the State, ITI would of course be happy to answer any further questions regarding additional possible options that might be available.

12) Contractor must be willing to coordinate and be compatible with the State's current registration document vendor, ITI, to ensure the corresponding registration document and license plates are mailed in a single mail piece to the customer. Contractor will need to work with ITI to ensure that the registration documents reach the fulfillment center and are paired with the correct license plate(s) for mailing. The current size of a registration document printed by ITI is 8 ½ inches by 4 inches.

ITI Response:

N/A – ITI is submitting this Response to the RFP.

13) Contractor must provide fulfillment center mailing services. As shown in the flow chart, Contractor must be able utilize bar codes to ensure that the correct license plate(s) and corresponding registration documentation are mailed together. Contractor must not combine multiple license plates and registration documents in a single mailing. All on demand orders must be mailed individually – even if multiple plates are going to the same customer and address. The State will consider an approach to "householding" for license plates; however the Contractor must provide both a price for individual plate shipping and a price for their "householding" solution. All alternative solutions will be evaluated by the State and may or may not be approved and accepted for this RFP.

ITI Response:

ITI will transport manufactured plates daily to the ITI fulfillment center and upon arrival, ITI staff will print registration documentation on-demand, match with corresponding license plate and scan for absolute match, package in special license plate envelope or bulk cartons, and prepare for mailing to either county offices or directly to the customer.

Presorting of license plate envelopes:
ITI will procure space from Qualified Presort Service (QPS) to house its fulfillment center. ITI employees will prepare all mailing materials and hand off to QPS for presorting and mailing. ITI has chosen QPS due to the security of the operation and its advanced presort services which will allow maximum postage savings. ITI believes that placing its fulfillment center inside QPS provides better security and chain of custody for the plates as they are fulfilled and mailed from the same facility. Registration-only fulfillment is described in greater detail below.

Registration renewal-only manufacturing and fulfillment:
ITI will continue to use the PRISM software to manage the order entry, production management, inventory management, quality assurance, auditing, and reporting requirements of the contract. ITI will receive the files via a SFTP server and validate the registration records. ITI then sorts and batches the records at the ITI facility for maximum efficiency in production and maximum cost savings in mailing which includes the householding process of combining same mailing address registrations in one envelope.

ITI production systems and personnel shall print the registrations and validate via automated scanning techniques and human inspection. The ITI production system includes an Evolution insertion system that tracks each piece and in combination with ITI's PRISM software, ensures that each record received is inserted and sealed in envelopes; thus ensuring 100% fulfillment of records.

14) Contractor must be able to provide for bulk shipments of license plates to county offices and the State's main office in Pierre, South Dakota.

ITI Response:

As the plates are received at the fulfillment center, each carton of plates designated for bulk shipments to the counties shall be re-inspected, weighed, and scanned to establish receipt and verification. ITI shall then move the plates to the QPS mailing group for delivery to either the county offices or the State's main office in Pierre, South Dakota.

15) Contractor is responsible for all shipping and packaging costs related to license plate distribution and accompanying registration documents. All packaging practices and materials must be approved by the State.

ITI Response:

ITI will be responsible for all shipping and packaging costs related to license plate distribution and accompanying registration documents. The RFP cost response includes the cost for these activities in the per-plate transactional pricing quoted. ITI will purchase and use only State-approved packaging materials for license plates and registrations.

16) Contractor should base their postage rates for this RFP evaluation on current United States postage rates as of December 1, 2014. This price will be reviewed annually during the life of the contract and may be adjusted through proper amendment process as outlined in the resulting contract of this RFP.

ITI Response:

USPS postage costs will be billed to the state as a flow through cost.

17) Contractor and the State will discuss cost adjustments annually for items such as aluminum and sheeting. At that time the Contractor must provide the State with current cost estimates. These estimates must be supported by documentation from a proper pricing source and that documentation must be provided to the State.

ITI Response:

ITI acknowledges and appreciates the opportunity to review pricing on an annual basis for sheeting and aluminum. ITI strives to maintain or improve current pricing through increased efficiencies over the life of the contract. ITI has proven this concept to the State through its registration services over the past ten years.

~~16)~~18) A margin of 2% or less will be allowed for scrap. Pheasantland Industries will be responsible for disposing of any scrap caused during production.

ITI Response:

ITI acknowledges and accepts the 2% or less scrap margin and the responsibility of PI to dispose of any scrap materials during the manufacturing process.

~~17)~~19) Contractor must provide a plan for training all relevant State and PI personnel on the proposed process, materials, equipment, and software that will be utilized for this solution.

ITI Response:

The ITI training approach is designed to support the change management activities critical to the success of the DMV implementation phase and continuing to full production. The DMV project is a significant improvement for DMV and an opportunity to further fine-tune and optimize the existing system in use today, further driving down costs and improving value for the State.

Our training approach begins with a high-level 'as-is' 'to-be' assessment of the current processes to establish the 'what is going to change' baseline. We have the opportunity in the implementation phase to validate the baseline, to determine what gap areas exist in the developed training and to refine the training presentation and materials prior to full production.

A dedicated training manager will be responsible for defining the detailed training processes and ensuring that the processes are followed successfully throughout the contract. The training plan will detail; who is to be trained, what aspect components of the training package is needed for which audiences, and where, when and how training will be conducted.

ITI will provide operational training to internal DMV staff and DMV administrators prior to initial system deployment. The training focus for staff will be dictated by the operational support function performed by the various groups, with all participants given a system overview course. This commitment includes initial and sustained training for the life of the contract. Personnel will be trained in support of implementation testing and full production prior to their respective implementation dates. This training timeline will be built into the overall project schedule.

Training sessions will provide a thorough end-to-end system overview, server system assembly, and full exploitation of all functionality. This training will have a breadth and depth sufficient for staff to support systems operations, maintenance, applications modifications, and enhancements following the contract maintenance period. The State test staff will receive training on all contractor test procedures utilized during this development effort.

Pheasantland Industries

ITIs response will use similar license production methods and the same printing and application equipment models that are already in place at Pheasantland's production facility. ITI has toured the facility, and is confident that the training requirements will be minimal and very efficient.

The current Pheasantland Industries production staff have been using the same models of printing and application equipment that are being proposed as part of the ITI compliant solution to manufacture South Dakota license plates for a number of years. Additional manufacturing training provided by ITI will be minimal, and will be accomplished with minimal disruption to Pheasantland Industries production by experienced license plate technical services staff. The License Plate Manufacturing Manager for this implementation will be fully responsible for ongoing assessment and coordination of all Pheasantland Industries training requirements. The License Plate Manufacturing Manager will maintain a comprehensive training log, as well as a training matrix to ensure that there is trained back up staff for all positions.

Pheasantland Industries training on ITI label printing, order entry software, plate design software, and inventory management portions of the ITI Total Solution will be conducted on-site by ITI at Pheasantland Industries facility concurrent to all production training, with minimal disruption to production.

ITI Fulfillment Center and USPS Presort:
Matching of plates and registrations, presorting of mailings and dispatch to USPS will not require training of Pheasantland Industries staff as these functions will be ITI's responsibility.

~~18)~~20) Contractor must provide a plan for maintaining physical security of any facilities and process for handling and disposal of any damaged or returned license plates. This plan must also include details about Contractor's cyber security plan.

ITI Response:

ITI shall employ security at numerous levels to ensure all customer data is protected from physical and electronic aspects.

From an electronic perspective, ITI has employed strong controls to maintain compliance with PCI, NIST, and FIPS guidelines and standards. ITI conducts audits every six months on each contract to ensure standards are in place and modified as projects evolve. ITI is quite strict with regard to data access only allowing access to personnel whom need to work with it to satisfy contract requirements. Access is only allowed for periods of time necessary and then revoked. All employees are required to participate in background checks and security training when hired. ITI stores all data deemed as Personally Identifiable Information (PII) encrypted with AES256 encryption within our databases. For this contract, all data is stored on ITI servers within the ITI infrastructure and no DMV data is ever stored within the PI or QPS network. All access to DMV data is through DMV secured VPN's and all personnel with access must complete DMV requirements for VPN access. ITI performs monthly maintenance on the servers by installing any patches to the OS and applications; this is always a coordinated effort with the DMV. ITI updates anti-virus and malware signatures on a daily basis. ITI shall provide the State with a detailed System Security Plan prior to going live with the solution for approval by the State Information Security Office.

ITI employs strict inventory measures and monitors physical usage in real time. Secure inventory is allocated to production as forecasted by ITI Inventory Management System (IMS) on a daily basis and returned to secure storage at the end of each production shift. The IMS system reads in daily production requirements from files received and alerts warehouse personnel to production requirements. Materials are moved from secure storage to production environments and then returned at end of production daily. IMS calculates in real time material usage and then calculates quantity of material to be returned to secure storage. ITI performs weekly audits on all secure materials to ensure there is no loss and waste controls are in compliance. ITI currently protects data and physical products including titles, registrations, and license plates for 18 States.

The Pheasantland Industries license plate production facility is located in the South Dakota State Penitentiary in Sioux Falls, SD. By the very nature of the prison environment, raw materials and finished goods are virtually impossible to steal; theft is not an issue. The license plate factory employs a full time production supervisor who schedules all license plate production, provides supervision to all offender workers, and prevents misuse of either raw materials and/or finished goods.

Should the State allow ITI to accept returned plates at the QPS facility, ITI shall work with the State to ensure proper delivery or disposal. All returned plates shall be tracked in real time via the ITI supplied Intranet. Plates that are damaged either at PI, QPS, or returned damaged shall be properly destroyed and tracked on the ITI Intranet as well. ITI will work with the State to establish a plan for destroying and replacing damaged plates as they occur.

~~19)~~21) Contractor must meet turn-around-time requirements for license plate production. Turn-around time is defined as the amount of time that elapses between the Contractor receiving an accurate order file from the State and the completed package entering the mail stream from the fulfillment center. The turn-around time schedule begins the next business day from when the Contractor receives the order file. For this Project, the required turn-around time is seven (7) business days. Contractor is required to have one hundred percent (100%) of the completed packages into the mail stream within the required turn-around time. Penalties will be outlined in the resulting contract of this RFP and enforced if this metric is not met.

ITI Response:

ITI shall meet or exceed the State defined turnaround time for plate fulfillment of seven days. If ITI does not fulfill a plate or order or partial order; the State shall not be charged for any of the plates in violation of the Service Level Agreement (SLA). ITI's software tracks plate production and if a plate or order does not reach the QPS facility within three business days, the software marks the records as Jeopardy status thus allowing the license plate manager ample time to correct the issue. If a plate or order is not mailed by the seventh business day, the plate or order is marked as a violation. At this point the license plate manager must contact the ITI program manager and write an incident report to be turned into the State. The plate or order is no longer billable to the State once a violation has been recorded.

~~20)~~22) Advanced production of plates commencing on or after September 1, 2015 will be required for supplying inventory to the county treasurer offices by December 15, 2015. The State will provide the required inventory quantities to the Contractor.

ITI Response:

ITI shall have all production equipment in place and ready for advance production by the end of August, 2015. ITI shall ensure that adequate sheeting, aluminum, and ribbons will be ready for the volume needed to stock the county offices by December 15th, 2015.

~~21)~~23) The State will attempt to keep the Contractor informed regarding potential license plate production needs for material ordering purposes.

ITI Response:

As a critical part of the fulfillment process, ITI will be in consistent contact with the State so as to provide for ongoing materials planning for all license plate production and fulfillment requirements.

~~22)~~24) A Disaster Recovery Plan must be in place and provided in detail in this RFP. Any proposed Disaster Recovery Plan must include provisions and timeframes for:

a. Resuming license plate production;
b. Resuming fulfillment center activities; and
c. Replacement of equipment and materials.

Any proposed Disaster Recovery Plan must meet the turnaround requirement set forth above.

ITI Response:

ITI has provided a formal disaster recovery plan beginning on page 131 of the Appendix. ITI addresses disaster recovery at multiple levels including application, network, raw materials, manufacturing, and actual production sites. The referenced disaster recovery plan addresses all of these scenarios and ensures the proper contingencies are in place and can be activated quickly.

3.3 License Plate Size Specifications

The current size specifications for the South Dakota license plates are listed below. Only two sizes of plates will be produced. All Contractors should prepare their proposals in accordance with the current size specifications.

Car, Truck and Trailer
Dimensions = 12" wide X 6" tall
Hole Placement = 5/8" from the top or bottom of the plate and 2 ½" from the sides of the plate
Hole Size = ¼" radius

Motorcycle
Dimensions = 7" wide X 4.125" tall
Hole placement = each hole is 5/8" from the top or bottom of the plate and 5/8" from the sides of the plate.
Hole size – ¼" radius

ITI Response:

ITI subcontractor, IHG, has an in house tool and die department that has been servicing Jurisdictions in North America for over 40 years. IHG's Master tool and die makers design and manufacture full blanking dies and other tooling for 17 jurisdictions. These dies and tooling are used to manufacture tens of millions of license plate annually. IHGs expertise also positions the Team perfectly to provide first class preventive maintenance programs for the license plate equipment at Pheasantland Industries.

The ITI team will provide tooling to manufacture license plates to the States exact size specifications, and has the expertise to modify the States tooling if desired to match the prevailing US standard plate sizes. This could benefit the state if back-up manufacturing is required at any stage.

3.4 Number of License Plates per Transaction Type

Car and general truck transactions require a plate set (two identical plates). Transactions involving trailers and prorate trucks require a single plate. Transactions involving motorcycles require a single plate.

ITI Response:

The ITI team has experience with matching both pairs of plates and single plates with the relevant matching registration and mailing the completed package to the motorist.

The PRISM system can be configured for pairs of plates or single plates by plate type, and through bar code scanning on the plates and registrations, creates audible tones and visual; signals to confirm that both plates, of a pair of plates, or a single plate have been matched with the correct mailing prior to packaging and dispatch.

The PRISM system also allows for boxing of plates as pairs or singles prior to shipping to field offices or other locations.

3.5 Equipment to be included in RFP

3.5.1 The following equipment will be needed to operate two full license plate production lines and the fulfillment center:

1. For License Plate Production:
    a. Blanking Line Press
    b. Unwinder
    c. Coil Straightener
    d. Blanking Die (minimum 2, 1 for truck, auto and trailer and 1 for motorcycle)
    e. Applicator Registry System (minimum of 2)
    f. Supporting Components
    g. Digital License Plate printers (minimum of 2)
    h. Barcode scanner (minimum of 4)
    i. Computer (minimum of 4)
    j. Computer software to read barcodes (minimum of 4)
2. For the Fulfillment Center:
    a. Barcode scanner (minimum of 2)
    b. Computer (minimum of 2)
    c. Computer software to read barcodes
3. The State has the following blanking line components that can either be used with compatible equipment provided by the Contractor for license plate production or upgraded to the same performance standards of the new blanking line:
    a. 1-Vertical Unwind
        Cooper Weymouth 2,500 lb
        Serial # 25-12P-1401;
    b. 1-Coil Straightener
        Cooper Weymouth Peterson
        Model # 12B
        Serial # M21284;
    c. 1-Blanking Line Press
        Federal Press # 5
        Serial #5 2355;
    d. 3-Blanking Dies: All are Detroit Tool blanking dies
        1-Truck and Auto Serial # 4487
        1-Trailer Serial # V0837
        1-Motorcycle Serial # V0838;
    e. 1-Digital License Plate Printer
        Serial # ET-02-008; and
    f. 1-Cincinnati Press
        135 CB x 8 Press Brake
        Serial # 43813
    g. Contractor must maintain and repair any equipment owned by the State and used by the Contractor for license plate production under this RFP. Contractor must pay for or replace

any State owned equipment subject to more than normal wear and tear while being used for license plate production under this RFP. The State must give written approval before the Contractor replaces, disposes, or uses parts from any of the State owned equipment.

3.5.2 All equipment used to fulfill this RFP must be new and unused.

ITI Response:

ITI shall provide a minimum of all equipment listed in section 3.5.1 as new and unused equipment with the exception of the existing blanking line. ITI shall upgrade this blanking to ensure redundancy in the plate operations. ITI shall maintain and repair all equipment used for this contract throughout the tenure of this contract. ITI will employ proactive maintenance procedures to ensure long life and reliable operation of all equipment supplied. ITI shall not replace, dispose, or use parts from any State owned equipment without express written consent from the State.

3.6 Performance Penalties

3.6.1 Any agreement reached may be terminated for non-performance as determined pursuant to this RFP and any contract or agreement entered into between the Contractor and the State.

ITI Response:

ITI acknowledges and accepts that any agreement reached may be terminated for non-performance as determined pursuant to this RFP and any contract or agreement entered into between the Contractor and the State.

3.6.2 Contractor will not charge for plates delivered outside of the acceptable turnaround time as explained in Scope of Work Section 3.2 paragraph 19. The State will charge a penalty of $10 per transaction for plates delivered outside the turnaround time. These penalties shall not apply in the event of a delay caused by Force Majeure or prison delays. A Force Majeure Event shall be an event where either part is unable to perform any of its obligations under this RFP and any executed contract or to enjoy and of its benefits because of natural disaster or decrees of governmental bodies not the fault of the affected party. If a Force Majeure event occurs the affected party shall immediately give notice to the other party and shall do everything possible to resume performance. If a delay, not caused by Force Majeure or prison delay, occurs due to an event outside of the Contractor's control the State shall review the circumstances and have discretion regarding whether the penalty should be applied.

ITI Response:

ITI shall not charge the State for any plates not mailed by the seventh business day after the plate order was received and ITI agrees to a $10.00 per plate penalty for any plate in violation with the exception of a Force Majeure delay. ITI acknowledges and accepts the State's definition of Force Majeure and agrees that if a Force Majeure event does occur, ITI shall notify the State immediately and work diligently to resume operations. If an extended Force Majeure event occurs, ITI shall immediately implement its Disaster Recovery Plan outlined on page 131 of the Appendix.

3.7 **License Plate Sheeting Specification**

Plate sheeting, thermal transfer ribbons, and protective clear film for digital license plate production should be consistent with all of the standards below.

ITI Response:

ITI shall ensure throughout the tenure of the contract that all sheeting, ribbons, and protective clear film used for digital license plate production shall conform to all standards set forth in this RFP.

DIGITALLY PRINTED LICENSE PLATE SPECIFICATIONS

SECTION I - GENERAL

This specification shall cover the materials, performance characteristics, quality, and testing of retroreflective sheeting and support services necessary for the successful manufacture of South Dakota ~~to produce~~ digitally printed license plates.

A. DESCRIPTION:

1. The retroreflective license plate shall consist of retroreflective (hereinafter referred to as "reflective" only) sheeting that is digitally printed by the license plate manufacturer (PI) with thermal transfer ribbons and then laminated to a specified aluminum substrate according to the sheeting manufacturer's recommendations.

2. The reflective sheeting shall consist of lens elements enclosed within a transparent resin and shall have a pre-coated pressure sensitive adhesive backing protected by a removable liner.

3. The reflective sheeting, when applied to the license plate substrate and blanked to finished size, shall contain:

   a. Identifying marks for purposes of on-vehicle traceability, warranty enforcement and anti-counterfeiting in accordance with these specifications. The warranty marks shall be buried below the sheeting surface for durability and shall incorporate the manufacturer's production run number that designates the source of manufacture, year of manufacture, and specific lot from which the material was supplied. The warranty marks shall not interfere or detract from the graphic design or reduce sheeting brightness and shall be durable for the service life of the license plate.

   b. A three-dimensional security mark that runs from the top to the bottom of the plate or from the left to the right side of the plate. The design(s) shall be visibly distinct from an approximate distance of 0 to 40 feet (0 to 12 meters). The security mark shall be durable for the service life of the license plate.

4. Pre-printed reflective sheeting shall conform to the design, colors and sheeting type as approved by the state and reflective sheeting manufacturer.

ITI Response:

ITI certifies that the retroreflective sheeting that will be used to manufacture the State's license plates will be sourced entirely from the State's current sheeting vendor 3M USA. The following 3M certifications, 3M product bulletins, and independent laboratory test results show that the license plate sheeting to be used is fully compliant with the specifications of this RFP:

- **Product Bulletin 4790: 3M Preclear Reflective License Plate Sheeting.**
- **4790 Stork Test Data (Independent lab test results)**
- **Product Bulletin 9250E/9250T: 3M Digital License Plate Reflective License Plate Sheeting.**
- **9250 T Stork Test Data (Independent lab test results)**
- **Product Bulletin 9097 - Digital License Plate Clear Protective Film 9097.**
- **Stork Accredited Laboratory Certification**
- **3M Material Certificate of Compliance**
- **3M Power of Attorney**

These can be found in the Appendix beginning on page 93.

ITI will use 3M Retroreflective sheeting containing the required three- dimensional (3D) security marks. 3M Ensure™ and 3M VST (Virtual Security Thread) meet the specification of the RFP.

The certification and product bulletin from 3M (these can be found in the Appendix) beginning on page 100 & 118), show that the license plate sheeting to be used is fully compliant with the specifications of this RFP:

- **3M Positive Identification Image Certificate of Compliance.**
- **3M product Bulletin Ensure™ Directional Image/Ensure™ Virtual Security Thread.**

ITI certifies that all pre-printed sheeting shall conform to the design, colors, and sheeting type as approved by the State and the reflective sheeting manufacturer.

B. PREQUALIFICATION

Before any bid is considered, the reflective sheeting manufacturer utilized by the successful vendor shall meet the following criteria:

1. To assure high quality license plate performance, durability and service, the successful sheeting manufacturer shall provide the vendor, for inclusion with its RFP proposal, ~~State with~~ proof of successful in-field performance ~~license plate manufacturing~~ in other North American jurisdictions ~~states~~. The sheeting manufacturer~~successful bidder~~ shall provide the following documentation to the vendor for inclusion with the RFP proposal~~with the bid~~:

ITI Response:

The reflective sheeting manufacturer's (3M) response to this section can be found in their Material Specification Certificate of Compliance on page 101 in the Appendix.

a. Show evidence of successful manufacture of reflective sheeting that has been used successfully with~~,~~ thermal transfer ribbons and protective clear overlaminate to produce jurisdictional license plates that qualify for finished license plate warranties as required by the State.~~, as parts of a totally integrated license plate system.~~

ITI Response:

The reflective sheeting manufacturer's (3M) response to this section can be found in their Material Specification Certificate of Compliance on page 101 in the Appendix.

b. Provide a list and qualifications of experienced, full-time graphic design, customer service, technical service and sales service personnel.

ITI Response:

The reflective sheeting manufacturer's (3M) response to this section can be found in their Technical Service Certification of Compliance on page 102 in the Appendix.

c. Submit a plan for providing expert on-site technical service within 48 hours and immediate toll-free call-in technical service.

ITI Response:

The reflective sheeting manufacturer's (3M) response to this section can be found in their Technical Service Certificate of Compliance on page 102 in the Appendix.

d. Submit a plan for next day delivery of stocked equipment parts; provide the using agency with a detailed list of stocked parts.

ITI Response:

The reflective sheeting manufacturer's (3M) response to this section can be found in their Technical Service Certificate of Compliance on page 102 in the Appendix.

e. Provide independent test lab data demonstrating that the license plate sheeting the bidder~~'s~~ proposes~~educts~~ conforms to all performance requirements of this specification as specified in Section II. Additional testing may be conducted by the State's designated test lab.

ITI Response:

The reflective sheeting manufacturer's (3M) response to this section can be found in the Stork Test data beginning on page 103 in the Appendix.

f. Properly warrant the plates produced from the sheeting manufacturer's sheeting by posting a $1,000,000 product bond during the duration of this issue. The sheeting manufacturer shall also provide buried directional warranty mark in the sheeting in accordance with Section IV.B, which facilitates on-vehicle traceability and warranty enforcement.

ITI Response:

The reflective sheeting manufacturer's (3M) response to this section can be found in their Material Specification Certificate of Compliance on page 101 in the Appendix.

g. Prior to contract award, s~~S~~upply sample rolls of sheeting printed with graphic designs to be designated by the State to demonstrate the sheeting manufacturer's ~~supplier's~~ production capability to providing general issue designs.

ITI Response:

At the State's request and prior to contract award, ITI shall supply sample rolls of pre-printed sheeting with graphic designs in sufficient quantity to prove the manufacturer's ability to provide general issue designs.

h. Supply evidence of successfully supplying reflective sheeting ~~and digital license plate production systems~~ to ~~a~~other North American jurisdictions to manufacture finished license plates~~state~~ with comparable production volumes and finished plate warranties to those required by this State.

ITI Response:

The reflective sheeting manufacturer's (3M) response to this section can be found in their Material Specification Certificate of Compliance on page 101 in the Appendix.

2. The sheeting manufacturer will provide any/all necessary samples for the State or their designated testing facility to certify the material compliance with these specifications. At the request of the State, the sheeting supplier may also be required to compensate the State or their testing agents for the cost of any material testing.

ITI Response:

The reflective sheeting manufacturer's (3M) response to this section can be found in their Material Specification Certificate of Compliance on page 101 in the Appendix.

3. A corporate officer shall certify that all license plate sheeting ~~thermal transfer ribbons and protective clear laminate~~ used or provided by Contractor are covered by the sheeting manufacturer's ISO 9001 Registration.

ITI Response:

The reflective sheeting manufacturer's (3M) response to this section can be found in their Certificate of Registration on page 117 in the Appendix.

4. The reflective sheeting and thermal transfer ribbon suppliers shall submit to the bidder for inclusion with their proposal technical data exhibiting characteristics of all materials proposed. Information submitted shall include detailed processing conditions for each phase of license plate manufacture.

ITI Response:

The reflective sheeting manufacturer's (3M) response to this section can be found beginning on page 95 in the Appendix.

5. Vendors/Bidders failing to conform to any of these prequalification requirements shall be disqualified.

ITI Response:

ITI acknowledges and accepts this requirement.

C. PERIODIC EVALUATION:

The State reserves the right to periodically evaluate the performance of materials. Samples for periodic evaluation of performance will be selected at random from materials used or provided by the Contractor for use in the license plate production process. Failure of materials to comply with the requirements of this specification shall be cause for removal.

ITI Response:

ITI fully understands and encourages that the State may wish to periodically evaluate the raw materials used to make South Dakota license plates and/or finished South Dakota license plates themselves. Please contact ITI at any time should you require our assistance with this process.

D. TECHNOLOGICAL IMPROVEMENTS

The sheeting manufacturer may, with agreement of the State, incorporate technological improvements that better optimize the license plate production process and/or license plate performance.

ITI Response:

ITI is constantly evaluating new products and services that become available in the license plate printing and production marketplace. New technologies that become proven from a process and durability standpoint will also be evaluated from a cost/value standpoint and presented to the State as appropriate.

SECTION II – PERFORMANCE STANDARDS
REFLECTIVE SHEETING FOR DIGITAL LICENSE PLATE PRODUCTION

A. SUBSTRATE

The sheeting shall be laminated to aluminum substrate recommended by the sheeting manufacturer.

ITI Response:

Aluminum – The TEAM solution will use aluminum alloy 3105 H28 in nominal thickness of 0.022" +/- .001" x nominal width of 12" x coil 20" ID with Fiber Core protector / 52" OD maximum / skids of 3,000 pounds maximum. Mechanical values to target 30ksi yield strength and 35ksi ultimate tensile strength for digital flat license plate production processing, according to ASTM B 209, and 3M sheeting product bulletins.

The aluminum substrate will be coated with a chrome free environmentally friendly conversion coating Henkel 1455 produced and applied according to 3M and Henkel technician recommendation.

A certificate of conformance per master coil will be sent with each truckload, including alloy chemistry, yield, ultimate tensile strength and elongation value.

Sheeting will be laminated according to the recommendations of the license plate sheeting manufacturer, in order to produce license plates that meet the States specifications. The sheeting manufacturers' recommendations can be found in the 3M product bulletins beginning on page 118 of this RFP response.

B. DIFFUSE DAYTIME COLOR

Through instrumental color testing, the diffuse daytime color of the reflective sheeting shall conform to color requirements as determined spectrophotometrically in accordance with ASTM E-1164 and E-1349, utilizing either 45/0 or 0/45 degree illumination/viewing conditions as described in E- 1164 and E-1349 for retroreflective materials. Chromaticity and the Luminance Factor based on CIE tristimulus values for the 2° observer and illuminant D65 shall be calculated in accordance with ASTM E-308.

The color specification limits for white license plate sheeting are listed on the following chart.

ITI Response:

3M has had independent testing carried out on its license plate sheeting and consumables to ensure that the sheeting and consumables match the State's specifications. ITI has included product bulletins and independent test results for all proposed sheeting, thermal transfer ribbons and overlaminate beginning on page 118 of the Appendix.

C. COLOR SPECIFICATION

Chromaticity Coordinates

Pairs	White Corner Points		Luminance Factor
	x	y	Y%
1	.303	.287	42 min.
2	.368	.353	
3	.340	.380	
4	.274	.316	

ITI Response:

3M has had independent testing carried out on its license plate sheeting and consumables to ensure that the sheeting and consumables match the State's specifications. ITI has included product bulletins and independent test results for all proposed sheeting, thermal transfer ribbons and overlaminate beginning on page 118 of the Appendix.

D. ADHESIVE AND PROTECTIVE LINER:

1. The precoated adhesive shall form a durable bond to flat conversion coated license plate surfaces as recommended by the reflective sheeting manufacturer.

2. The protective liner attached to the adhesive shall be removable by peeling without soaking in water or other solvents and shall be easily removed after accelerated conditioning for four hours at 150°F (66°C) under weight of 2.5 lbs. per square inch (1.14KG per 6.45 sq. cm). The liner shall be non-printed to permit reuse.

ITI Response:

3M has had independent testing carried out on its license plate sheeting and consumables to ensure that the sheeting and consumables match the State's specifications. ITI has included product bulletins and independent test results for all proposed sheeting, thermal transfer ribbons and overlaminate beginning on page 118 of the Appendix.

E. THERMAL TRANSFER PRINTING

1. The reflective sheeting shall be printable with thermal transfer ribbons as utilized by the license plate manufacturer (PI).
~~supplied by the sheeting manufacturer.~~

~~1.~~2. The reflective sheeting manufacturer shall provide, if required a complete line of thermal transfer ribbons~~,~~ (in process and spot colors), that are compatible with the reflective sheeting used by~~allow~~ the license plate shop and that will allow the license plate shop to print the graphic designs and variable information required by the State.

ITI Response:

The 3M reflective sheeting used by ITI is compatible with the ribbons utilized by PI as they are the exact sheeting and ribbons currently in use by PI. ITI shall supply all thermal transfer ribbon colors needed in both process and spot colors to support the printing of the graphic designs and variable information by PI for the State.

F. PROTECTIVE CLEAR OVERLAMINATE

The sheeting manufacturer shall provide a protective clear film that will be laminated to the sheeting in-line with the thermal transfer printing process. Printed sheeting with the protective clear film shall pass all performance tests as delineated in Section II.B.

ITI Response:

3M has had independent testing carried out by STORK® Twin City Testing Corporation on its license plate sheeting and consumables to ensure that the sheeting and consumables match the State's specifications. ITI has included product bulletins and independent test results for all proposed sheeting, thermal transfer ribbons and overlaminate beginning on page 118 of the Appendix.

G. INVENTORY CONTROL

To assist PI with inventory control, the sheeting manufacturer shall mark the sheeting with an integral, directional image that incorporates the lot number so that PI can employ first in - first out principles.

ITI Response:

ITI utilizes full lot traceability for key license plate materials which include the sheeting, laminate, ribbons, and the aluminum substrate. During production set-up, personnel will enter lot numbers being utilized for sheeting, laminate, and ribbons which then ties the lot numbers to the order number and plates produced. At time of blanking production, personnel will enter lot number of aluminum coil being utilized which ties the lot numbers to the order number and plates produced. At any point during order production if consumables are changed and new lot numbers are encountered, personnel will enter new lot numbers which are tied to the order and subsequent plates produced. ITI utilizes the embedded directional security mark known as 3M Ensure for enhanced lot traceability.

State personnel can utilize the Lot Traceability Report within the ITI Intranet to immediately find the corresponding lot numbers of a defective plate. These lot numbers then can be cross referenced to all plates affected thus allowing the ITI and the Department the ability to immediately assess the scope of any issue.

SECTION III - FINISHED LICENSE PLATES

Test panels shall be prepared in accordance with Section III, Para. A.

A. RETROREFLECTIVE CHARACTERISTICS

The coefficient of retroreflection for the sheeting shall be measured on flat, clean, finished license plate test panels prepared per Section III and shall have the following minimum values at 0.2° observation angle, expressed as candelas per lux per square meter of material. Measurements shall be conducted in accordance with ASTM E-810, "Standard Test Method for Coefficient of Retroreflection of Retroreflective Sheeting". Measurements on reflective sheeting with a preprinted graphic design shall be taken in an unprinted sheeting area.

Color	Entrance Angle	
	-4°	40°□
White	50	16

ITI Response:

3M has had independent testing carried out by STORK® Twin City Testing Corporation on its license plate sheeting and consumables to ensure that the sheeting and consumables match the State's specifications. ITI has included STORK® test result data for all proposed sheeting, thermal transfer ribbons and overlaminate beginning on page 118 of the Appendix.

B. RESISTANCE TO ACCELERATED WEATHERING

1. The sheeting shall be weather resistant and show no appreciable discoloration, crazing, cracking, blistering, lifting or dimensional change and the surface shall continue to be essentially smooth to provide direct application of validation stickers, determined after the following accelerated weathering tests:

2. Laboratory testing – 2,000 hours in Xenon arc weatherometer using ASTM G 155 - Type BH, Cycle 1. Samples shall maintain 70% of retroreflective table values shown in II, B. 1.

3. Outdoor accelerated testing – Samples shall be placed in a 24 month unprotected outdoor exposure, facing the equator and positioned vertically. Retroreflective measurements, taken after cleaning, shall result in 70% or more retention of the table values shown in II, B. 1.

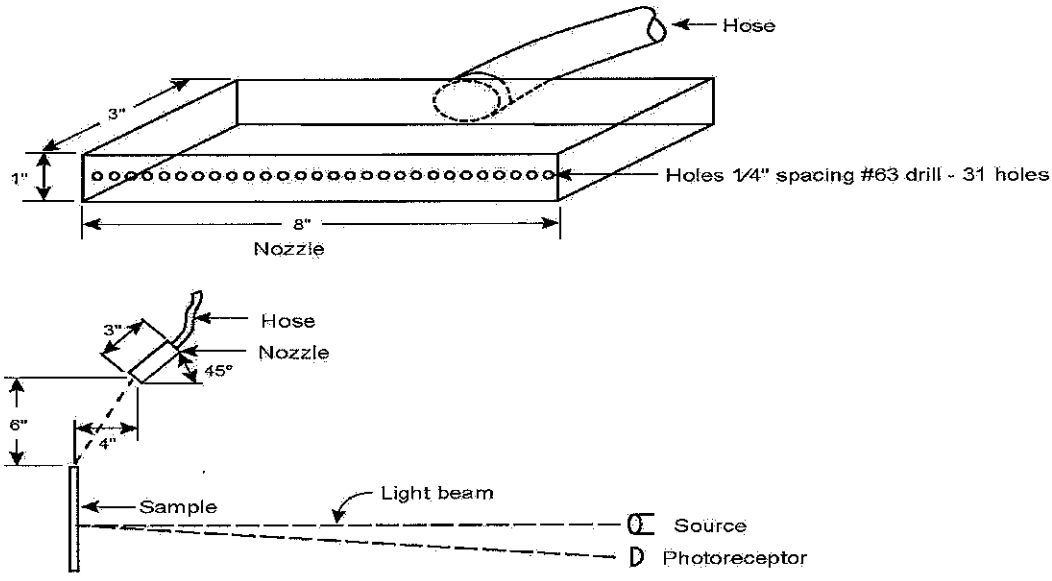
ITI Response:

3M has had independent testing carried out by STORK® Twin City Testing Corporation on its license plate sheeting and consumables to ensure that the sheeting and consumables match the State's specifications. ITI has included STORK® test result data for all proposed sheeting, thermal transfer ribbons and overlaminate beginning on page 118 of the Appendix.

C. RAINFALL PERFORMANCE

The Coefficient of Retroreflection of the same finished license plate test panels, measured on the same flat area of the test panels, totally wet by rain, shall not be less than 90 percent of the values specified above. The photometric performance during rainfall shall be determined as follows:

1. Test set-up for rainfall performance:



Place source and photoreceptor in horizontal plane

2. Place the test panel in an upright position 6 inches (15.2 cm) below and 4 inches (10.1 cm) in front of the nozzle as shown above

3. Apply sufficient water pressure so that the upper surface of the spray envelope strikes the top of the panel.

4. With water falling on the panel, measure the coefficient of retroreflection. Wet performance measurements shall be conducted at 0.2° observation and -4° entrance angles in accordance with ASTM E-810.

ITI Response:

3M has had independent testing carried out by STORK® Twin City Testing Corporation on its license plate sheeting and consumables to ensure that the sheeting and consumables match the State's specifications. ITI has included STORK® test result data for all proposed sheeting, thermal transfer ribbons and overlaminate beginning on page 118 of the Appendix.

D. DAYTIME/NIGHTTIME COLOR

To assist in positive daytime/nighttime identification of license plates, the color of the reflective background of the sheetings, including any pre-printed design or digitally printed design, shall be similar in daylight and by illumination at night.

ITI Response:

3M has had independent testing carried out by STORK® Twin City Testing Corporation on its license plate sheeting and consumables to ensure that the sheeting and consumables match the State's specifications. ITI has included STORK® test result data for all proposed sheeting, thermal transfer ribbons and overlaminate beginning on page 118 of the Appendix.

E. FLEXIBILITY-EMBOSSING

1. The sheeting shall, when correctly applied to treated aluminum, conform to the minimum/maximum tolerances for an embossed rim or flange as used by the manufacturing facility that supplies finished plates to the state and as recommended by the sheeting manufacturer.

2. Finished license plates shall show no appreciable wrinkling, cracking, or squirming at or around the embossed rim or flange.

ITI Response:

3M has had independent testing carried out by STORK® Twin City Testing Corporation on its license plate sheeting and consumables to ensure that the sheeting and consumables match the State's specifications. ITI has included STORK® test result data for all proposed sheeting, thermal transfer ribbons and overlaminate beginning on page 118 of the Appendix.

F. CLEANABILITY

1. Finished license plates, manufactured in accordance with the recommendations of the reflective sheeting manufacturer, shall be easily cleansed of normal dirt accumulation by washing with water and mild detergent. A test panel shall be sprayed with water-suspended soils collected from the underside of vehicle fenders, mixed with water in the proportion of five pounds (2.27 kg) of soil to one gallon (3.78 liters) of water, and poured through a paint strainer.

2. The mixture shall then be sprayed onto the panel while particles are in suspension. After the panel is thoroughly dry, it shall be cleaned by washing with a mixture of water and mild detergent, rinsed with clean water and wiped dry for examination. The panel shall show no appreciable difference when compared to a new clean panel.

ITI Response:

3M has had independent testing carried out by STORK® Twin City Testing Corporation on its license plate sheeting and consumables to ensure that the sheeting and consumables match the State's specifications. ITI has included STORK® test result data for all proposed sheeting, thermal transfer ribbons and overlaminate beginning on page 118 of the Appendix.

G. SOLVENT RESISTANCE

1. License plate panels prepared per III.A shall be sufficiently solvent resistant to withstand exposure to mineral spirits and turpentine in accordance with the test method described in this section without wrinkling, puckering or edge lifting.

2. Test panels shall be 1 inch x 6 inch strips cut from license plate blanks. Strips of the license plate shall be exposed as follows: mineral spirits and turpentine - submerged in a container with 4 inches of solvent for 10 minutes.

3. Samples shall be allowed to dry and be examined for any wrinkling, puckering, blistering, or edge lifting. Failure of samples shall be cause for rejections.

ITI Response:

3M has had independent testing carried out by STORK® Twin City Testing Corporation on its license plate sheeting and consumables to ensure that the sheeting and consumables match the State's specifications. ITI has included STORK® test result data for all proposed sheeting, thermal transfer ribbons and overlaminate beginning on page 118 of the Appendix.

SECTION IV - TEST PANELS AND QUALITY CONFORMANCE

A. TEST PANELS

Finished license plate test panels 6" x 12" (15.2cm x 30.5cm) must be provided for testing and evaluation within ten (10) calendar days if required by the state, and shall be produced of the same materials, on the same equipment and by the same general processes of substrate preparation as the production plates, in accordance with the sheeting manufacturer's recommendations. Test panels shall be provided with and without thermal transfer printed graphics and variable information as required by the state.

ITI Response:

ITI shall provide at any time during the tenure of the contract test panels to the State when requested. ITI shall provide test panels utilizing the exact materials and processes utilized during normal production. ITI shall provide the State test panels with or without printed graphics or variable information as required by the State.

B. QUALITY CONFORMANCE

Failure of the reflective sheeting to meet any requirement specified herein shall be cause for refusal to accept materials until evidence has been provided by the manufacturer that corrective action has been taken to eliminate deficiencies.

ITI Response:

ITI acknowledges and accepts that failure of the reflective sheeting to meet the requirements of this RFP shall be cause for refusal to accept materials and processes by the State. Should sheeting fail for whatever reason, evidence will be provided by ITI that corrective action has been taken.

SECTION V - PERFORMANCE LIFE & WARRANTIES

A. PERFORMANCE LIFE

1. Reflective sheeting applied and processed into finished license plates according to the sheeting manufacturer's instruction shall be considered to perform effectively for the service life specified (excluding those plates showing mechanical damage) if:

    a. The plates show no fading, cracking, blistering or peeling which will significantly impair the intended visibility or legibility of the plate, and if

    b. The clean rear plate retains at least 9 candlepower per foot-candle per plate (.84 candelas per lux per plate) for the length of the intended issue being bid (up to a period of 5 years). Measurements shall be taken in clean, white, unprinted areas of rear plates.

2. Measurements shall be conducted at 0.2° observation angle and -4° entrance angle. Coefficient of Luminous Intensity shall be measured using the test method outlined in ASTM E-810 except that the coefficient of luminous intensity shall be determined in accordance with ASTM E-808-01 Para. 3.2.2 and ASTM E-809-02 Para. 12.3. Note: Reflective license plates with a digitally printed graphic design may not meet this requirement as large graphic printed areas may affect the reflectivity levels of the finished license plates.

ITI Response:

ITI acknowledges and accepts the technical requirements as listed in Section V.A, as this is standard for our marketplace.

B. WARRANTY PROVISIONS

1. The sheeting shall be imaged with a directional, integral warranty mark, so as to be traceable to the specific manufacturer's production run numbers from which the material originated. If at any time during the specified performance life of the reflective material provided, a one half of one percent sample of clean, rear plates produced from a given production run (identified by the integral warranty mark) reveals that 10 percent or more of that sample are found to be defective in visual or brightness performance requirements as defined herein, the Contractor shall be responsible for replacement of all plates manufactured from that specific lot of material.

2. The sheeting manufacturer shall be responsible for all replacement costs associated with a specific lot; a maximum liability assessment of $5.00 per plate will be invoked for failed plates associated with a specific lot. Reimbursement of the State shall be in dollars and/or materials equal to the assessed damage, at the State's discretion.

3. To assure effective identification, the warranty marks shall be approximately 1.125 inches in diameter on standard 6" x 12" plates and shall be of a design mutually agreed upon by the State and the sheeting manufacturer. The manufacturer may vary the number, design and placement of the marks for motorcycle or smaller license plate sizes.

4. The warranty marks shall be verifiable on a license plate once properly affixed to the vehicle's designated mounting area, from an approximate head-on distance of six (6) feet; warranty marks shall not be observable at 2 feet or 20 feet or when the viewer steps to one side from the head-on viewing position so as not to compete or conflict with vital plate information.
5. The warranty marks shall be verifiable under both ambient light and retroreflected light at night, shall not interfere or conflict with the plate design or aesthetics, and shall not alter sheeting colors or reduce sheeting brightness below specified levels.

ITI Response:

ITI acknowledges and accepts the warranty provisions as listed in Section V.B.

C. THREE-DIMENSIONAL SECURITY MARK

1. The retroreflective sheeting shall also have a three-dimensional security mark that runs vertically or horizontally through standard vehicle registration plates for purposes of security and anti-counterfeiting in accordance with these specifications. The three-dimensional security mark shall be buried beneath the surface of the sheeting and shall feature a design that must be pre-approved by the state. The three-dimensional security mark shall be durable for the service life of the license plate.

2. The three-dimensional security mark shall be verifiable under both daylight and retroreflected light, shall not interfere or conflict with the plate legibility, and shall not reduce sheeting brightness below minimum specified brightness levels when measured in accordance with ASTM E 808 and ASTM E 809.

3. The three-dimensional security mark shall be visible in the unprinted areas of the plate from within a standard police vehicle under high beam headlight illumination, as well as outside of the vehicle, on a license plate properly affixed to the vehicle's designated mounting area, from an approximate distance of 0 to 40 feet (0 to 12 meters) at a head-on viewing angle. The three-dimensional security mark shall not be visible when viewed at an angle greater than 45 degrees from the head-on viewing position.

ITI Response:

ITI acknowledges and accepts the three-dimensional security mark provisions as listed in Section V.C

SECTION VI - PACKAGING AND SHIPPING

To ensure easy access and proper inventory control, the reflective sheeting shall be shipped in bulk packages. To prevent roll damage, each pallet of bulk packages shall be designed to prevent double stacking by the shipper. Production run sequence numbers shall be affixed to the outside of each shipping package that corresponds to the materials contained therein. Each roll shall be additionally designated by a core identifier stamped or affixed with a permanent label to the inside of each roll core. A shipping or packaging list shall be affixed to one box on a pallet identifying all production runs contained within the shipment.

ITI Response:

ITI will be utilizing 3M reflective sheeting for this project, and packaging will continue as per current practices unless otherwise requested by the State. Current practices include:

Each Pallet will consist of three (3) layers, with each layer enclosed by heavy duty corrugated cards. Each layer will contain nine (9) rolls of reflective sheeting. Each roll of reflective sheeting will be fixed in place using core inserts through the top and bottom of the box. This keeps even spacing between the rolls and prevents the rolls from touching each other in transit. The top of each pallet of three (3) layers will be finished with a fiber board sheet. Heavy plastic strapping will be used to affix the whole to the pallet.

The following labels will be fixed to the bulk package on the end that will be used by a forklift or pallet jack.

Label one – to contain the wording "Do not Double Stack"

Label two – to contain the following information:

- **Supplier name**
- **Product description and number**
- **Product code**
- **Sheeting roll dimensions (width x length)**
- **Start and finish sequence for sheeting pre-printed with an alphanumeric**
- **Weight**
- **Lot Number and lot number bar code.**
- **PO Number and PO number bar code.**

In addition each roll will have a label affixed to its core detailing sheeting type, Lot#, Packer# and drum#.

SECTION VII - DELIVERY SCHEDULE

All deliveries of materials and supplies shall be provided F.O.B. to the State's designated point of delivery. The first expected delivery of reflective sheeting shall be not later than 45 days following official notification of contract award, initial order and receipt of state approved artwork. All subsequent orders shall be F.O.B. destination with expected delivery within 30 days after receipt.

ITI Response:

ITI confirms that the first deliveries of reflective sheeting and aluminum will arrive FOB Pheasantland Industries within 45-days as per the RFP. Subsequent deliveries will arrive within 30 days. The aluminum industry's delivery schedules are currently often longer than 30-45 days; however, ITI will use its internal aluminum inventories to offset any potential industry delays so that deliveries to Pheasantland will always be in the timeframe as specified in the RFP.

SECTION VIII - ACCOUNTABILITY

The manufacturer shall be accountable for all sheeting from the place of manufacture to the point of delivery. All over-run materials remaining in the manufacturer's possession after discontinuation of any design or the contract's cancellation, shall be destroyed and used for no other purpose.

ITI Response:

ITI agrees to be accountable for all sheeting from the place of manufacture to the point of delivery at Pheasantland Industries. Deployment of the ITI PRISM would expand this to includes, the ordering, sheeting printing, assembly and delivery of license plates, and ensure that all over-run materials remaining in Pheasantland Industries possession after discontinuation of any design or the Contract's cancellation, shall be destroyed in accordance with any applicable Federal or State laws and shall not be used for any other purpose. Any sheeting remaining in the sheeting manufacturer's possession would like wise be destroyed.

ITI is following a Print/Produce/Ship on-demand protocol which essentially means that sheeting will be printed and supplied on demand. This mitigates the potential for obsolescence of plates and sheeting. For long run pre-printed graphic sheeting, ITI respectfully requests that the State of South Dakota provide as much notice as possible, should a design change be contemplated, so that ITI may work through all pre-printed material that is already in process.

Shipping of the sheeting material will take place by properly qualified and insured carriers as arranged and agreed by the sheeting manufacturer and ITI. Shipments are either controlled designated shipments or traceable parcel shipments for smaller quantities of material. ITI will work with Pheasantland Industries to ensure that upon delivery, the shipment is checked for visual defects, that delivered quantities are correct, material specifications are as ordered and shipping documents are accurate and complete. If all receiving requirements are met, the sheeting will be transferred to inventory. Physical plant inventory will be controlled at all times and inventory management processes allow only those raw material quantities to be issued and released for production to match volume and requirements of received orders. Scrap generated during production is controlled and accounted for and destroyed to prevent any reuse and disposed of in accordance with Federal and State law. Any overrun material or discontinued sheeting designs in physical inventory will be destroyed to prevent any reuse and disposed of according to federal and State law. Delivery of finished license plates to the county offices will take place as ordered by the Department. All shipments are either designated controlled shipments by qualified and insured carriers or parcel carriers as needed to maximize shipping efficiencies.

SECTION IX - PROCESSING

The reflective sheeting processing shall be in accordance with the recommendations of the manufacturer. All processing procedures for reflective material, thermal transfer ribbons and clear protective laminate must be compatible, or made compatible at the Contractor's expense, with equipment and procedures ~~currently~~ employed by the State.

ITI Response:

ITI agrees that the processing procedures for reflective material shall be, in accordance with 3M's (the sheeting manufacturer's) recommendations. Furthermore, all processing procedures will be, or will be made compatible, at ITI's expense, with equipment and procedures currently employed by the state (Pheasantland production facility). This will not be an issue as ITI plans to continue to supply 3M reflective sheeting, which Pheasantland Industries is currently using successfully for its license plate production. Pheasantland will not experience any changes regarding their license plate materials/consumables processing requirements and performance, unless expressly directed by the sheeting manufacturer.

4.0 PROPOSAL REQUIREMENTS AND COMPANY QUALIFICATIONS

4.1 The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal.

ITI Response:

ITI acknowledges and accepts this requirement.

4.2 **Offeror's Contacts**: Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc. to the buyer of record indicated on the first page of this RFP. Offerors and their agents may not contact any state employee other than the buyer of record regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.

ITI Response:

ITI acknowledges and accepts this requirement.

4.3 Business Proposal

A. **General** (optional) - This section of the business proposal may be used to introduce or summarize any information the Contractor deems relevant or important to the State's successful acquisition of the products and/or services requested in this RFP.

ITI Response:

Intellectual Technology, Inc. (ITI) is pleased to offer the South Dakota DMV a turnkey manufacturing and fulfillment solution for license plate and registration distribution. ITI has been working with the DMV since 1998 on projects such as the current registration fulfillment contract, Self-Service Terminals, Print-on-Demand, and centralized mailroom production. ITI greatly values the relationship with the South Dakota DMV and is appreciative of the opportunities the DMV has granted ITI over the years. ITI desires to continue providing excellent service and innovative solutions to the DMV for years to come.

ITI has grown significantly over the years and is proud of this growth. ITI has recently expanded its operations in Fort Wayne, Indiana by acquiring a 30,000 square foot operations facility. ITI has grown its Indiana staff from just a handful five years ago to approximately 70. ITI has designed the new facility for our technical and fulfillment operations. The new facility is designed for NASPO compliance in the fulfillment of secure government documents and materials. The facility and infrastructure is highly advanced to accommodate the data security requirements of PCI compliance.

ITI is currently providing similar services to the States of Indiana, Georgia, Hawaii, and Alaska. ITI is committed to bringing Industry Best Practices (IBP) to the State across all deliverables specified in the RFP.

ITI has an industry-leading record of providing excellence to the North American Motor Vehicle Administration community in a wide variety of key areas; secure on-demand registration/validation document printing, real-time software design and implementation of fulfillment deliverables, high quality license plate manufacturing, both with and without correctional services content, Motor Vehicle license plate inventory management for satellite and DMV offices, direct-to-motorist delivery of license plates and registration documents, license plate design services, and much more. ITI has extensive experience and a proven track record in the provision, and successful implementation of end-to-end secure software and hardware solutions specifically designed for Motor Vehicle license plate and registration manufacturing and fulfillment projects.

ITI thoroughly understands the requirements of the RFP and look forward to earning your business.

B. **Contractor's Company Structure** - The legal form of the Contractor's business organization, the state in which formed (accompanied by a certificate of authority), the types of business ventures in which the organization is involved, and a chart of the organization are to be included in this section. If the organization includes more than one product division, the division responsible for the development and marketing of the requested products and/or services in the United States must be described in more detail than other components of the organization.

ITI Response:

Intellectual Technology, Inc. ("ITI") is a Delaware corporation incorporated in 1989. Its headquarters are located at 1901 Camino Vida Roble, Suite 204, Carlsbad, CA 92008. ITI's principal place of business is at 2980 East Coliseum Blvd., Fort Wayne, IN, 46805 which is the head office of ITI's wholly-owned subsidiary, ITI Indiana LLC. ITI Indiana LLC was incorporated as a C-Corporation in Indiana in 2005 and was recently converted to an LLC. ITI and ITI Indiana LLC are collectively referred to as ITI.

ITI provides fully integrated solutions for the automated printing and dispensing of motor vehicle forms and license plate decals. These systems have been developed over the last 25 years and are designed to streamline applicant processing to create effective, controlled working environments. As the systems were refined, the Company became more actively involved in the operation of state mail room facilities. This evolved into the creation of its new off-site fulfillment facility located in Ft. Wayne, Indiana. This facility receives electronic files from various states, prints documents, including vehicle registrations and decals, mails them directly to the state's motorists, and updates state records accordingly. Due to the success of ITI solutions in license plate manufacturing, ITI is building a state-of-the-art license plate manufacturing facility to its Fort Wayne, Indiana campus within the next year.

ITI's systems are in use in Motor Vehicle agency offices, mailrooms, self-service terminals, integrated IVR systems and remotely through the Internet.

Please see page 143 in the Appendix for ITI's Corporate Organizational Chart.

C. **Company Financial Information** - This section must include the Contractor's audited financial statements, including an income statement and balance sheet, for each of the two (2) most recently completed fiscal years. The financial statements must demonstrate the Contractor's financial stability. If the financial statements being provided by the Contractor are those of a parent or holding company, additional financial information should be provided for the entity/organization directly responding to this RFP.

ITI Response:

In November 2012 a private equity firm acquired a majority interest in ITI. The purchase was through a holding company, ITI Holdings, Inc., whose only activity is holding the ITI investment. In a separate sealed envelope, ITI has included the audited consolidated financial statements of ITI Holdings, Inc. for 2013 and for the period from inception (November 2012) to December 31, 2012 which include the operations of ITI. ITI has also included the audited financials of ITI for 2012 prior to the investment by ITI Holdings. Please note the financials include certain one-time and non-cash expenses in connection with the investment from the private equity firm. For 2013 and 2012 ITI's Earnings Before Interest, Taxes, Depreciation and Amortization were $4.9 million and $3.9 million, respectively. For the nine months ended September 30, 2014 ITI's EBITDA was $3.1 million.

D. **Integrity of Company Structure and Financial Reporting** – This section must include a statement indicating that the CEO and/or CFO has taken personal responsibility for the thoroughness and correctness of any/all financial information supplied with this proposal. The particular areas of interest to the State in considering corporate responsibility include the following items: separation of audit functions from corporate boards and board members, if any, the manner in which the organization assures board integrity, and the separation of audit functions and consulting services. The State will consider the information offered in this section to determine the responsibility of the Contractor under IC 5-22-16-1(d).

The Sarbanes Oxley Act of 2002, H.R. 3763, is NOT directly applicable to this procurement; however, its goals and objectives may be used as a guide in the determination of corporate responsibility for financial reports.

ITI Response:

ITI's CFO John Low, takes personal responsibility for the thoroughness and correctness of any and all financial information contained in this RFP response. The audited financial statements demonstrate the separation of audit functions from corporate boards and board members and the manner in which board integrity is assured. The audited financial statements provided herein were prepared by the independent Certified Public Accountancy firm BDO.

E. **Contract Terms/Clauses** -- Sample contract terms that the State expects to execute with the successful Contractor(s) are provided in Section 2.0. The final contract executed by the parties may also contain additional provisions presented by the State to which the parties agree. However, it is the State's expectation that the final contract will be substantially similar to the sample contract terms provided in Section 2.0.

If you require additional contract terms please include them in this section.

To reiterate it's the State's strong desire to not deviate from the contract terms provided and as such the State reserves the right to reject any and all of these requested changes.

ITI Response:

ITI agrees to be bound by the terms and conditions in the Sample Contract provided in Section 2.0. If there are provisions in this proposal that the State deems to be in conflict with anything in the Sample Contract, ITI agrees the Sample Contract shall take precedence. The Team does not intend for anything in this proposal to conflict with the Sample Contract.

F. **References** - Please identify three (3) major current customers in the table below. State government customers are strongly preferred.

Customer 1	
Legal Name of Company or Governmental Entity	**State of Indiana**
Company Mailing Address	100 North Senate Ave., Rm. N440
Company City, State, Zip	Indianapolis, IN 46204
Company Website Address	http://www.in.gov/bmv/
Contact Person	**Jack Evans**
Company Telephone Number	(317) 233-2796
Company Fax Number	(317) 233-1696
Contact E-mail	jevans@bmv.in.gov
Industry of Company	Bureau of Motor Vehicles
Customer 2	
Legal Name of Company or Governmental Entity	**State of Georgia**
Company Mailing Address	4125 Welcome All Road
Company City, State, Zip	Atlanta, GA 30349
Company Website Address	www.dor.georgia.gov
Contact Person	**Georgia Steele**
Company Telephone Number	(404) 724-7680
Company Fax Number	(404) 724-7681
Contact E-mail	Georgia.Steele@dor.ga.gov
Industry of Company	Department of Revenue
Customer 3	
Legal Name of Company or Governmental Entity	**State of Ohio**
Company Mailing Address	1970 West Broad Street
Company City, State, Zip	Columbus, OH 43223
Company Website Address	www.bmv.oh.gov
Contact Person	**Jeff Shadburn**
Company Telephone Number	(614) 466-2890
Company Fax Number	(614) 466-5181
Contact E-mail	JSSHADBURN@dps.state.oh.us
Industry of Company	Bureau of Motor Vehicles

1. Does your company have any pending litigation regarding contract disputes? Please provide a yes/no response. If yes, please provide details of dispute without violating any confidentiality requirements.

ITI Response:

No, Intellectual Technology, Inc. is not subject to any pending or potential litigation and the company has never been subject to legal actions of any type whatsoever. Further, ITI has never been bankrupt, subject to receivership or subject to any other financial penalties or actions.

2. Please list any contracts lost or terminated in the last 3 years and provide reasons for loss or termination, and contact information.

ITI Response:

Intellectual Technology, Inc. has not lost or terminated any contracts in the last three (3) years.

G. **Registration to do Business-** Selected out-of-state Contractors providing the products and/or services required by this RFP must be registered to do business within the State by the South Dakota Secretary of State. This process must be concluded prior to contract negotiations with the State. It is the successful Contractor's responsibility to complete the required registration with the Secretary of State. Please indicate the status of registration, if applicable. Please clearly state if you are registered and if not provide an explanation.

ITI Response:

ITI is in good standing with the South Dakota Secretary of State and is registered to do business in South Dakota. Please see page 144 in the appendix for ITI's registration to do business in South Dakota.

H. **Authorizing Document-** Contractor personnel signing the Transmittal Letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section shall contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement. Please enter your response below and indicate if any attachments are included.

ITI Response:

Drew Nicholson, Chief Operating Officer (COO) of ITI, is authorized to execute contracts on behalf of ITI and to commit the corporation contractually. Mr. Nicholson has signed the Transmittal Letter on behalf of ITI.

Copies of corporate bylaws giving Mr. Nicholson this authority for ITI, as well as the Secretary's Certificate attesting to the fact that Mr. Nicholson is the COO of ITI can be found on page 142 in the Appendix.

I. **Subcontractors-** The Contractor is responsible for the performance of any obligations that may result from this RFP, and shall not be relieved by the non-performance of any subcontractor. Any Contractor's proposal must identify all subcontractors and describe the contractual relationship between the Contractor and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal.

Any subcontracts entered into by the Contractor must be in compliance with all State statutes, and will be subject to the provisions thereof. For each portion of the proposed products and services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience. The combined qualifications and experience of the Contractor and any or all subcontractors will be considered in the State's evaluation.

The Contractor must furnish information to the State as to the amount of the subcontract and subcontract percentage of the total bid amount, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by the State. All subcontracts held by the Contractor must be made available upon request for inspection and examination by appropriate State officials, and such relationships must meet with the approval of the State.

The Contractor must list any subcontractor's name, address, and the state in which formed that are proposed to be used in providing the required products and/or services. The subcontractor's responsibilities under the proposal, anticipated dollar amount for subcontract, form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Contractor of any responsibilities in responding to this RFP or in completing the commitments documented in the proposal.

ITI Response:

ITI is the Prime Contractor for this Proposal and is fully responsible for performance of both ITI and its subcontractor under this contract. ITI shall not be relieved of responsibility due to the non-performance of any subcontractor.

ITI has forged an excellent relationship with primary subcontractor the Irwin Hodson Group. ITI has been working with IHG since 2004 in Hawaii and Alaska and has provided software services to other IHG clients.

ITI has chosen industry-leader IHG to work with on this project for a variety of strategic reasons; few in the industry know that IHG actually pioneered Print-on-Demand (POD) license plates and registration fulfillment with ITI in 2004 for the States of Hawaii and the State of Alaska, respectively. Both programs are still in effect to this day.

The ITI/IHG visionary Print-on-Demand concept is increasingly being adopted by the Motor Vehicle industry. On a larger scale more similar to that of South Dakota, IHG continues to fulfill 3M's South Carolina print-on-demand contract from the IHG subcontracting fulfillment center in Columbia, SC. This includes IHG's digital printing of reflective sheeting and license plate manufacturing coordination with the South Carolina prison in Columbia.

Irwin Hodson Group (IHG)

Irwin Hodson Group, formed in Portland, Oregon, will be providing expertise and manufacturing management for the license plate printing and manufacturing process. Their address is 12067 NE Glenn Widing Drive, Portland, OR 97220. IHG has been providing license plate manufacturing, distribution, license plate printing/production equipment and fulfillment products and services to the North American Motor Vehicle community since 1917. The industry-leading qualifications of IHG are unsurpassed. IHG will provide the license plate digital printing equipment and license plate production equipment for the project that will be installed at a central fulfillment site. IHG will also provide the project management and technical services for the Pheasantland Industries portion of the contract, including: digital printer installation/training/preventative maintenance/service, production equipment installation/training/preventative maintenance/service, Pheasantland Industries Key Account contact/customer service, and Pheasantland Industries site preparation.

J. General Information –

Business Information	
Legal Name of Company	Intellectual Technology, Inc.
Contact Name	Craig Litchin
Contact Title	President
Contact E-mail Address	clitchin@iti4dmv.com
Company Mailing Address	1901 Camino Vida Roble, Suite 204
Company City, State, Zip	Carlsbad, CA 92008
Company Telephone Number	(760) 476-9100
Company Fax Number	(760) 476-9150
Company Website Address	www.iti4dmv.com
Number of Employees (company)	70
Years of Experience	25
Number of U.S. Offices	3
Year South Dakota Office Established (if applicable)	N/A
Parent Company (if applicable)	N/A
Revenues ($MM, previous year)	$16.2 million
Revenues ($MM, 2 years prior)	$15.8 million

1. Does your company have a formal disaster recovery plan? Please provide a yes/no response. If no, please provide an explanation of any alternative solution your company has to offer. If yes, please note and include as an attachment.

ITI Response:

YES, ITI has a formal disaster recovery plan; please see the complete Disaster Recovery Plan document beginning on page 131 of the Appendix.

2. What is your company's technology and process for securing any State information that is maintained within your company?

ITI Response:

ITI shall employ security at numerous levels to ensure all customer data is protected from physical and electronic aspects. ITI has opened a new 30,000 square foot facility in Fort Wayne Indiana which is specifically designed for PCI and NASPO compliance.

From a physical access perspective, ITI has employed the following safeguards:

- **Full perimeter, warehouse, and production area video surveillance.**
- **Access controls for staffing that strictly monitors and limits access to production and storage areas within the facility.**
- **NASPO compliant production area perimeters that consist of badge access reinforced steel doors, reinforced wire mesh walls, window shutter systems, motion detectors, intrusion detectors, and time lock access doors.**
- **NASPO compliant shipping and receiving warehouse that incorporates interlocks for all trucks either delivering or picking up secure materials.**
- **NASPO compliant document vault for the storage of printed materials not yet mailed.**

From an electronic perspective, ITI has employed strong controls to maintain compliance with PCI, NIST, and FIPS guidelines and standards. ITI conducts audits every six months on each contract to ensure standards are in place and modified as projects evolve. ITI is quite strict with regard to data access only allowing access to personnel who need to work with it to satisfy contract requirements. Access is only allowed for periods of time necessary and then revoked. All ITI employees are require to participate in background checks and security training when hired. ITI stores all data deemed as Personally Identifiable Information (PII) encrypted with AES256 encryption within our databases. For this contract, all data is stored on ITI servers within the IOT infrastructure and no DMV data is ever stored within the ITI network. All access to DMV data is through DMV secured VPN's and all personnel with access must complete DMV requirements for VPN access. ITI performs monthly maintenance on the servers by installing any patches to the OS and applications, this is always a coordinated effort with the DMV. ITI updates anti-virus and malware signatures on a daily basis.

All ITI and subcontractor employees with access to such data are bound by security and non-disclosure agreements and shall be approved by the DMV and subject to DMV security procedures and requirements.

K. **Experience Serving State Governments-** Please provide a brief description of your company's experience in serving state governments and/or quasi-governmental accounts.

ITI Response:

ITI has been serving state governments, specifically motor vehicle agencies, continually since 1996. ITI currently provides registration and registration renewal services for 15 states issuing over 40 million registrations annually. ITI also provides software, fulfillment, and program management for license plate and registration central fulfillment for Indiana and Georgia. ITI has specifically chosen primary subcontractor Irwin Hodson Group for its experience, since 1917, in the design, production, distribution and fulfillment of license plates for government entities and related industry services. A one-page summary overview chart is included for both ITI and IHG beginning on page 140 of the Appendix.

L. **Experience Serving Similar Clients-** Please describe your company's experience in serving customers of a similar size to the State of South Dakota with similar scope. Please provide specific clients and detailed examples.

ITI Response:

ITI services the following State contracts:

Indiana BMV – Central fulfillment production of all Indiana registrations including vehicles, watercraft, and off road vehicles in our Fort Wayne facility. Production management software, fulfillment, manufacturing, and program management of the license plate manufacturing contract as the prime subcontractor to the State. Annual volume is 7 million registrations and 2.5 million license plates on average.

Georgia DOR – Production management software with license plate and registration fulfillment services as a subcontractor to 3M. ITI is the prime contractor on the Self-Service Terminal program in Georgia.

California DMV – Self-Service Terminals producing over 1 MM transactions per year and collecting over $200 MM in revenue for the State.

New York DMV – Self-Service Terminals producing over .5 MM transactions currently and collecting over $50MM in revenue for the State.

Ohio DMV – Print-on-demand vehicle registration printing and fulfillment services to include branch operations and mailroom operations. Annual volume is twelve million.

Louisiana DMV – Print-on-demand vehicle registration printing and fulfillment services to include branch operations and mailroom operations. Annual volume is three million.

South Dakota DMV – Print-on-demand vehicle registration, Self-Service Terminals, and motor carrier printing and fulfillment services to include branch operations and mailroom operations. Annual volume is two million.

North Dakota DMV – Print-on-demand vehicle registration printing and fulfillment services to include branch operations and mailroom operations. Annual volume is two million.

Arkansas DMV – Print-on-demand vehicle registration, motor carrier printing and fulfillment services to include branch operations and mailroom operations. Annual volume is three million.

Nevada DMV – Print-on-demand vehicle registration, Self-Service Terminals, motor carrier, Off-Highway Vehicles, confidential/undercover documents, titles, and fulfillment services. Annual volume is three million. Beginning in 2015, ITI software systems will be used when the Nevada DMV opens their new state-of-the-art License Plate manufacturing facility in Carson City, Nevada. This IHG designed and supplied facility will be part of an operation that utilizes correctional industry labor.

Hawaii DMV – Print-on-demand vehicle registration printing and fulfillment services to include branch operations and mailroom operations. In our contractor partnership with Irwin Hodson Group; license plates are manufactured and fulfilled. Annual volume is six hundred thousand.

Alaska DMV - Vehicle registration printing and fulfillment services to include branch operations and mailroom operations. In our contractor partnership with the Irwin Hodson Group; license plates are manufactured and fulfilled. Annual volume is two hundred thousand.

As referenced in other sections of the RFP, several examples of manufacturing and/or fulfillment direct to motorist's home can be cited by Irwin Hodson Group. The South Carolina and Mississippi examples referenced below are the most similar to South Dakota in either size and/or scope.

South Carolina - On the South Carolina project, approximately 3,000,000 packages containing a license plate, a registration form, and a validation tab were mailed via USPS 1st class postage from our license plate fulfillment facility directly to the motorist's home as part of a general reissue. An additional approximately 4,000,000 plates were distributed to DMV offices for traditional over-the-counter customer service.

Mississippi - During the contract period, IHG originated all specialty and personalized plates being mailed directly to the motorist's home from the license plate production facility. This eliminated specialty plate inventories in all county offices.

In addition, 100% of standard issue Mississippi license plates (approximately 2,500,000 plates during the IHG reissue year) were manufactured and shipped directly to over ninety (90) county offices throughout the State for distribution to motorists over-the-counter.

COST PROPOSAL

All Contractors who intend to submit a proposal for the production and distribution for all South Dakota license plates should provide a per plate cost for each plate type (1 color automobile sets; 2+ color automobile sets; 1 color trailer and prorate truck single plates; 1 color motorcycle single plates that includes the following breakdown:

- Per Plate or Plate Set License Plate Production (Materials and Equipment) Cost
- Per Plate or Plate Set Fulfillment Center (Equipment, Labor, and Packaging) Cost
- Per Plate or Plate Set Postage Cost
- Per Plate or Plate Set Other Services Costs

The following template should be used by the Contractors in submitting their bid. Any attempt to manipulate the format of the Cost Proposal document, attach caveats to pricing, or submit pricing that deviates from the current proposal could put the Contractor's proposal at risk. For purposes of this bid UOM stands for "unit of measurement," "per plate set" is the cost for two identical license plates, and "per plate" is the cost for one license plate. The Contractor should describe what is included in each cost element.

Issue Year 2016

2+ Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	5.17
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.30
Total Plate Set Cost		$9.41

1 Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	5.70
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.30
Total Plate Set Cost		$9.94

1 Color Trailer or Prorate Truck Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	2.98
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	0.90
Fulfillment Center Packaging Cost	Per Plate	0.00
Postage Cost	Per Plate	2.50
All Other Services Cost	Per Plate	0.30
Total Plate Cost		$6.68

1 Color Motorcycle Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	1.95
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	0.90
Postage Cost	Per Plate	2.32
All Other Services Cost	Per Plate	0.30
Total Plate Cost		$5.47

Issue Year 2017

2+ Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	5.17
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.30
Total Plate Set Cost		$9.41

1 Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	5.70
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.30
Total Plate Set Cost		$9.94

1 Color Trailer or Prorate Truck Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	2.98
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	0.90
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Postage Cost	Per Plate	2.50
All Other Services Cost	Per Plate	0.30
Total Plate Cost		$6.68

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Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	0.90
Postage Cost	Per Plate	2.32
All Other Services Cost	Per Plate	0.30
Total Plate Cost		$5.47

Issue Year 2018

2+ Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	5.17
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.30
Total Plate Set Cost		$9.41

1 Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	5.70
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.30
Total Plate Set Cost		$9.94

1 Color Trailer or Prorate Truck Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	2.98
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Total Plate Cost		$6.68

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Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	0.90
Postage Cost	Per Plate	2.32
All Other Services Cost	Per Plate	0.30
Total Plate Cost		$5.47

Issue Year 2019

2+ Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	5.17
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.30
Total Plate Set Cost		$9.41

1 Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	5.70
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.30
Total Plate Set Cost		$9.94

1 Color Trailer or Prorate Truck Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	2.98
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	0.90
Fulfillment Center Packaging Cost	Per Plate	0.00
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Total Plate Cost		$6.68

1 Color Motorcycle Plate (Single) Breakdown

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License Plate Production (Materials and Equipment) Cost	Per Plate	1.95
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	0.90
Postage Cost	Per Plate	2.32
All Other Services Cost	Per Plate	0.30
Total Plate Cost		$ 5.47

Issue Year 2020

2+ Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	5.17
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.30
Total Plate Set Cost		$9.41

1 Color Automobile Plate Set Breakdown

Category	UOM	Price
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1 Color Trailer or Prorate Truck Plate (Single) Breakdown

Category	UOM	Price
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1 Color Motorcycle Plate (Single) Breakdown

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Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	0.90
Postage Cost	Per Plate	2.32
All Other Services Cost	Per Plate	0.30
Total Plate Cost		$ 5.47

Total Contract Cost

Issue Year	License Plate Production Cost	Fulfillment Center Cost	Postage Cost	All Other Services Cost	Total Cost
2016	$ 7,926,313	$1,444,680	$ 478,923	$ 481,560	**$10,331,476**
2017	$ 1,668,950	$ 396,900	$ 141,998	$ 132,300	**$ 2,340,148**
2018	$ 750,980	$ 153,000	$ 67,791	$ 51,000	**$ 1,022,771**
2019	$ 925,940	$ 186,750	$ 94,938	$ 62,250	**$ 1,269,878**
2020	$ 1,257,035	$ 244,350	$ 140,983	$ 81,450	**$ 1,723,818**
Total Contract Cost	$12,529,218	$2,425,680	$ 924,633	$ 808,560	**$16,688,091**

If Contractor is providing a bid for an alternative method as well, Contractor should provide a detailed itemize listing of costs, which clearly lists the cost per component as well as the total by the issue year.

ITI Response:

Please see ITI's Alternative Proposals section.

ALTERNATIVE PROPOSALS

ITI is proposing for the State's consideration two options to help reduce costs associated with this RFP.

The first is using the ITI License Plate facility in Fort Wayne, Indiana as a backup for license plate printing and blanking. The ITI Fort Wayne facility utilizes the exact same Matan DLP printers and JR Wald blanking line as proposed for the PI facility. The Fort Wayne fulfillment facility already produces registrations for South Dakota, thus providing a secure backup mechanism. The new equipment proposed for the PI facility has the capacity to easily produce the full reissue requirements of the State. By utilizing the Fort Wayne facility equipment strictly as a backup facility in the event of failure of the equipment at PI, the State can realize the savings of not having to purchase a second printer or blanking line. ITI's PRISM solution can immediately transfer both plate and registration jobs to the Fort Wayne facility thus providing no interruption of service. Once equipment in the PI facility is back up and running, the plate and registration jobs can be immediately switched back to PI and the QPS facility. This automated failover would only be employed in the event of plate and registration orders pass into Jeopardy status at the primary PI facility.

ITI is also proposing the utilization of "householding" on all plate and registration mailings. This concept cannot be accurately priced for savings and is not included in the amended cost sheets below. ITI has been "householding" registration documents for many years for the States of Louisiana and Indiana. Both States have realized significant postage savings over the years totaling as high as 30% in Indiana. Householding is simply combining mailing items into a single envelope or package instead of multiple envelopes or packages. ITI would ensure that all "householded" items would have the exact mailing name and address to be qualified for "householding".

Issue Year 2016

2+ Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	4.454
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.20
Total Plate Set Cost		$8.594

1 Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	4.90
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.20
Total Plate Set Cost		$9.04

1 Color Trailer or Prorate Truck Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	2.457
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	0.90
Fulfillment Center Packaging Cost	Per Plate	0.00
Postage Cost	Per Plate	2.50
All Other Services Cost	Per Plate	0.20
Total Plate Cost		$6.057

1 Color Motorcycle Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	1.135
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	0.90
Postage Cost	Per Plate	2.32
All Other Services Cost	Per Plate	0.20
Total Plate Cost		$4.555

Issue Year 2017

2+ Color Automobile Plate Set Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate Set	4.454
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.20
Total Plate Set Cost		$8.594

1 Color Automobile Plate Set Breakdown

Category	UOM	Price
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Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate Set	0.90
Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.20
Total Plate Set Cost		$9.04

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Category	UOM	Price
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Issue Year 2020

2+ Color Automobile Plate Set Breakdown

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Postage Cost	Per Plate Set	3.04
All Other Service Cost	Per Plate Set	0.20
Total Plate Set Cost		$9.04

1 Color Trailer or Prorate Truck Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	2.457
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	0.90
Fulfillment Center Packaging Cost	Per Plate	0.00
Postage Cost	Per Plate	2.50
All Other Services Cost	Per Plate	0.20
Total Plate Cost		$6.057

1 Color Motorcycle Plate (Single) Breakdown

Category	UOM	Price
License Plate Production (Materials and Equipment) Cost	Per Plate	1.135
Fulfillment Center (Equipment, Labor, and Packaging) Cost	Per Plate	0.90
Postage Cost	Per Plate	2.32
All Other Services Cost	Per Plate	0.20
Total Plate Cost		$4.555

Total Alternative Proposal Contract Cost

Issue Year	License Plate Production Cost	Fulfillment Center Cost	Postage Cost	All Other Services Cost	Total Cost
2016	$ 6,771,834	$1,444,680	$ 478,923	$ 321,040	**$ 9,016,477**
2017	$ 1,398,755	$ 396,900	$ 141,998	$ 88,200	**$ 2,025,853**
2018	$ 633,766	$ 153,000	$ 67,791	$ 34,000	**$ 888,557**
2019	$ 783,485	$ 186,750	$ 94,938	$ 41,500	**$ 1,106,673**
2020	$ 1,067,168	$ 244,350	$ 140,983	$ 54,300	**$ 1,506,802**
Total Contract Cost	**$ 10,655,008**	**$2,425,680**	**$ 924,633**	**$ 539,040**	**$14,544,361**

APPENDIX
3M POWER OF ATTORNEY

POWER OF ATTORNEY

By the authority granted the undersigned by the Deputy General Counsel and Secretary, the individuals listed below are appointed as 3M's, or its designated subsidiaries', true and lawful attorneys-in-fact for it, and in its name, for commercially-available products and services and government-unique products and services (except research and development services[1]) for which 3M or its designated subsidiaries will be a prime contractor or subcontractor to any federal, state or municipal governmental agency in the United States, or to a federal, state or municipal prime contractor or higher tier subcontractor in the United States, to do acts specified on behalf of this Corporation.

(a) To submit or execute proposals, bids, binding purchase orders, contracts and subcontracts, and documents related thereto, excluding certifications, representations and warranties to comply with certain laws or regulations[2] (hereafter referred to as "certifications"), the following attorneys-in-fact are hereby appointed. Authority may not be sub-delegated.

- 3M Unitek Corporation
  Vincent C. Martinez
- 3M Purification
  Richard G. Towne
- Aearo Technologies LLC
  Perry M. Cannitt
- Aerospace and Aircraft Maintenance Division
  Perry M. Cannitt
- Abrasive Systems Division
  Perry M. Cannitt
- Advanced Materials Division
  Bruce R. Lockhart
  Cheryl L. Brayman
  Cheryl A. Ingstad
  Claudia Pearson
  Dave L. Magrini
  Elizabeth R. Utley
  John R. Giancola
  Kent Moeller
  Mary Atwell
  Robert J. Race
  Sandra J.Rushin
  Scott J. Davis
  Scott R. Hanson
- Critical and Chronic Care Solutions Division
  Michael S. McDonald
- Electronics Markets Materials Division
  Joseph F. Koch
  Kevin G. Anderson
- Electrical Markets Division
  Fred K. Schiller
- Food Safety Department
  Michelle M. Erdman
- Government R&D Contracts Department
  Steven L. Kays
  Ruth P. Charles
  Vivian L. Smith
- GTA-MHT, Inc
  Perry M. Cannitt
- Personal Safety Division
  3M Detection Solutions
  Kelli D. Betz
  Melissa J. Wesemann
  Perry M. Cannitt
- Industrial Adhesive and Tapes Division /Venture Tape Corporation
  Authority for the below individual(s) applies to Federal Supply Schedule contracts only:
  Perry M. Cannitt
- Health Information Systems Division
  Brian D. Mitchell
  Deborah A. Mason
  Gani L. Garrison
  Gayl W. Kirkpatrick
  Gerald R. Jennings
  Jan C. Cline
  John C. Mathison
  Lisa M. Black
  Myung H. Kim
  Paulette S. Brimley
  Ray J. Terrill Jr.
  Terri M. Graves
  Kurt D. Hasbrouck
- Infection Prevention Division
  Michael S. McDonald
  Health Care Service Support
  Philip J. McCauley
- Optical Systems Division
  Micki A. Summers
- Traffic Safety and Security Division
  Daniel F. Moran
  David A. Pointon
  Etta M. Schiraldi
  John N. Morris
  John P. Benz
  John W. Lehman
  Linda M. Gondringer
  Loren Klassen
  Mark M. Gates
  Mary K. Zilles
  Matthew R. Leibel
  Nicole A. Christopherson
  Richard J. LaClair
  Robert L. Storeygard

Authority for the below individuals applies to the specific Business Unit or staff function indicated.

- Global Channel Services
  Julie M. Morman
  Derrick E. Hiller
- Government Contract Compliance
  Charles M. Horwitz
  Karin S. O'Boyle
  Richard J. Bardas
  Terrance H. Carr
- Government Markets
  Karen A. Kindem
  Laurie A. Patrick
- Office of General Counsel
  Richard N. Kuyath

(b) To make certifications, except Country of Origin certifications, the following attorneys-in-fact are hereby appointed. Authority may not be sub-delegated, except certifications made by other attorneys-in-fact listed in paragraph (a) may be authorized in writing by one of the individuals listed in

[1] Authority to submit proposals and sign contracts for research and development services is managed by the Executive Vice President & Chief Technology Officer for Research & Development.
[2] Product or performance warranties are to be reviewed and accepted by any 3M individual granted authority or responsibility to do so by the applicable business unit or staff group.

paragraph (b) after a determination by one of the individuals in paragraph (b) that such certification is valid. Unfamiliar certifications must be cleared with the Government Contract Compliance department prior to execution.

- 3M Unitek Corporation
  Vincent C. Martinez
- Personal Safety Division
  3M Detection Solutions
  Melissa J. Wesemann
  Perry M. Cannilff
- Aearo Technologies LLC
  Perry M. Cannilff
- Abrasive Systems Division
  Perry M. Cannilff
- Aerospace and Aircraft Maintenance Division
  Perry M. Cannilff
- Government R&D Contracts Department
  Steven L. Kays
  Ruth P. Charles
  Vivian L. Smith
- Advanced Materials Division
  Bruce R. Lockhart

  Cheryl L. Brayman
  Cheryl A. Ingstad
  Claudia Pearson
  Dave L. Magnini
  Elizabeth R. Utley
  John B. Giancola
  Kent Moeller
  Mary Atwell
  Robert J. Race
  Sandra J. Ruehlin
  Scott J. Davis
  Scott R. Hanson
- Critical and Chronic Care Solutions Division
  Michael S. McDonald
- Electronics Markets Materials Division
  Joseph F. Koch
  Kevin G. Anderson
- Food Safety Department
  Michelle M. Erdman
- GTA-MIT, Inc
  Perry M. Cannilff
- Health Information Systems Division
  Deborah A. Mason
  Garri L. Garrison
  Gayl W. Kirkpatrick
  Gerald R. Jennings
  Jan C. Cline
  John C. Mathison
  Lisa M. Black
  Myung H. Kim
  Paulette S. Brimley
  Ray J. Terrill Jr.
  Teri M. Graves
- Infection Prevention Division
  Michael McDonald
  -Health Care Service Support
  Philip J. McCauley
- Industrial Adhesive and Tapes Division Aventure Tape Corporation
  Authority for the below individual(s) applies to Federal Supply Schedule contracts only:
  Perry M. Cannilff
- Traffic Safety and Security Division
  Daniel F. Moran
  John N. Morris
  John P. Benz
  Linda M. Gundlinger
  Mary K. Zilles
  Mathew R. Leibel
  Mark M. Gates
  Richard J. LaClair
  Robert L. Storeygard

Authority for the below individuals applies to the specific Business Unit or staff function.

- Global Channel Services
  Derrick E. Hiller
- Government Contract Compliance
  Charles M. Horwitz
  Karin S. O'Boyle
  Richard J. Bordas
  Tarrance H. Carr
- Government Markets
  Karen A. Kindem
  Laurie A. Patrick
- Office of General Counsel
  Richard N. Kuyath

(c) To make Country of Origin certifications, the following attorney(s)-in-fact are hereby appointed:

- Office of General Counsel
  Richard N. Kuyath
- Trade Compliance Department
  Authority may be sub-delegated in writing:
  Pierre J. LaMere

For all appointments, authority ceases or may be subsequently modified upon the individual's change in business unit, staff group or responsibilities, or when employment is terminated. Authority may be withdrawn or modified at any time.

This Power of Attorney revokes all prior Powers of Attorney with respect to the same matters and shall remain in effect until terminated by the undersigned or any other person authorized to grant powers of attorney on behalf of 3M. The undersigned has signed this Power of Attorney on this

30th day of SEP, 2014.

3M Company

By _____
Charles M. Horwitz
Director, Government Contract Compliance

3M DIGITAL LICENSE PLATE SHEETING SPECIFICATIONS

3M™ Digital License Plate Sheeting Series 4790 PET (white sheeting only)

SECTION I - GENERAL

A. Application

3M™ Digital License Plate Sheeting Series 4790 PET, with Protective Film Series 9097 applied, is designed for application to flat coil aluminum by continuous squeeze roll application. Sheeting should be stretched to a maximum of 1% during application to the substrate. A minimum of 48 hours of storage after application of sheeting is recommended before the embossing of legends. Laminated blanks must be stored on edge. The sheeting and protective film should be used within one year after date of receipt for best results. Contact your 3M Technical Representative for specific substrate recommendations.

B. Embossing and De-bossing

The reflective sheeting as applied to flat metal is sufficiently flexible to permit the embossing or de-bossing requirements of most conventional license plate designs. Sheeting may be embossed up to 1.7 mm (.067 inches) with standard embossing equipment and dies used for license plate production. Minimum embossing temperature is 70°F (21°C).

C. Color Processing

After the embossing process, the raised areas may be roller coated with the 3NTIN recommended high quality transparent or opaque inks. 3M™ Roll Coat Ink Series 4850 Opaque and 3M™ Roll Coat Inks Series 4950 Transparent are the only approved inks that may be used with 3M™ Digital License Plate Sheeting Series 4790 PET with Protective Film. Series 9097.

SECTION II - PERFORMANCE STANDARDS

A LICENSE PLATE SHEETING

1. Substrate

   The sheeting shall be laminated to properly conversion coated aluminum substrate recommended by the sheeting manufacturer.

2. Diffuse Daytime Color

   Through instrumental color testing, the diffuse daytime color of the reflective sheeting shall conform to color requirements as determined spectrophotometrically in accordance with ASTM E-

1164 and E-1349, utilizing either 45/0 or 0/45 degree illumination/viewing conditions as described in E-1164 and E-1349 for retroreflective materials. Chromaticity and the Luminance Factor based on CIE tristimulus values for the 2° observer and illuminant D65 shall be calculated in accordance with ASTM E-308.

The color specification limits for white license plate sheeting are listed on the following chart. (See Appendix I for other sheeting colors).

COLOR SPECIFICATION
Chromaticity Coordinates

Pairs	White Corner Points		Luminance Factor
	x	y	Y%
1	.303	.287	42 min.
2	.368	.353	
3	340	.380	
4	.274	.316	

3. Adhesive and Protective Liner:

a. The precoated adhesive shall form a durable bond to flat conversion coated license plate surfaces as recommended by the reflective sheeting manufacturer.

b. The protective liner attached to the adhesive shall be removable by peeling without soaking in water or other solvents and shall be easily removed after accelerated storage for four hours at 150°F (66°C) under weight of 2.5 lbs. per square inch (1.14KG per 6.45 sq. cm). The liner shall be non-printed to permit reuse.

4 Roll Coating

a. The reflective sheeting shall be roll coated and compatible with transparent and opaque colors manufactured by the sheeting manufacturer.
b. The sheeting manufacturer shall supply roll coat inks that meet State and Federal VOC regulations.
c. The roll coat ink shall be durable for the service life of the license plate and shall not fade, crack or peel from the surface of the license plate.

5. Inventory Control

   a. To assist the license plate tag shop with inventory control problems, the sheeting manufacturer shall mark the sheeting with an integral, directional image that incorporates the lot number so that the tag shop can employ first in/first out principles.

FINISHED LICENSE PLATES

Test panels shall be prepared in accordance with Section III, Para. A.

1. Retroreflective Characteristics

   a. The coefficient of retroreflection for the sheeting shall be measured on flat, clean, finished license plate test panels prepared per III.A and shall have the following minimum values at 0.2° observation angle, expressed as candlepower per foot-candle per square foot (candelas per lux per square meter) of material. Measurements shall be conducted in accordance with ASTM E-810, "Standard Test Method for Coefficient of Retroreflection of Retroreflective Sheeting". Measurements on reflective sheeting with a preprinted graphic design shall be taken in an unprinted sheeting area.

Color	Entrance Angle	
	-4°	40°
White	50	16

SECTION III - PERFORMANCE LIFE & WARRANTIES

Limited Warranty

A. **Reflectivity:**

3M Company warrants that white 3M™ Digital License Plate Sheeting Series 4790 PET with 3M Ensure™ warranty mark sold by 3M for fabrication of reflective license plates in the United States will retain a coefficient of retroreflection on the vehicle's rear plate

of at least five (5) candlepower per foot candle per 6 inch X 12 inch plate for five (5) years. Reflective plates with customer digitally printed graphics may not meet this requirement, as large graphic printed areas can affect the reflectivity values of the finished plates. As such, this limited warranty only applies to the non-printed area of the white reflective material. The reflectivity for 3M™ Digital License Plate Sheeting Series 4790 PET white reflective sheeting can only be warranted when used with 9097 Protective Overlaminate Film.

B. Adhesion:
3M Company warrants that white 3M™ Digital License Plate Sheeting Series 4790 PET will adhere to recommended substrates when the user follows proper use and application methods.

C. Print Quality and Legibility of Designs:
Use of printers other than the 3M Digital License Plate Printer will result in no warranty for print quality and legibility of designs on white 3M™ Digital License Plate Sheeting Series 4790 PET.

D. Finished License Plates:
3M will not warrant finished plates if they are produced outside of the 3M Matched Component System.

3M will warrant its sheeting material utilized in the production of finished plates produced outside the 3M Matched Component System as follows:

If at any time during the five (5) year period the sheeting fails to adhere to 3M—approved aluminum substrate materials in accordance with all 3M application procedures found in 3M's product bulletins, information folders, manufacturing manuals and technical memos; or

If at any time during the five (5) year period a one-half of one percent sample of clean, rear plates provided from a given production run (which is identified by the integral 3M Ensure™ warranty mark) reveals that 10 percent or more of that sample fails to retain at least five (5) candlepower per foot candle per plate as defined herein;

3M will, at its expense, replace all of the plates manufactured from that specific lot of material, up to a maximum of $5.00 per plate. Reimbursement to the using agency will be done in dollars and/or materials, as determined by the needs of the using agency.

E. Conditions

Such sheeting failure must be solely the result of design or manufacturing defects in the white 3M™ Digital License Plate Sheeting Series 4790 PET reflective license plate sheeting. 3M will not warrant its sheeting failures from outside causes including, but not limited to: improper fabrication, handling, maintenance or installation; use of ribbons, roll coat inks or overlay films and sheetings not made by 3M; use of printers not made by 3M; exposure to excessively high oven temperatures; use of a reflective sheeting applicator, stretch control mechanism, brake table or corresponding registry feed controls not provided and installed by 3M; stretching more than the maximum percent recommended by 3M during application, failure of plate substrate; exposure to chemicals, abrasion, or damage from fasteners used to mount the plate; collisions, vandalism or malicious mischief

Replacement sheeting will carry the unexpired warranty of the sheeting it replaces. Claims made under this warranty will be honored only if the plates have been marked with the 3M Ensure' ™ warranty mark so as to be traceable to the specific 3M production run numbers from which the material originated.

Claims made under this warranty will be honored only if 3M is notified of a failure within a reasonable time, reasonable information requested by 3M is provided, and 3M is permitted to verify the cause of the failure.

Limitation and Liability

3M's liability under this warranty is limited to replacement as stated herein, and 3M assumes no liability for any incidental or consequential damages, such as profits, business or revenues in any way related to the product regardless of the legal theory on which the claim is based. THIS WARRANTY IS MADE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ANY IMPLIED WARRANTY ARISING OUT OF A COURSE OF DEALING OR OF PERFORMANCE, CUTSOM OR USAGE OF TRADE.

3M CERTIFICATE OF COMPLIANCE – POSITIVE IDENTIFICATION IMAGE

POSITIVE IDENTIFICATION IMAGE
CERTIFICATE OF COMPLIANCE

3M™ Digital Reflective License Plate Sheeting will include a lot specific and Virtual Security Thread Ensure™ Image, which is a state of the art security mark.

The Ensure™ Image will meet the requirements of the Digitally Printed License Plate Specifications, Section A, Subsection 3a & 3b.

Sincerely,

Richard J. LaClair

Richard J. LaClair
Customer Service Team leader
800-553-1380x3

3M CERTIFICATE OF COMPLIANCE – MATERIAL SPECIFICATION

Material Specification

CERTIFICATE OF COMPLIANCE

As manufacturer of the 3M™ Digital License Plate Reflective License Plate Sheeting, 3M has thoroughly reviewed the requirements contained in the RFP referenced above, and agrees to comply in all respects to the submitted specification.

The sheeting, overlay film and ribbons that we would supply have been successfully used for License Plate Production by other states under conditions the same and different than that experienced in the State of South Dakota. The material we would supply will be available in sufficient quantity for production of finished plates within 45 days after receipt of an order and approved artwork.

If required, 3M Company will properly warrant the plates produced from our sheeting by posting a $1,000,000 product bond during the duration of the issue. 3M will provide all necessary samples to the State of South Dakota license plate manufacturer, if requested by the State of South Dakota.

The use of the above mentioned 3M sheeting and materials, fully qualifies for the 3M Matched Component System (MCS) Warranty.

Sincerely,

Richard J. LaClair

Richard J. LaClair
Customer Service Team Leader
800-553-1380x3

3M CERTIFICATE OF COMPLIANCE – TECHNICAL SERVICE

TECHNICAL SERVICE
CERTIFICATE OF COMPLIANCE

3M will provide the State of South Dakota license plate manufacturer, with expert technical service and product information. A list of expert technical service personnel and their qualifications shall be provided if requested.

If required, 3M will provide a list of available stocked parts to the license state's license plate manufacturing facility of choice. In event of equipment failure 3M will ship stocked replacement parts by express carrier within 12 hours of notification.

Immediate toll-free call-in technical service will be provided. On-site technical service can be available within 48 hours of notification by the manufacturing shop of production difficulties.

Sincerely,

Richard J. LaClair

Richard J. LaClair
Customer Service Team Leader
800-553-1380x3

3M SERIES 4790 STORK TEST DATA

STORK®
Materials Technology

Stork Twin City Testing Corporation

662 Cromwell Avenue
Saint Paul, MN 55114
USA

Telephone: (651) 645-3601
Toll Free: (888) 645-TEST
Telefax: (651) 659-7348
Website: www.storktct.com

Investigative Chemistry
Non Destructive Testing
Metallurgical Analysis
Geotechnical
Failure Analysis
Materials Testing
Construction Materials
Product Evaluation
Welder Qualification

JOB NUMBER:	TCT004658P-4R
PAGE:	1 of 7
DATE:	October 12, 2010
REVISED:	October 15, 2010

PERFORMANCE TESTING OF
REFLECTIVE SHEETING FOR LICENSE PLATES
ACCORDING TO
SPECIFICATION
"3M™ PRECLEAR REFLECTIVE LICENSE PLATE SHEETING SERIES 4790"

Prepared for:
3M Traffic Safety Sys. Div.
Attn: Warren Johnson
3M Center
Bldg 235-3B-55
St. Paul, MN 55144

This document contains technical data whose export and re-export/re-transfer is subject to control by the U.S. Department of Commerce under the Export Administration Act and the Export Administration Regulations.

The Department of Commerce's prior written approval is required for the export re-export/re-transfer of such technical information to any foreign person, foreign entity or foreign organization whether in the United States or abroad.

Client Purchase Order Number: TBD

Prepared By:

Briana Hinrichs
Testing Technician
Product Evaluation Department

Reviewed By:

William Stegeman
Advanced Materials Mgr.
Phone: 651-659-7230

The test results contained in this report pertain only to the samples submitted for testing and not necessarily to all similar products.

STORK®
Materials Technology

Stork Twin City Testing Corporation

JOB NUMBER: TCT004658P-4R

PAGE: 2 of 7
DATE: October 12, 2010
REVISED: October 15, 2010

EAR-CONTROLLED DATA

INTRODUCTION:

This report presents the results of performance tests conducted on one sample of reflective sheeting for license plates. The testing was authorized by Warren Johnson of 3M Traffic Safety Sys. Div. on September 29, 2010. The testing and data analysis were completed on October 7, 2010.
The scope of our work was limited to witnessing performance tests on the samples identified below and reporting the results.

SAMPLE IDENTIFICATION:

The sample was identified as reflective sheeting for license plates, labeled as follows unless noted in Test Data Section:

Sample ID	Lot #	Color
4790	EMB3068-1	White

The sheeting was applied to a substrate identified by the customer as Aluminum Alloy: 3105, Hardness H12, surface finish top and bottom, chrome free conversion coating, supplied by Jupiter Aluminum Corporation. 3M RM number 11-0021-5967-8.

SUMMARY OF RESULTS:

The requirements are laid out in the Test Data Section below, followed by complete test results.

TEST METHODS:

All testing was conducted at 3M Center, Building 235 and Building 209, Maplewood, Minnesota, on October 5, 2010.
Ms. Briana Hinrichs of Stork Twin City Testing witnessed and assisted with the testing. All testing was conducted by Mr. Warren Johnson and Mr. Tim Donahue of 3M Company. Stork Twin City Testing personnel were not present when exposures over 1 hour were started or for any of the accelerated weathering and did not perform any of the exposures.
All testing was conducted in accordance with the selected sections of **Model Specification "3M™ Preclear Reflective License Plate Sheeting Series 4790"** with notes of deviations.

REMARKS:

The test materials were retained at customer site.

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Materials Technology

Stork Twin City Testing Corporation

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EAR-CONTROLLED DATA

TEST EQUIPMENT:

Photometric Meter, GS940D5, calibrated 2/9/10, standardized before use
Retro-Meter 2, S/N 503, 3M Asset # 753757, standardized before use
Colorflex CX1689, 3M Asset # 1507080, standardized before use
Oven, S/N 50817, 3M Asset # 123550
Sargrove Photometer, 3M Asset # 804728, standardize before use

TEST DATA:

Diffuse Daytime Color
45/0 (0/45) geometry, CIE illuminant D65 and the 1931 CIE 2° standard observer
Requirement:

Minimum Cap Y, % = 42 for White
Shall fit into the Daytime Color box according to Color Specification Table, Section II, A, 2 in Specification "3M™ Preclear Reflective License Plate Sheeting Series 4790".

Sample Identification	Y, %	x	y
4790 (White)	**47.37**	0.3048	0.3232

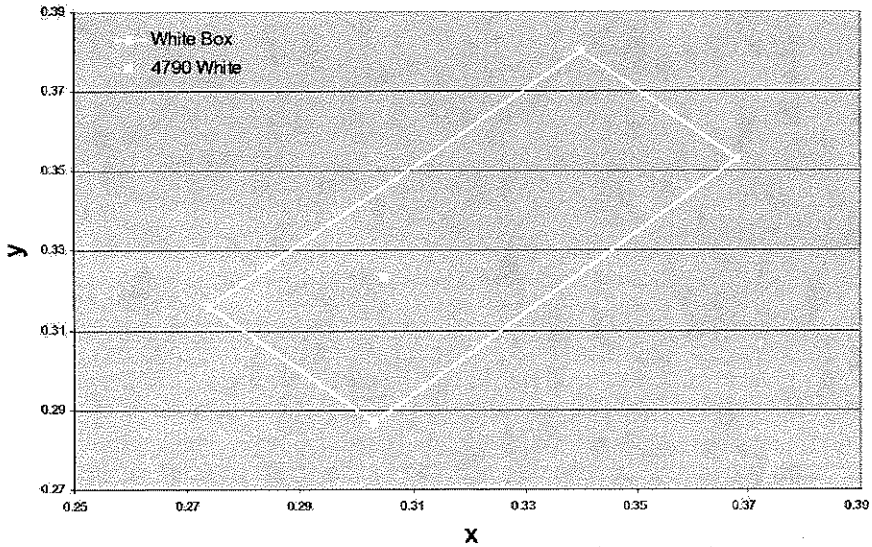

Figure 1: Daytime Color Boxes w/ Reflective Sheeting Plotted

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Stork Twin City Testing Corporation

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EAR-CONTROLLED DATA

TEST DATA Continued:

Adhesive and Protective Liner

Requirement: The protective liner attached to the adhesive shall be removable by peeling without soaking in water or other solvents and shall be easily removed after accelerated conditioning for four (4) hours at 150°F under weight of 2.5 psi.

Sample Identification	Observation after Accelerated Conditioning	Pass / Fail
4790 (White)	Liner was easily removable and did not require soaking or any use of solvents.	Pass

Retroreflective Characteristics

Un-Aged Retro-Reflection
Requirement: The coefficient of retroreflection shall have the minimum values expressed.

Sample Identification	Observation Angle	Entrance Angle	R_A cd·lx^{-1}·m^{-2}		Pass / Fail
			Initial	**Minimum**	
4790 (White)	0°12'	-4°	79.6	**50**	Pass
		40°	40.6	**16**	Pass

Resistance to Accelerated Weathering

Visual Check: All accelerated weathering samples below showed no appreciable discoloration, crazing, cracking, blistering, or lifting when compared to the un-aged sample.

Requirement: Samples shall maintain 70% of values specified in table of Section II, B, 1 of Specification "3M™ Preclear Reflective License Plate Sheeting Series 4790".

Laboratory Testing – 2000 hour exposure to ASTM G155 – Cycle 1 (Lot # BIA2)

Sample Identification	Observation Angle	Entrance Angle	R_A cd·lx^{-1}·m^{-2}		Pass / Fail
			After 2000hr Exposure	**Minimum**	
4790 (White)	0.2°	-4°	86.3	**35.0**	Pass
		40°	35.1	**11.2**	Pass

Note: Stork Twin City Testing personnel did not witness exposure.

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Materials Technology

Stork Twin City Testing Corporation

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EAR-CONTROLLED DATA

TEST DATA Continued:

Outdoor Accelerated Testing – 24 months unprotected outdoor exposure, facing equator and inclined 45 degrees from vertical. (FL Lot# BIA2)

Sample Identification	Observation Angle	Entrance Angle	R_A cd·lx^{-1}·m^{-2}			Pass / Fail
			24m in Florida	24m in Arizona	**Minimum**	
4790 (White)	0.2°	-4°	86.3	N/A	**35.0**	Pass
		40°	30.6	N/A	**11.2**	Pass

Note: Stork Twin City Testing personnel did not witness exposure.

Rainfall Performance
Requirement: The coefficient of retroreflection of the test panels, totally wet by rain, shall not be less than 90% of the values specified in table of Section II, B, 1 of Specification "3M™ Preclear Reflective License Plate Sheeting Series 4790."

Sample Identification	Observation Angle	Entrance Angle	R_A cd·lx^{-1}·m^{-2}		Pass / Fail
			During Rainfall	**Minimum**	
4790 (White)	0.2°	-4°	80.4	**45.0**	Pass

Daytime/Nighttime Color
Requirement: The color of reflective background of the sheeting shall be similar in daylight and by illumination at night.

Sample Identification	Observation	Pass / Fail
4790 (White)	Color appeared similar	Pass

Flexibility - Embossing
Requirement: Finished license plates shall show no appreciable wrinkling, cracking, or squirming at or around the embossed rim or flange.

Sample Identification	Observation	Pass / Fail
4790 (White)	Sampled showed slight wrinkling around top of numbers but substrate had been bent there also. Around unbent part of substrate, no wrinkling seen.	Pass

Note: Not a finished license. Sample was embossed by tester prior to observation.

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Materials Technology

Stork Twin City Testing Corporation

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EAR-CONTROLLED DATA

TEST DATA Continued:

Cleanability
Requirement: The sample shall be sprayed with water-suspended soils collected from the underside of vehicle fenders, mixed with water in the proportion of 5lbs of soil to 1gallon of water and poured through a paint strainer. After drying, it shall be cleaned by washing with a mixture of water and mild detergent. The panel shall show no appreciable difference when compared to a new clean panel.

Sample Identification	Observation after Cleaning	Pass / Fail
4790 (White)	No difference was seen after cleaning off soil mixture with water and mild detergent.	Pass

Note: Sample was sprayed with mixture of dirt and water. Origin of dirt not witnessed.

Solvent Resistance
Requirement: Panels shall be sufficiently solvent resistant to withstand a 10 minute exposure to mineral spirits and turpentine, and 1 min exposure to toluene, xylene, and methyl alcohol without wrinkling, puckering, blistering, edge lifting or dissolving of the sheeting and adhesive.

Sample Identification	Solvent	Observation after Exposure	Pass / Fail
4790 (White)	Mineral Spirits	No change or deterioration noted	Pass
	Turpentine	No change or deterioration noted	Pass
	Toluene	No change or deterioration noted	Pass
	Xylene	No change or deterioration noted	Pass
	Methyl Alcohol	No change or deterioration noted	Pass

Gasoline Resistance
Requirement: Panels shall be immersed in a commercially available unleaded gasoline for a period of one minute and then air-dried. The test panels shall show no evidence of dulling, whitening, softening, puckering, blistering, crinkling, or dissolving of exterior film, inks, or adhesive, or separation from the aluminum substrate.

Sample Identification	Solvent	Observation after 1 min Exposure	Pass / Fail
4790 (White)	Gasoline	No evidence of dulling, whitening, softening, puckering, blistering, crinkling, or dissolving of exterior film, inks, or adhesive, or separation from the aluminum substrate was seen after immersion.	Pass

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EAR-CONTROLLED DATA

TEST DATA Continued:

Security Mark Provisions

Requirement: The three-dimensional security mark shall be visible on a license plate once properly affixed to the vehicle's designated mounting area, from an approximate head-on viewing distance of 0 to 50 feet. The two (2) sinusoidal wave images shall be visibly distinct from an approximate distance of 0 to 20 feet. The mark shall not be visible when viewed at an angle > 45° from head-on viewing position.

Sample Identification	Is Security Mark visible at 50 feet?	Can 2 distinct lines be seen at 20 feet?	Is Security Mark visible at 45°?	Pass / Fail
4791 (Yellow) Lot# BNS4	Yes	Yes	No	Pass

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3M SERIES 9250T STORK TEST DATA

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Stork Twin City Testing Corporation

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Saint Paul, MN 55114
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Investigative Chemistry | Geotechnical | Construction Materials
Non Destructive Testing | Failure Analysis | Product Evaluation
Metallurgical Analysis | Materials Testing | Welder Qualification

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PERFORMANCE TESTING OF
REFLECTIVE SHEETING FOR LICENSE PLATES
ACCORDING TO
SPECIFICATION
"3M™ DIGITAL LICENSE PLATE REFLECTIVE LICENSE PLATE SHEETING SERIES 9250T"

Prepared for:
3M Traffic Safety Sys. Div.
Attn: Warren Johnson
3M Center
Bldg 235-3B-55
St. Paul, MN 55144

Client Purchase Order Number: TBD

Prepared By:

Briana Hinrichs
Testing Technician
Product Evaluation Department

Reviewed By:

William Stegeman
Advanced Materials Mgr.
Phone: 651-659-7230

The test results contained in this report pertain only to the samples submitted for testing and not necessarily to all similar products.

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EAR-CONTROLLED DATA

INTRODUCTION:

This report presents the results of performance tests conducted on one sample of reflective sheeting for license plates. The testing was authorized by Warren Johnson of 3M Traffic Safety Sys. Div. on September 29, 2010. The testing and data analysis were completed on October 7, 2010.
The scope of our work was limited to witnessing performance tests on the samples identified below and reporting the results.

SAMPLE IDENTIFICATION:

The sample was identified as reflective sheeting for license plates, labeled as follows unless noted in Test Data Section:

Sample ID	Lot #	Overlaminate #	Color
9250	BPS5	9097 – Lot NLC5	White

The sheeting was applied to a substrate identified by the customer as Aluminum Alloy: 3105, Hardness H12, surface finish top and bottom, chrome free conversion coating, supplied by Jupiter Aluminum Corporation. 3M RM number 11-0021-5967-8.

SUMMARY OF RESULTS:

The requirements are laid out in the Test Data Section below, followed by complete test results.

TEST METHODS:

All testing was conducted at 3M Center, Building 235 and Building 209, Maplewood, Minnesota, on October 5, 2010.
Ms. Briana Hinrichs of Stork Twin City Testing witnessed and assisted with the testing. All testing was conducted by Mr. Warren Johnson and Mr. Tim Donahue of 3M Company. Stork Twin City Testing personnel were not present when exposures over 1 hour were started or for any of the accelerated weathering and did not perform any of the exposures.
All testing was conducted in accordance with the selected sections of **Model Specification "3M™ Digital License Plate Reflective License Plate Sheeting Series 9250T"** with notes of deviations.

REMARKS:

The test materials were retained at customer site.

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TEST EQUIPMENT:

Photometric Meter, GS940D5, calibrated 2/9/10, standardized before use
Retro-Meter 2, S/N 503, 3M Asset # 753757, standardized before use
Colorflex CX1689, 3M Asset # 1507080, standardized before use
Oven, S/N 50817, 3M Asset # 123550
Sargrove Photometer, 3M Asset # 804728, standardize before use

TEST DATA:

Diffuse Daytime Color
45/0 (0/45) geometry, CIE illuminant D65 and the 1931 CIE 2° standard observer
Requirement:

Minimum Cap Y, % = 42 for White
Shall fit into the Daytime Color box according to Color Specification Table, in Section II, 1 in Specification "3M™ Digital License Plate Reflective License Plate Sheeting Series 9250T"

Sample Identification	Y, %	x	y
9250 (White)	**47.40**	0.3064	0.3229

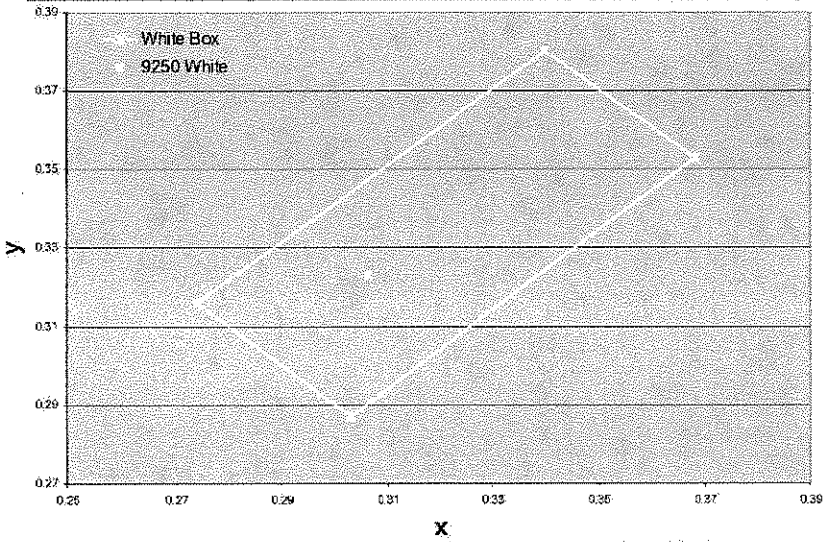

Figure 1: Daytime Color Boxes w/ Reflective Sheeting Plotted

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TEST DATA Continued:

Adhesive and Protective Liner

Requirement: The protective liner attached to the adhesive shall be removable by peeling without soaking in water or other solvents and shall be easily removed after accelerated conditioning for four (4) hours at 150°F under weight of 2.5 psi.

Sample Identification	Observation after Accelerated Conditioning	Pass / Fail
9250 (White)	Liner was easily removable and did not require soaking or any use of solvents.	Pass

Retroreflective Characteristics

Un-Aged Retro-Reflection

Requirement: The coefficient of retroreflection shall have the minimum values expressed.

Sample Identification	Observation Angle	Entrance Angle	R_A cd·lx^{-1}·m^{-2}		Pass / Fail
			Initial	**Minimum**	
9250 (White)	0°12'	-4°	71.6	**50**	Pass
		40°	34.2	**16**	Pass

Resistance to Accelerated Weathering

Visual Check: All accelerated weathering samples below showed no appreciable discoloration, crazing, cracking, blistering, or lifting when compared to the un-aged sample.

Requirement: Samples shall maintain 70% of values specified in table of Section II, B, 1 of Specification "3M™ Digital License Plate Reflective License Plate Sheeting Series 9250T".

Laboratory Testing – 2000 hour exposure to ASTM G155 – Cycle 1 (Lot # BIL1)

Sample Identification	Observation Angle	Entrance Angle	R_A cd·lx^{-1}·m^{-2}		Pass / Fail
			After 2000hr Exposure	**Minimum**	
9250 (White)	0.2°	-4°	76.9	**35.0**	Pass
		40°	39.8	**11.2**	Pass

Note: Stork Twin City Testing personnel did not witness exposure.

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TEST DATA Continued:

Outdoor Accelerated Testing – 24 months unprotected outdoor exposure, facing equator and positioned vertically (FL & AZ – Sheeting 9250 Lot#4444-2 & Overlaminate 9097 Lot#ENT1122)

Sample Identification	Observation Angle	Entrance Angle	R_A cd·lx^{-1}·m^{-2}			Pass / Fail
			24m in Florida	24m in Arizona	**Minimum**	
9250 (White)	0.2°	-4°	94.3	94.6	**35.0**	Pass
		40°	40.5	39.9	**11.2**	Pass

Note: Stork Twin City Testing personnel did not witness exposure.

Rainfall Performance

Requirement: The coefficient of retroreflection of the test panels, totally wet by rain, shall not be less than 90% of the values specified in table of Section II, B, 1 of Specification "3M™ Digital License Plate Reflective License Plate Sheeting Series 9250T".

Sample Identification	Observation Angle	Entrance Angle	R_A cd·lx^{-1}·m^{-2}		Pass / Fail
			During Rainfall	**Minimum**	
9250 (White)	0.2°	-4°	74.6	**45.0**	Pass

Daytime/Nighttime Color

Requirement: The color of reflective background of the sheeting shall be similar in daylight and by illumination at night.

Sample Identification	Observation	Pass / Fail
9250 (White)	Color appeared similar	Pass

Flexibility - Embossing

Requirement: Finished license plates shall show no appreciable wrinkling, cracking, or squirming at or around the embossed rim or flange.

Sample Identification	Observation	Pass / Fail
9250 (White)	Sampled showed slight wrinkling around top of numbers but substrate had been bent there also. Around unbent part of substrate, no wrinkling seen.	Pass

Note: Not a finished license. Sample was embossed by tester prior to observation.

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TEST DATA Continued:

Cleanability

Requirement: The sample shall be sprayed with water-suspended soils collected from the underside of vehicle fenders, mixed with water in the proportion of 5lbs of soil to 1gallon of water and poured through a paint strainer. After drying, it shall be cleaned by washing with a mixture of water and mild detergent. The panel shall show no appreciable difference when compared to a new clean panel.

Sample Identification	Observation after Cleaning	Pass / Fail
9250 (White)	No difference was seen after cleaning off soil mixture with water and mild detergent.	Pass

Note: Sample was sprayed with mixture of dirt and water. Origin of dirt not witnessed.

Solvent Resistance

Requirement: Panels shall be sufficiently solvent resistant to withstand a 10 minute exposure to mineral spirits and turpentine without wrinkling, puckering, blistering or edge lifting.

Sample Identification	Solvent	Observation after 10 min Exposure	Pass / Fail
9250 (White)	Mineral Spirits	No change or deterioration noted	Pass
	Turpentine	No change or deterioration noted	Pass

Warranty Mark Provisions

Requirement: The warranty marks shall be verifiable on a license plate once properly affixed to the vehicle's designated mounting area, from an approximate head-on distance of six (6) feet; warranty marks shall not be observable at 2 feet or 20 feet or when the viewer steps to one side from the head-on position.

Sample Identification	Is the Warranty Mark Visible?				Pass / Fail
	2 feet	6 feet	20 feet	Stepping to the side	
9250 (White) Lot# BII1	No	Yes	No	Mark becomes unobservable	Pass

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TEST DATA Continued:

Security Mark Provisions

Requirement: The three-dimensional security mark shall be visible on a license plate once properly affixed to the vehicle's designated mounting area, from an approximate head-on viewing distance of 0 to 40 feet. The two (2) sinusoidal wave images shall be visibly distinct from an approximate distance of 0 to 20 feet. The mark shall not be visible when viewed at an angle > 45° from head-on viewing position.

Sample Identification	Is Security Mark visible at 40 feet?	Can 2 distinct lines be seen at 20 feet?	Is Security Mark visible at 45°?	Pass / Fail
9250 (White) Lot# BII1	Yes	Yes	No	Pass

3M CERTIFICATE OF REGISTRATION

Certificate of Registration

QUALITY MANAGEMENT SYSTEM - ISO 9001:2008

This is to certify that:

3M Company
3M Brownwood Plant
4501 Highway 377 South
Brownwood
Texas
76801
USA

Holds Certificate No: **FM 540202**
and operates a Quality Management System which complies with the requirements of ISO 9001:2008 for the following scope:

The manufacture of reflective and non-reflective films, finishing solutions and glass beads to specifications agreed to with 3M Divisions.

This certificate is traceable to this company's original registration certificate #A1018, originally issued on September 29, 1992, by Underwriters Laboratories Inc.

For and on behalf of BSI:

VP Regulatory Affairs, BSI Group America Inc.

Originally Registered: **07/29/2008** Latest Issue: **09/21/2011** Expiry Date: **11/28/2014**

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3M TTR 1300 SERIES PRODUCT BULLETIN

3M

Digital License Plate Thermal Transfer Ribbons

Series TTR 1300

For use on Multi-Year License Plates

Product Bulletin TTR1300 **July 2012**

Description

3M™ Digital License Plate (DLP) Thermal Transfer Ribbons Series TTR1300 are used in conjunction with 3M™ DLP Reflective License Plate Sheeting Series 9250 and 3M™ Clear Protective Film Series 9097 to produce fully reflective vehicle registration plates for multi-year use.

Application

3M™ DLP Thermal Transfer Ribbons are applied to the 3M™ License Plate Sheeting through the 3M™ Digital Printing System. This system utilizes heat, applied selectively by a thermal transfer print head, and pressure to transfer the colorant from the ribbon backing to the surface of the reflective sheeting.

Colors

Process Colors

Product Number	Color
TTR1303	Black
TTR1304	Cyan
TTR1305	Magenta
TTR1306	Yellow

Spot Colors

Product Number	Color
TTR1301	Dark Blue
TTR1302	Dark Red
TTR1307	Forest Green
TTR1308	Bright Blue
TTR1309	Ocean Blue
TTR1310	Blue
TTR1312	Green
TTR1313	Pine Green
TTR1314	Leaf Green
TTR1315	Orange
TTR1316	Intense Red
TTR1317	Tomato Red
TTR1318	Burgundy
TTR1319	Light Gray
TTR1321	White
TTR1322	Golden Yellow
TTR1323	Sunflower Yellow

3M Basic Product Warranty and Limited Remedy

3M™ Digital License Plate (DLP) Thermal Transfer Ribbons Series TTR1300 is warranted to be free of defects in materials and manufacture at the time of shipment and to meet the requirements stated in the Product Bulletin. If Series TTR1300 is proven not to have met the Basic Warranty on its shipment date, then a buyer's exclusive remedy, and 3M's sole obligation, at 3M's option, will be to refund or replacement of Series TTR1300.

Storage

3M™ DLP Thermal Transfer Ribbons Series TTR1300 must be stored in their original package in a cool, dry area and should be used within one year after date of receipt. For best printing results, it is recommended that the sheeting be digitally printed in the 3M™ Digital Printing System within six months of date of receipt.

Health and Safety Information

Read all health hazard, precautionary, and first aid statements found in the Material Safety Data Sheet, and/or product label of any chemicals prior to handling or use.

Literature Reference

PB 9250E/ 9250T	DLP Reflective License Plate Sheeting With Ensure™ Image For use on Multi-Year License Plates
PB 9097	Digital License Plate Clear Protective Film 9097 For use on Multi-Year License Plates
PB Chiller	DLP Cooling System For use on DLP Printing Systems

FOR INFORMATION OR ASSISTANCE
CALL:
1-877-777-3571

IN CANADA CALL:
1-800-265-1840

Internet:
www.3M.com/mvss

3M

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México, D.F. 01210

3M 9097 PRODUCT BULLETIN

3M

Digital License Plate Clear Protective Film 9097

For use on Multi-Year License Plates

Product Bulletin 9097 July 2012

Description

3M™ Digital License Plate (DLP) Clear Protective Film is used in conjunction with 3M™ Digital License Plate Reflective License Plate Sheeting Series 9250 and 3M™ Thermal Transfer Ribbons Series TTR1300 to produce fully reflective vehicle registration plates for multi-year use.

Application

3M™ DLP Clear Protective Film is applied to the printed 3M™ License Plate Sheeting through the roll handling unit of the 3M™ Digital Printing System. The roll handling unit removes the liner and applies the film onto the printed sheeting with pressure at a nip roller.

Storage

3M™ DLP Clear Protective Film Series 9097 must be stored in its original package in a cool, dry area and should be used within one year after date of receipt.

Health and Safety Information

Read all health hazard, precautionary, and first aid statements found in the Material Safety Data Sheet, and/or product label of any chemicals prior to handling or use.

3M Basic Product Warranty and Limited Remedy

3M™ DLP Clear Protective Film Series 9097 is warranted to be free of defects in materials and manufacture at the time of shipment and to meet the requirements stated in the Product Bulletin. If Series 9097 is proven not to have met the Basic Warranty on its shipment date, then a buyer's exclusive remedy, and 3M's sole obligation, at 3M's option, will be to refund or replacement of Series 9097.

3M 9250 PRODUCT BULLETIN

3M

Digital License Plate Reflective License Plate Sheeting

For use on Multi-Year License Plates With Ensure™ Image Series 9250E/9250T

Product Bulletin 9250E/9250T March 2013

Description

3M™ Digital License Plate (DLP) Reflective License Plate Sheeting Series 9250E/9250T consists of lens elements enclosed within a transparent resin. The sheeting is designed for use in the fabrication of multi-year reflective license plates using the DLP System.

The sheeting can be digitally printed with background graphics and variable plate messages, with background graphics only, or with variable plate message on pre-printed background graphic using 3M™ Thermal Transfer Ribbons Series TTR1300. 3M™ Clear Protective Film 9097 is applied in the DLP Print Station after printing. After application to aluminum substrate, plates may be blanked flat or with a debossed rim. Plates may optionally be embossed with plate messages and coated using 3M™ Roll Coat Colors Series 4850 or 4950, or 3M™ HSF 100/200 and DRF 300/400 Series hot stamp foils.

Finished license plates made with the 3M DLP system function 24 hours a day to enhance nighttime safety and legibility of the vehicle identification system. The sheeting appears similar during the day and at night (when viewed by reflected light) and is highly reflective when viewed at both head-on and wide entrance angles.

The backside of the reflective sheeting is pre-coated with a pressure sensitive adhesive, protected by a removable liner, for application to aluminum license plate substrates.

Series 9250E/9250T sheeting is available with pre-printed graphics that offer a unique opportunity to promote a country, state or national attraction, event or image while continuing to provide the driving public with the safety aspects of fully reflective license plates.

3M™ Ensure™ Image

Series 9250E sheeting with Ensure™ image contains directional positive identification images or marks that are an integral part of the sheeting and are visible only within a specific viewing angle range. The marks are extremely difficult to counterfeit and facilitate visual examination of the finished license plates for specified purposes of:

A. Inventory control.
B. Production traceability.
C. Identification of year of manufacture.
D. Identification of sheeting manufacturer.
E. Positive field verification of license plate authenticity.

The Ensure™ image may be generic, or a custom design mutually agreed upon by the purchaser and 3M. The Ensure image size and spacing depend on the width of the sheeting purchased. Contact your 3M Traffic Safety Systems Division Technical Service Representative for further information.

Directional identification marks allow for easy visual verification of license plate authenticity as follows:

A. The centermost mark on the plate is visible to a viewer standing directly in front of the plate at a distance of 4-8 feet (1.2 - 2.5 meters). This represents an angle of 30° above the perpendicular to the plate.
B. The centermost mark on the plate is not visible to a viewer:
   1. Standing at a distance of either 2 feet (.6 m) or 20 feet (6.1 m) directly in front of the plate.

2. When the viewer has stepped from the head-on viewing position to either side thus forming an angle greater than 45° to the plate.

The directional identification marks are visible in either diffuse daylight or by retroreflected light at night. The marks do not alter the color of the sheeting, reduce the sheeting brightness below the minimum specified levels, or interfere with appearance and legibility of finished license plates. The directional identification marks are equally visible in all standard colors.

The marks cannot be removed by chemical or physical means from the sheeting or the finished license plate without visibly damaging the reflective sheeting.

Optional 3M™ Ensure™ Virtual Security Thread

Series 9250T sheeting with 3M™ Ensure™ Virtual Security Thread contains a second mark that runs vertically or horizontally through standard vehicle registration plates for purposes of security and anti-counterfeiting. The virtual security thread is buried beneath the surface of the sheeting and consists of two sinusoidal waves where one wave appears to float above and one wave appears to float below the retroreflective sheeting. The virtual security thread is durable for the service life of the license plate.

The virtual security thread is visible in the unprinted areas of the plate from inside a standard police vehicle under high beam headlight illumination, as well as outside of the vehicle, on a license plate properly affixed to a vehicle's designated mounting area, from an approximate distance of 0 to 50 feet (0 to 15 meters) at a head-on viewing angle. The two sinusoidal wave images are visibly distinct from an approximate distance of 0 to 20 feet (0 to 6 meters). The virtual security thread is not visible when viewed from an angle greater than 45 degrees from the head-on viewing position.

The virtual security thread is verifiable under both diffuse daylight and retroreflected light at night. The virtual security thread does not alter the color of the sheeting, reduce sheeting brightness below minimum specified brightness levels, or interfere with appearance and legibility of finished license plates. The virtual security thread is visible in all standard sheeting colors.

Performance Characteristics

A. Reflectivity

The minimum reflectivity values of Series 9250E/9250T sheeting covered with 3M™ DLP Clear Protective Film Series 9097 are given below in terms of candlepower per foot-candle per square foot (Candelas per lux per square meter). Measurements should be conducted in accordance with ASTM E810, "Standard Test Method for Coefficient of Retro-reflection of Retro-reflective Sheeting."

To measure the reflectivity values of applied sheeting and clear protective film, prepare test plates as follows: Test plates of the same size and format as the actual issue must be produced of the same materials, on the same equipment, and by the same general process of metal cleaning, laminating, embossing or debossing and roll coating as the production plates. The plates must be designed to have a minimum of 36 square inches (230 sq. cm) of flat area in one section of the plate to facilitate photometric testing. All test plates should be conditioned for 24 hours at 72°F ± 5°F (22°C ± 3°C) and 50 ± 5% R.H. prior to testing and each plate must be thoroughly hand washed (see Cleaning) prior to testing.

Measurements on reflective sheeting with a preprinted graphic design should be taken in an unprinted sheeting area.

The reflectivity of the flat area of the same test plate, totally wet by rain, will not be less than 90% of the dry values. Wet performance measurements shall be conducted in accordance with ASTM E810.

Table A
Minimum Coefficient of Retroreflection
Candlepower per foot candle per Square Foot
Candelas per Lux per Square Meter
(all sheetings covered by 3M Series 9097 film)
(0.2° Observation Angle[1])

Sheeting Color		Entrance Angle[2]	
		-4°	40°
Integral Colors			
White	9250E/9250T	50	16
Yellow	9251E/9251T	25	10
Red	9252E/9252T	9	3
Gold	9253E/9253T	25	10
Orange	9254E/9254T	25	10
Lt. Blue	9256E/9256T	18	7
Lt. Green	9257E/9257T	18	7
Lemon Yellow	9259E/9259T	25	10

[1]Observation (Divergence) Angle – The angle between the illumination axis and the observation axis.

[2]Entrance (Incidence) Angle – The angle from the illumination axis to the retroreflector axis. The retroreflector axis is an axis perpendicular to the retroreflective surface.

B. Adhesive
Test plates as prepared above will resist peeling, scuffing, and marring during normal handling.

Prior to application, the protective paper liner can be removed from the adhesive by peeling without soaking in water or other solvents. The liner can be removed after accelerated storage for 4 hours at 150°F (65°C) under a weight of 2.5 pounds per square inch (0.18 kg/cm2).

Fabrication of Reflective License Plates

A. Substrates
The pre-coated adhesive will form a durable bond to properly cleaned, chemically treated aluminum surfaces normally used in the manufacture of license plates. Contact your Traffic Safety Systems Technical Service Representative for specific substrate information.

B. Application
DLP sheeting Series 9250E/9250T, with Protective Film Series 9097 applied, is designed for application to flat coil or sheet stock by continuous squeeze roll application. Sheeting should be stretched to a maximum of 1% during application to the substrate. A minimum of 48 hours of storage after application of sheeting is recommended before the embossing of legends. Laminated blanks must be stored on edge and used within one year after date of receipt of the sheeting for best embossing results.

C. Embossing and De-bossing
The reflective sheeting as applied to flat metal is sufficiently flexible to permit the embossing or de-bossing requirements of most conventional license plate designs. Sheeting may be embossed up to 1.7 mm (.067 inches) with standard embossing equipment and dies used for license plate production. Minimum embossing temperature is 70°F (21°C).

D. Color Processing
The legend is applied to the sheeting primarily by digital printing in the DLP Print Station with the thermal transfer ribbons described below. A secondary method would be to digitally print the background graphic only and then emboss and coat the legends with the 3M recommended inks or foils described below.

Note: Care should be taken in choosing color combinations to ensure attractiveness and maximum legibility. This is especially true with graphic design sheetings. To assure suitable contrast for maximum legibility and safety, 3M recommends use of dark color digitally printed or coated characters on a white or yellow reflective sheeting background. If coated, the license plates need to be cooled to room temperature before packaging.

Thermal Transfer Ribbons:

3M™ Thermal Transfer Ribbons Series TTR1300

For specific color availability, refer to Product Bulletin TTR1300.

Oven Dried Inks:

3M™ Roll Coat Inks Series 4850 Opaque and
3M™ Roll Coat Inks Series 4950 Transparent

For specific color availability or for assistance with roll coat processing and oven drying, refer to Product Bulletin 4850/4950, or contact your 3M technical service representative.

Dry Roller Coat Foils:

3M™ Dry Roller Coat Foil Series HSF100/200
3M™ Dry Roller Coat Foil Series DRF300/400

For specific color availability or for assistance with roll coat processing and oven drying, refer to Product Bulletin HSF 100/200 and DRF 300/400, or contact your 3M technical service representative.

Cleaning

For maximum service, do not use abrasive, or chemically concentrated harsh cleaners. Use the same care as is used in cleaning the paint surface on the vehicle. The license plate surface can be cleaned of normal use dirt accumulation by washing with a mild detergent and water using a soft bristle brush or cloth.

To remove tar, oil, or road dirt, cautious use of mild solvents such as mineral spirits, turpentine, or kerosene may be employed. Use of aromatic solvents and ketones or solvent mixtures containing them should be avoided. Following cleaning, the plate should be thoroughly rinsed with water.

Storage

DLP sheeting, clear protective film and thermal transfer ribbons must be stored in their original package in a cool, dry area and should be used within one year after date of receipt. For best printing results, it is recommended that the sheeting be digitally printed in the DLP Print Station within 6 months of date of receipt.

General Characteristics and Packaging

The reflective sheeting as supplied will be of good appearance, free from ragged edges and cracks, and packaged according to commercial standards. The sheeting will be spliced for continuous roll application. Additional sheeting is supplied to compensate for splices.

Specifications

The information contained herein on reflective sheeting series 9250E/9250T is considered to describe typical minimum requirements for an effective reflective license plate material. As such the information may be incorporated into a product purchase specification to be used in conjunction with a specification for finished retroreflective license plates.

Health and Safety Information

Read all health hazard, precautionary, and first aid statements found in the Material Safety Data Sheet, and/or product label of chemicals prior to handling or use.

Warranty

3M Company warrants that Reflective License Plate Sheeting Series 9250E/9250T (with Ensure warranty mark) covered by 3M™ DLP Clear Protective Film Series 9097 will remain effective for its intended use. Finished rear plates will retain a coefficient of retroreflection of at least five (5) candlepower per foot candle per 6x12-inch plate[1] for the number of years indicated in the following table, and subject to the following provisions:

Sheeting:	Color	Years
	White	5
	Gold	3
	Yellow	5
	Lemon Yellow	5
	Pastel Colors	3
	Orange	3
	Blue	2
	Green	2
	Red	1

Notes: All measurements are at .2 degrees observation angle and -4 degrees entrance angle.

All measurements shall be made after cleaning the plate according to 3M recommendations and in accordance with ASTM E 810 "Standard Test Method of Coefficient of Retroreflective Sheeting," except that the coefficient of luminous intensity shall be determined in accordance with ASTM E 808-01 Para. 3.2.2 and ASTM E 809-02 Para. 12.3.

Graphic preprinted transparent colored retroreflection is warranted for the same number of years as the background sheeting as stated above.

If reflective license plate sheeting is processed in accordance with all 3M application procedures found in 3M's product bulletins, information folders, manufacturing manuals, and technical memos (which will be furnished upon request), including the appropriate use of 3M matched components, thermal transfer ribbons, protective film, roll coat inks, and recommended application equipment; and

If at any time during the period specified in the table above: a) plates show fading, cracking, blistering or peeling which significantly impairs the intended visibility or legibility of the plate; or b) a one-half of one percent sample of clean, rear plates provided from a given production run (which is identified by the integral Ensure warranty mark) reveals that 10 percent or more of that sample fails to retain at least nine (9) candlepower per foot candle per plate (0.84 candelas per lux per plate) as defined herein;

3M will, at its expense, replace all of the plates manufactured from that specific lot of sheeting, up to a maximum cost of $5.00 per plate. Reimbursement to the plate issuing agency will be in dollars and/or materials, as determined by the needs of the plate issuing agency.

[1]Reflective plates with preprinted graphics, or customer digitally printed graphics, may not meet this requirement, as large graphic printed areas can affect the reflectivity values of the finished license plates. Note: Red sheeting initial reflectivity is below this value, and thus is warranted to three (3) candlepower per foot candle per 6x12-inch plate.

Conditions
Such failure must be solely the result of design or manufacturing defects in the DLP reflective license plate sheeting and not of outside causes such as: improper fabrication, handling, maintenance or installation; use of ribbons, roll coat inks or overlay films and sheetings not made by 3M; exposure to excessively high oven temperatures; use of a reflective sheeting applicator, stretch control mechanism, brake table or corresponding registry feed controls not provided and installed by 3M; stretching more than the maximum percent recommended by 3M during application, failure of plate substrate; exposure to chemicals, abrasion, or damage from fasteners used to mount the plate; collisions, vandalism or malicious mischief.

Replacement sheeting will carry the unexpired warranty of the sheeting it replaces. Claims made under this warranty will be honored only if the plates have been marked with 3M™ Ensure warranty mark so as to be traceable to the specific 3M production run numbers from which the material originated.

Claims made under this warranty will be honored only if 3M is notified of a failure within a reasonable time, reasonable information requested by 3M is provided, and 3M is permitted to verify the cause of the failure.

Limitation and Liability
3M's liability under this warranty is limited to replacement as stated herein, and 3M assumes no liability for any incidental or consequential damages, such as profits, business or revenues in any way related to the product regardless of the legal theory on which the claim is based. THIS WARRANTY IS MADE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ANY IMPLIED WARRANTY ARISING OUT OF A COURSE OF DEALING OR OF PERFORMANCE, CUSTOM OR USAGE OF TRADE.

Literature Reference

PB 9097	3M™ Digital License Plate Clear Protective Film 9097 For use on Multi-Year License Plates
PB 1300	3M™ Digital License Plate Thermal Transfer Ribbons Series TTR 130 For use on Multi-Year License Plates
PB Chiller	3M™ DLP Cooling System For use on DLP Printing Systems
PB 4850/4950	3M™ Roll Coat Inks
PB HSF 100/200 DRF 300/400	3M™ Dry Roller Coat Foil

FOR INFORMATION OR ASSISTANCE CALL:
1-877-777-3571
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1-800-265-1840
Internet:
www.3M.com/mvss

3M assumes no responsibility for any injury, loss or damage arising out of the use of a product that is not of our manufacture. Where reference is made in literature to a commercially available product, made by another manufacturer, it shall be the user's responsibility to ascertain the precautionary measures for its use outlined by the manufacturer.

Important Notice
All statements, technical information and recommendations contained herein are based on tests we believe to be reliable, but the accuracy or completeness thereof is not guaranteed, and the following is made in lieu of all warranties, or conditions express or implied. Seller's and manufacturer's only obligation shall be to replace such quantity of the product proved to be defective. Neither seller nor manufacturer shall be liable for any injury, loss or damage, direct, special or consequential, arising out of the use of or the inability to use the product. Before using, user shall determine the suitability of the product for his/her intended use, and user assumes all risk and liability whatsoever in connection therewith. Statements or recommendations not contained herein shall have no force or effect unless in an agreement signed by officers of seller and manufacturer.

3M

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3M Ensure™ & VST Product Bulletin

3M

Ensure™ Directional Image
Ensure™ Virtual Security Thread

Law Enforcement License Plate Verification Procedures Jan. 2009

Counterfeiting is a threat to public safety

Rather than stealing a plate, sophisticated criminals will go to the added effort of creating a counterfeit because there is a much lower risk of detection.

License plates may be vulnerable to security breaches

- Conventional printed graphics and embossed characters are easy to duplicate.
- Printed watermarks are easy to duplicate and difficult to see at a distance.
- Holograms are readily available, easy to simulate and difficult to verify.

3M Security Marks

License plates with 3M security marks offer up to two features for double protection: The 3M™ Ensure™ Directional Image and 3M™ Ensure™ Virtual Security Thread

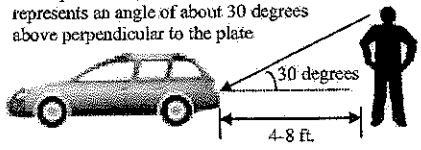
3M's Ensure directional image consists of a circular security and warranty image that repeats and runs vertically through the center of the license plate. It is visible only when viewed head-on at about a 30 degree angle to horizontal. It "disappears" from view at other angles.

3M's Ensure virtual security thread consists of a three-dimensional security image that runs vertically through the center of the license plate. The image consists of two "threads." One thread appears to float above and the other below the surface of the plate. It is visible head-on at distances of up to 50 feet or more.

3M™ Ensure™ Directional Image

- Customized for each jurisdiction
- Visible only within a range of angles
- Easy verify, day or night
- Difficult to duplicate

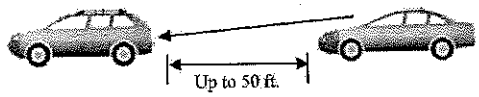
Visible to a viewer standing directly in front of the plate at a distance of 4-8 feet. This represents an angle of about 30 degrees above perpendicular to the plate



3M™ Ensure™ Virtual Security Thread

- Unique three-dimensional appearance
- Visible head-on up to 50 feet or more
- Easy to verify, day or night
- Difficult to duplicate

Visible to a viewer standing (or in a vehicle) directly in front of the plate at a distance of up to 50 feet.



Demonstration Procedure

1. Park the object car with the license plate (front or back plate) facing north (away from direct exposure to sun) during the day or night.
2. Position the viewing car about 50 feet directly behind the object car. Turn on high beam headlights if viewing the license plate at night.
3. Slowly approach the object car until the individual "threads" of the Ensure virtual security thread is clearly in view and you can see the double "thread" pattern (this occurs within 20 feet).
4. Get out of the viewing car and observe the Ensure directional image and virtual security thread at different distances and angles.
5. You should now be ready to visually verify these security marks in actual situations.

3M

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St. Paul, MN 55144-1000
www.3M.com/tss

3M STOCKED REPLACEMENT PARTS

3M Parts	DLP Replacement Parts Description
78-8133-7306-1	Cca-Power Supply Enable-Datametrics #118395-100 Rev A
78-8133-7307-9	Cca-Options-Datametrics #118367-100
78-8133-7308-7	Cca-Printhead Interface-Datametrics #114776-100 Rev C
78-8133-7309-5	Cca-960 Processor-Datametrics #115213-100 Rev H
78-8133-7310-3	Cca-Memory-Datametrics #118100-100 Rev A
78-8133-7311-1	Cca-Western Servo Amplifier-Datametrics #118255-100 Rev A
78-8133-7312-9	Cca-Platen Pmac-Datametrics #118262-100
78-8133-7313-7	Cca-Ribbon Pmac-Datametrics #118263-100
78-8133-7314-5	Cca-Single Brd Pci Interface Datametric #701519-00001
78-8133-7315-2	Platen Roller
78-8133-7316-0	Idler Roller
78-8133-7317-8	Brake Roller
78-8133-7318-6	Bearing-Nhbb-#Ssri-1038zzra7p25lo-Flangeless, .375 X .625
78-8133-7319-4	Bearing-Nhbb-#Ssrif-1438zzra7p25lo-Flanged, .375 X .875
78-8133-7320-2	Bearing-Nhbb-#Ssrif-814zzra7p25lo-Flanged, .250 X .500
78-8133-7321-0	Ribbon Supply Belt-Stock Drive #A6r3-060037
78-8133-7322-8	Ribbon Take-up Belt-Stock Drive #A6r3-086037
78-8133-7323-6	Platen Roller Timing Belt-Stock Drive #A6r3042037
78-8133-7324-4	Platen Long Spring-Associated Spring #C0300-045-1500s
78-8133-7325-1	Platen Long Short Spring-Associated Spring
78-8133-7326-9	Fuse-Ferraz Shawmut-Part # Trm2/10-Time Delay, 1 1/2 X 13/32, 250vac, .3 Amp
78-8133-7327-7	Fuse-Ferraz Shawmut-Part #Gab4-Fast Acting, 1 1/4 X 1/4, 250 Vac 4 Amp
78-8133-7328-5	Fuse-Ferraz Shawmut-Part #Gdl3-Time Delay, 1 1/4 X 1/4, 250vac, 3 Amp
78-8133-7329-3	Fuse-Ferraz Shawmut-Part #Gdl4-Fast Acting, 1 1/4 X 1/4, 250 Vac, 4 Amp
78-8133-7330-1	Fuse-Ferraz Shawmut-Part #Gab1-Time Delay, 1 1/4 X 1/4, 250 Vac, 1 Amp
78-8133-7331-9	Fuse-Ferraz Shawmut-Part #Gab3-Time Delay, 1 1/4 X 1/4, 250 Vac, 3 Amp
78-8133-7332-7	Fuse-Ferraz Shawmut-Part #Gab2-1/2-Fast Acting, 1 1/4 X 1/4, 250 Vac, 2.5 Amp
78-8133-7334-3	Motor Gear 19.1 Vdc Pittman 701010-006
78-8133-7335-0	Dc Converter-24v Input, 10v Output, Acopian #24eb10e30
78-8133-7336-8	Dancer Follower Sensor (1000 Ohms) Magpowr #Dfp2
78-8133-7337-6	Temp Controller-32 To 600 F, 240vac, 10va, Watlow #146e-2601-3000
78-8133-7338-4	Platen Assembly Gas Spring, 56lbs (250n) Associated Spring #G0819-200-250-4-4
78-8133-7339-2	Platen Assembly Gas Spring, 89.9 Lbs (400) Associated Spring #G0819-200-400-4-4
78-8133-7340-0	Power Supply-24v, Datametric #701520-001
78-8133-7341-8	Power Supply-12v, 30a, 375w, Power One #Pfc375-1012f
78-8133-7342-6	Thermocouple Ir, Exergen #1rt/C.03-J-140f
78-8133-7343-4	Switch-Mc-Ke Seriesmag Coded Safety Switch, Scientific Technologies #Mck1-Pc6
78-8133-7344-2	Plc Discreet I/O Module-24vdc, Sourcing Output,16pt, Allen Bradley #1746-Ib16

3M Parts	DLP Replacement Parts Description
78-8133-7345-9	Plc Discrete I/O Module-24vdc, Sourcing Output, 16pt, Allen Bradley #1746-Ob16
78-8133-7346-7	Plc Analog I/O Module-4 Channel, Input, Allen Bradley #1746-Ni4
78-8133-7347-5	Plc Analog I/O Module-4 Channel, Output, Allen Bradley #1746-No4v
78-8133-7348-3	Plc Power Supply-24vdc, Allen Bradley #1746-P3
78-8133-7349-1	Photoeye-Banner #Sme312fvqd
78-8133-7350-9	Glass Fiber Optic, Banner #Ita23s
78-8133-7351-7	Ultrasonic Sensor, Banner #Q45uliu64acrq
78-8133-7352-5	Air Cylinder, Bimba #F0-312.000-Mt
78-8133-7353-3	Firerod Heater, 240vac, Watlow #N12a15-1e12-Ul
78-8133-7354-1	Inductive Prox Pnp 24vdc, Turck #Bi 3u-M12-Ap6x-H1141
78-8133-7355-8	Inductive Prox Pnp 24vdc, Turck #Bi 2-Eg08k--Ap6x-H1341
78-8133-7356-6	PROX CABLE, 10m LONG, 3 WIRE, TURCK #WK-4T-10
78-8133-7357-4	PROX CABLE, 10m LONG, 3 WIRE, TURCK #RK-4T-10
78-8133-7358-2	Dc Regenerative Drive, Kb Electronics #Kbmg-212d
78-8133-7359-0	Plc S/04 Processor, 16k Memory, Allen Bradley #1747-L541
78-8133-7360-8	Extension Spring, 2.500" Length, 1/2" Od, .063 Dia Wire, Music Wire, Lee #Le-063e-6-Mw
78-8133-7361-6	Extension Spring 2.25" Length, 1/2" Od, .055 Dia Wire, Music Wire, Lee #Le-055e-5-Mw
78-8133-7362-4	Hard Disk Drive-Dmc #701529-002
78-8133-7363-2	Printhead Adjustment Block Left-Datametric #116302
78-8133-7364-0	Printhead Adjustment Block Right-Datametric #116303
78-8133-7365-7	Floppy Drive-Datametric #701530-0001
78-8133-7366-5	Brake Assembly
78-8133-7368-1	Motor-42rpm, 213 In-Lbs, 60:1, 1/4hp, Bodine #42a5bepm-Gb, Model 4060
78-8133-7369-9	Thermocouple-Watlow #70xjsub120a
78-8133-7370-7	Panelview 600-Color And Touch, Allen Bradley #2711-T6c8l1
78-8133-7371-5	Quick Disconnect Cable-Banner #Mbcc2-530
78-8133-7372-3	Quick Disconnect Cable-Banner #Mqdc1-530ra
78-8133-7373-1	Power Supply, 24v, 10 Amp, Seimans #6ep1334-1sl11
78-8133-7374-9	Signal Isolator-Kb Electronics #Simg
78-8133-7375-6	Bearing, 1" Bore, Mb #Er-16mhff
78-8133-7376-4	Solenoid-24v Dc, (Includes Valve Assy), Numatics #082sa43am000061
78-8133-7377-2	Bearing-Sealed, 1/4" Id, 3/4" Od, .9/32 W, Fafnir #S1pp
78-8133-7378-0	Bearing-3/4" Id, 1 5/8" Od, 7/16w, Fafnir #S8pp
78-8133-7379-0	Bearing-1" Id, 2" Od, Fafnir #S10kdd
78-8133-7380-6	Bearing, 1" Id, 2 Od, 1/2w, Fafnir #S10pp2
78-8133-7381-4	Bearing, 3/4" Id, 7/8" Od, 1/2" Lg, Boston #B1214-4
78-8133-7382-2	Bearing, 3/8" Id, 7/8" Od, 9/32"W. Fafnir #S3pp
78-8133-7383-0	Cca-Quad Servo Amp, Datametrics #115930-100, Rev H
78-8133-7384-8	Roller-Film Separator, Eagle Tool #B-12-3163-1307-6
78-8133-7385-5	Nip Roller-Eagle Tool #B12-3163-1211-0
78-8133-7386-3	Motor-19.1v Dc.5.9:1, 500 Cpr, Pittman #Gm14904d852
78-8133-7388-9	Ribbon Guide Bar-Eagle Tool #118110
78-8133-7389-7	Monitor-17", Model S7500, Hp #261606-001
78-8133-7392-1	Incandescent Light Unit-Includes A T3-1/4 (Bas) Bayonet Base Lamp, 24v, Cutler-Hammer #E22d24

3M Parts	DLP Replacement Parts Description
78-8133-7393-9	Incandescent Light Unit-Includes A T3-1/4 (Bas) Bayonet Base Lamp, 24v, Cutler-Hammer #E22d24c (For Use With Illuminated Pushbutton Operators-Includes Pre-Wired 1no-1nc Contact Blocks)
78-8133-7394-7	22.5 Mm, Non-Metallic Heavy-Duty Pushbutton Operator, Illuminated, Flush, White, Momentary, Light Unit Not Included, Cutler-Hammer #E22nb5
78-8133-7395-4	Assembled, 22.5 Mm, Non-Metallic Pushbutton, Chrome Bezel, Non-Illuminated, Red Plastic Mushroom Head Operator With Maintained Latching, Twist-To-Release Action, None Light Unit, 1nc Contacts, Cutler-Hammer #E22ll2b
78-8133-7396-2	22.5 Mm, Non-Metallic Heavy-Duty Standard Contact Block, Contact Configuration: 1nc, Cutler-Hammer #E22b1
78-8133-7405-1	Static String, 72ft (22m) Roll. Alpha Innovation Inc #Ss2000-72
78-8133-7438-2	Network Interface Card 3com-36515-7x
78-8133-7445-7	Bodine Motor Clockwise Rotation
78-8133-7446-5	Bodine Motor Counter-Clockwise Rotation
78-8133-7489-5	Encoder - 1000
78-8133-7493-7	Battery-Plc5/04 Processor, Allen Bradley #1747-Ba
78-8133-7513-2	Cca-Junction Board, Datametrics #118240-100 (For Machine Without Options Card)
78-8133-7514-0	Cca-Junction Board, Datametrics #118398-100 (For Machine With Options Card)
78-8133-7518-1	Harrier Pmac, Dmc #118274-100 Rev A
78-8133-7519-9	Cables-Condor Printer
78-8133-7520-7	Sensor Wiring (UNIT=1 BANNER 50838 & 1 BANNER 45091) 2 PARTS= ASSEMBLED UNIT
78-8133-7521-5	Opto Wiring
78-8133-7525-6	Bearing, Rulon Sleeve, Drs #242812, 1 1/2" Id, 1 3/4" Od, 1 1/2" Length
78-8133-7526-4	Cable Assembly, Platen Cable Extension 9 THIS ITEM**
78-8133-7527-2	Cable Assembly, Platen Servo Control 9 THIS ITEM **
78-8133-7529-8	Bulb-Cutler-Hammer, Part #1819, T3-1/4(Ba9) Bayonet Type For Indicating Lights And Pushbuttons Switches
78-8133-7530-6	Watlow 93ab1cd000rr
78-8133-7531-4	Push-Pull Operator, Cutler-Hammer E-Stop Button
78-8133-7532-2	Control Relay, 24vdc, 700dc-Pk400z24
78-8133-7533-0	Scientific Technologies Mck-Series Control Unit 24v Ac/Dc
78-8133-7472-1	Air Chuck-Roll Drive (Slotted Hole)
78-8133-7473-9	Air Chuck-Liner Rewind (Round Hole)
12-3163-1212-8	Roller
12-3163-1254-0	Bushing, Air Chuck
12-3163-1255-7	Clamp Bushing, Air Chuck
12-3163-1273-0	Plug For Core Chucks
12-3163-1279-7	Support - Side Lay
12-3163-1283-9	Roll Stop**2 Refurbished
12-3163-1287-0	1/2 Roll Stop**2 Refurbished
26-1017-1794-5	RHU Door Switch Mc-S2pc10
26-1017-1795-2	RHU Door Switch Controller Mc-S2
26-1017-1798-6	Solid State Relay Rssdn-10a

SAMPLE SYSTEM SECURITY PLAN

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DISASTER RECOVERY PLAN

ITI
Disaster Recovery Plan
South Dakota Contract
Production and Fulfillment of
License Plates and Vehicle Registrations

Scope

This document is designed and produced for the specific South Dakota Department of Revenue, Division of Motor Vehicles ("State") contract to produce and fulfill license plates and vehicle registrations. This document is designed to supplement the ITI Business Continuity Plan for addressing specific projects and applications within the ITI business process. This document will address disaster recovery planning, issue identification, and disaster recovery methodology for this specific contract.

Plan Assumptions

- PHEASANTLAND INDUSTRIES (PI) is the primary TEAM facility for license plate (DLP) printing and license plate manufacturing
- ITI has installed production and fulfillment services in failover facilities located in Fort Wayne, Indiana, and Columbia, South Carolina.
- Upon contract award, Disaster Recovery (DR) committee will be formed with members of the TEAM and critical State personnel.

Plan Activation Procedure

Should unexpected events occur that requires Disaster recovery Plan activation, ITI will:

1. Notify IT Manager and Program Manager.
2. Notify Team help desk immediately and instruct them to initiate an emergency notification.
    a. The help desk will then notify both ITI and DMV project managers immediately.
    b. The help desk shall activate escalation procedures and notify affected support tiers immediately.
    c. The help desk will notify failover sites to begin preparations for production commencement.
3. IT Manager and Program Manager will assess issue to be manufacturing, hardware, or software related.
    a. If hardware related, contact Dell service and server engineers immediately.
    b. If software related, contact application developers, database engineers, and server

engineers immediately.
   c. If manufacturing related, contact manufacturing support group immediately.
4. Program Manager issue emergency level declaration
   a. Level One – full production stop with long term out of service expectation. Long term is defined as time frame that would violate SLA terms.
   b. Level Two – full production stop with short term out of service expectation. Short term is defined as time frame that would allow restoration of production within SLA terms.
   c. Level Three – General declaration when immediate impact is not known.
5. ITI project manager will apprise the DMV Project Manager of the situation every 60 minutes or as required until resolution.

Recovery Timelines

Should the issue be hardware related, recovery with the assistance of Dell and Team server engineers is expected to take no longer than eight hours. Should expected recovery time begin to exceed eight hours, Team server engineers will be immediately dispatched from Fort Wayne to Sioux Falls with a replacement server.

Should the issue be software, recovery time is expected to be limited to no more than two hours. Should expected recovery time begin to exceed two hours, server is to be reimaged immediately.

Should the issue be manufacturing related, license plate production will be moved to redundant printers and blanking lines installed at Fort Wayne. Registration fulfillment will be moved to redundant systems installed in the Fort Wayne facility. Full changeover will occur within one day.

Should the issue be site related, all license plate production will be moved to the TEAM Fort Wayne facilities where a backup fulfillment center will be ready for production. The TEAM has additional redundant back up manufacturing capability in Columbia, South Carolina, and Portland, Oregon.

Registration fulfillment will be moved to the Fort Wayne facility where fulfillment operations will be in place. The timeline for production ramp up will be no more than two days

Post Mortem

All post mortem assessments will be completed within three days of commencement of back-up production. Corrective action plan, as appropriate, will also be completed as part of the post-mortem process.

Key License Plate Contact List

1. TEAM Project Manager
2. TEAM IT Manager
3. STATE Project Manager
4. STATE IT Manager

Terminology

TEAM:	Intellectual Technology Inc., Irwin Hodson Group, PI (collectively)
STATE:	South Dakota Department of Highway Safety and Motor Vehicles
SDLPMFP:	South Dakota License Plate Manufacturing and Fulfillment Program
ITI:	Intellectual Technology, Inc.
IHG:	Irwin Hodson Group LLC

Disaster Recovery Scenarios

Application Recovery

Application Profile

The SDLPMFP program consists of the following applications:

- SDLPVRFP Web Service Application
- SDLPMFP User Application
- SDLPMFP Report Application
- SDLPMFP Production Application
- SDLPMFP SFTP Application

The web service, report, and production applications all reside on the application server and are network load balanced to the secondary application server. These applications are designed such that should the primary application server fail, the secondary application server will automatically and instantaneously take over the primary role. The user application resides on a local workstation within the fulfillment center and in the event of failure, the user can move to the secondary workstation to continue working with no loss of data. The applications both user and server based are static in nature, all data and configurations are within the associated databases. The application servers and workstations are backed up to a SAN every night and are fully imaged on a nightly basis.

Recovery Strategy

In the event of a single server failure, the secondary server will assume the primary role automatically, thus allowing time to repair the primary server. If the primary server suffers hardware failure, it can be replaced and reimaged to full functionality. The same strategy holds true for the workstations; should either suffer failure; it can be replaced and reimaged immediately. In the event both servers fail, the application can be loaded from either tape or image to the report server. Should this be the case, the network administrator will need to temporarily change the IP address to that of the network virtual IP until the servers are repaired and reimaged. In the event of hardware failure, all servers and workstations are covered by Dell platinum account service which guarantees on site service within four hours 24 hours a day, seven days a week.

Database Recovery

Database Profile

The SDLPMFP program consists of the following database instances:

- SDLPMFP License Plate and Vehicle Registration Request Databases

The database resides on three servers; the primary database server, the secondary database server, and the report server. The primary and secondary database servers are mirrored with the report server receiving periodic publications from the primary database server. All database instances write their respective log files to the report server. In addition, databases are mirrored to the ITI Fort Wayne facility in Fort Wayne, Indiana as well as the ITI DR facility in Las Vegas, Nevada.

The database servers are backed up to a SAN nightly and fully imaged to the management server nightly.

Recovery Strategy

In the event of a single server failure, the secondary server will assume the primary role automatically, thus allowing time to repair the primary server. If the primary server suffers hardware failure, it can be replaced and reimaged to full functionality. In the event both servers fail, the database can be loaded from either tape or image to the report server. Should this be the case, the network administrator will need to temporarily change the IP address to that of the primary database server until the servers are repaired and reimaged. The databases can be immediately reinitialized for historical data is not necessary to continue production. The data in the log files from the report server can be extracted during non-production times. In the event of hardware failure, all servers and workstations are covered by Dell platinum account service which guarantees on site service within four hours 24 hours a day, seven days a week.

Network Recovery

Network Profile

The SDLPMFP program consists of the following network elements:

- Two application servers
- Two database servers
- One report server
- One Domain Controller / management server
- Site to site VPN from DMV headquarters to ITI Fort Wayne facility
- Secure FTP servers located in Fort Wayne and DMV facilities

The network profile is designed for maximum redundancy and high availability. All servers have dual network cards set up for teaming to interface with DMV high availability switches. The application servers are network load balanced and the database servers are mirrored with periodic publications to a tertiary database on the report server. The Fort Wayne and secondary Portland facilities have secure FTP servers set up in the event of VPN disruption.

Recovery Strategy

In the event of VPN disruption between sites, the SFTP application will then begin accumulating received files in a fixed width text format and FTP them to the production facility using Secure FTP process. The end user then can switch application mode to begin batching files for production. In the event of database server failure, please refer to Database Recovery section. In the event of application server failure, please refer to Application Recovery section. In the event of a report or domain controller failure server failure, the server can be analyzed and repaired with little impact to production status. Both the report and the domain controller servers are backed up to tape library every night and fully imaged on a nightly basis. Established recovery timelines must still be met to ensure full contract compliance.

In the event of hardware failure, all servers and workstations are covered by Dell platinum account service which guarantees on site service within four hours 24 hours a day, seven days a week.

Manufacturing Recovery

Manufacturing Profile

The license plate manufacturing program consists of the following components:

- Primary blanking line and digital printer at PI
- Secondary blanking line and digital printer at PI
- DR digital printer and fulfillment centers at Fort Wayne, and Columbia South Carolina.
- DR blanking line in Fort Wayne.

The registration production program consists of the following elements:

- Primary fulfillment line in Sioux Falls.
- DR fulfillment center in Fort Wayne

Recovery Strategy

License Plates

ITI will have a primary and secondary production lines set up at PI facility. In the event of a manufacturing breakdown, PI can simply switch production lines. In the event that both lines go down, printer production will be moved to ITI's Fort Wayne, IN facility where digital printers will be installed and ready. ITI will have license plates created in ITI's facility in Fort Wayne, IN and moved to ITI for production fulfillment. In the event that both PI and ITI facilities cannot manage production; ITI can move all production to either IHG facility in Columbia South Carolina, or Portland, OR where full production lines exist and are in production for other States.

Registrations

ITI has a primary and secondary fulfillment DR lines in place at the Fort Wayne facility. If one line should fail, ITI simply switches to the other line within an hour. If both lines fail in Fort Wayne, ITI can move all fulfillment to its Las Vegas, NV office within two days and restore production to full capacity.

Raw Materials Recovery

Raw Materials Profile and Recovery

Recovery Strategy

Aluminum Vendor Issues

Aluminum vendors have been pre-qualified as part of this ITI RFP response. Aluminum vendors are capable of manufacturing specialized aluminum roll stock for the production of license plates. Should a particular aluminum supplier have a catastrophic event which delays or potentially impacts the delivery of aluminum, aluminum can immediately be sourced from an alternate aluminum supplier.

Aluminum Inventory

As part of the ITI disaster recovery plan, the ITI back-up storage facility in Fort Wayne, IN will maintain a buffer inventory of aluminum. In the event that the supply of aluminum at PI is damaged or becomes unavailable, ITI has the ability to immediately draw from aluminum inventories at one of the back-up production facilities utilized for this RFP response.

License Plate Sheeting

In the event that the license plate sheeting and/or consumables, or registration consumables are damaged or become unavailable in transit, ITI will draw upon a the supply of sheeting and/or consumables that will be maintained at ITI backup facilities in Fort Wayne, IN for license plates and registrations. Reflective sheeting supplier 3M also has redundant license plate sheeting manufacturing capabilities, should production of South Dakota sheeting at its main Brownwood plant be affected in any way.

Site Recovery

Site Profile and Recovery Strategy

The SDLPMFP program consists of the following site locations:

- Sioux Falls, South Dakota Fulfillment Facility.
- ITI Fort Wayne Production Facility.
- ITI Fort Wayne Fulfillment Facility.
- ITI Las Vegas, Nevada DR Data Center
- IHG Columbia, South Carolina.
- Pheasantland Industries, Sioux Falls, South Dakota.

The site profile for the license plate program consists of two primary sites; the PI location in Sioux falls and the ITI Fort Wayne Production Facility. If the PI location becomes unavailable due to disaster, the ITI Fort Wayne facility will take over.

The site profile for the registration program consists of the primary ITI location in Sioux Falls and the DR location in Fort Wayne. Both locations are production ready and can be switched in as little as one day. ITI will keep raw materials rotating through the Fort Wayne location to ensure immediate failover.

If a site transfer is needed, ITI software systems are designed not to be location specific and can be implemented anywhere within hours. This can be initiated from both the primary data center in Fort Wayne Fulfillment Facility and the DR location in Las Vegas.

Equipment Replacement

Replacement Strategy

Computer Hardware

ITI maintains the Dell Platinum Service that guarantees hardware replacement within four hours 24 hours a day, seven days a week.

License Plate manufacturing equipment

For critical parts that may need replacement, as part of on-going production, these parts will be maintained on-site in the Sioux Falls fulfillment center for immediate deployment.

Non critical parts will be stored at the ITI's Fort Wayne facility.

Major license plate manufacturing equipment is extremely robust, and very rarely needs complete replacement. IHG as the largest independent manufacturer of license plates in North America, has its own in-house tool and die team that designs and manufactures complete plate manufacturing lines, and is best placed to provide replacement equipment in the shortest possible time.

Comprehensive preventive maintenance programs will be provided as part of this project, in order to prevent equipment failure.

Printer spare stocked parts can be shipped within 24 hours and on- site technical service will be available within 48 hours.

ITI SERVICES BY JURISDICTION

JURISDICTION	PRINT ON DEMAND	SELF-SERVICE TERMINALS (KIOSKS)	MAILROOM (STATE OPERATED)	CENTRAL FULFILLMENT (RENEWAL NOTICE PROCESSING)	CENTRAL FULFILLMENT ITI FACILITY (REG CERTIFICATES)	CENTRAL FULFILLMENT ITI FACILITY (TITLE PRODUCTION)	CENTRAL FULFILLMENT ITI FACILITY (LICENSE PLATE/REG MATCHING & MAILING)	CENTRAL FULFILLMENT ITI FACILITY (WATERCRAFT RENEWAL)	VEHICLE SAFETY INSPECTIONS
Alaska					✓				
Arkansas	✓		✓						
California		✓							
Georgia		✓					✓		
Hawaii	✓				✓				✓
Indiana					✓		✓	✓	
Louisiana	✓				✓				
Mississippi	✓								
Missouri	✓		✓						
Nevada	✓	✓	✓	✓		✓			
New York		✓							
North Dakota	✓		✓						
Ohio	✓		✓						
South Dakota	✓	✓			✓				
Ontario Registrar of Imported Vehicles			✓						

IHG SERVICES BY JURISDICTION

JURISDICTION	LICENSE PLATE PRODUCTION			FULFILLMENT SERVICES				
	License Plate Production	APPROX PLATE VOLUME PER YEAR	PAIRS OR SINGLE	DIRECT TO DMV WAREHOUSE	FIELD OFFICE DISTRIBUTION	DIRECT MAIL TO CUSTOMERS	REGISTRATION DIRECT MAIL	PRODUCE /PRINT/DELIVER "ON DEMAND"
ALASKA	✓	125,000	Pairs	✓		✓	✓	
ALBERTA	✓	3,000,000	Single	✓				
ARKANSAS	✓	850,000	Single	✓				
BRITISH COLUMBIA	✓	820,000	Pairs	✓				
DELAWARE	✓	350,000	Single	✓				
HAWAII	✓	900,000	Pairs	✓	✓	✓	✓	
MANITOBA	✓	725,000	Pairs	✓				
MISSISSIPPI	✓	900,000	Single		✓	✓	✓	✓
Nevada	✓	600,000	Pairs	✓	✓			
NEW BRUNSWICK	✓	750,000	Pairs	✓				
NEW MEXICO	✓	400,000	Single	✓				
NEWFOUNDLAND	✓	200,000	Single	✓				
NORTHWEST TERRITORIES	✓	5,000	Single	✓				
NOVA SCOTIA	✓	725,000	Single	✓				
NUNAVUT	✓	2,000	Pairs	✓				
OREGON	✓	600,000	Pairs	✓	CVR			
PRINCE EDWARD ISLAND	✓	100,000	Single	✓				
QUEBEC	✓	1,400,000	Single		✓			✓
SASKATCHEWAN	✓	250,000	Single		✓	✓		✓
S. CAROLINA (retired)	✓	900,000	Single		✓	✓	✓	✓
Yukon Territory	✓	5,000	Pairs	✓				

ITI CORPORATE BI-LAWS

CERTIFICATE OF CORPORATE SECRETARY
of
INTELLECTUAL TECHNOLOGY, INC.

The undersigned hereby certifies as follows:

1. I am Secretary of Intellectual Technology, Inc., a Delaware corporation, which is presently in good standing in Delaware, California, and all other states in which it is authorized to do, or is doing, business;

2. Drew Nicholson is the Chief Operating Officer of Intellectual Technology, Inc.;

3. At a duly noticed meeting of the Intellectual Technology, Inc. Board of Directors held on July 25, 2013, at which a quorum was present, the following resolution was adopted by unanimous vote of the Board;

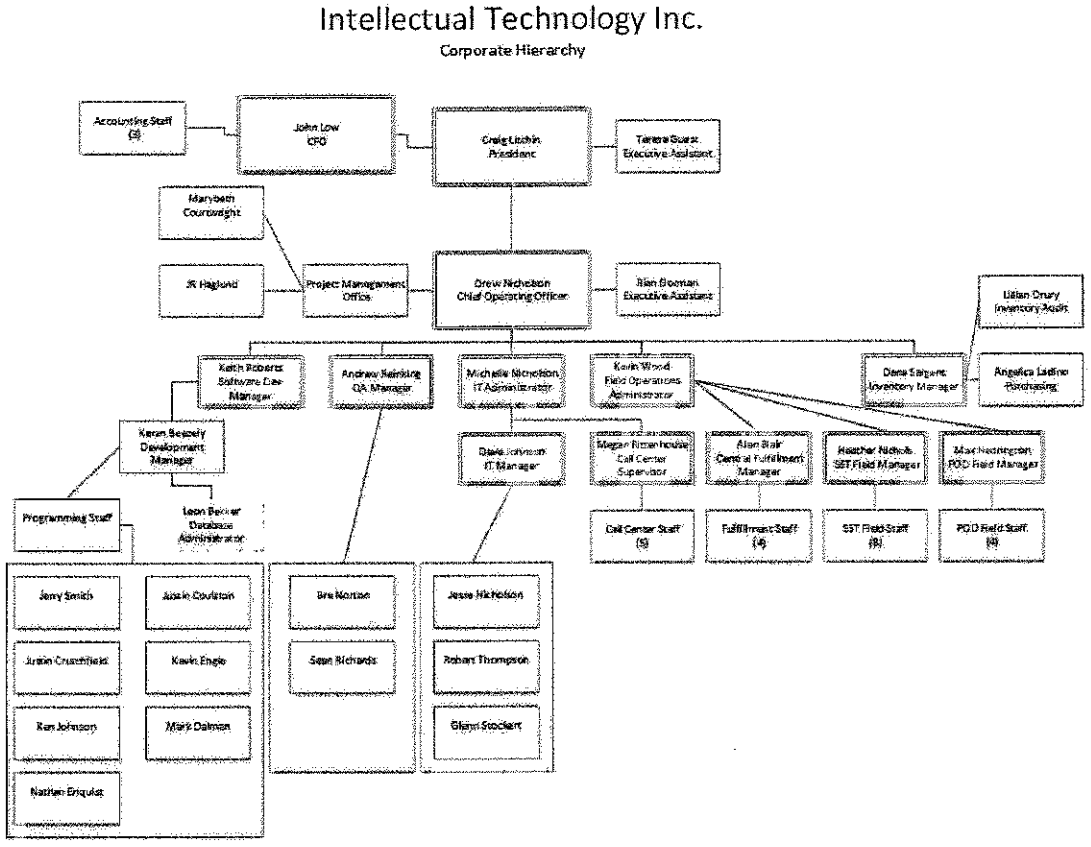
> "RESOLVED, that Drew Nicholson, Chief Operating Officer of this corporation, whose office address is 1901 Camino Vida Roble, Suite 204, Carlsbad, CA 92008 be, and hereby is, authorized on behalf of the corporation to negotiate, enter into, and execute for the corporation, with binding effect upon the corporation, such contracts and/or contractual instruments with officials of the various state motor vehicle and other agencies, on such terms and conditions as he, in his sole discretion, may deem necessary or appropriate."

4. The resolution set forth above remains in full force and effect as of the date of this Certificate.

Dated: January 14, 2015

By: _____
John W. Low, Secretary

ITI CORPORATE ORGANIZATIONAL CHART



ITI REGISTRATION TO DO BUSINESS

2015 Enter Filing Year

Secretary of State Office
500 E Capitol Ave
Pierre, SD 57501
(605)773-4845

ANNUAL REPORT

FOREIGN

Please Type or Print Clearly In Ink

FILING FEE: $50.00 Make check payable to SECRETARY OF STATE

FILE DATE 1/2/2015
RECEIPT NO 259374

1. Corporate Name and Address:
FB022185
INTELLECTUAL TECHNOLOGY, INC.
1900 CAMINO VIDA ROBLE #204
CARLSBAD, CA 92008-5546

2. The jurisdiction under whose law it is formed DELAWARE

3. The address of the principal executive office (business address).

1900 CAMINO VIDA ROBLE #204	CARLSBAD	CA	92008-5546
Street Address	City	State	ZIP+4
1900 CAMINO VIDA ROBLE #204	CARLSBAD	CA	92008-5546
Mailing Address	City	State	ZIP+4

4. The name of the South Dakota Registered Agent

Agent Name: PERSON ENTERPRISES, L.L.C.

326 N. MADISON	PIERRE	SD	57501
Street Address or Rural Route Box Number in This State and	City	State	ZIP+4
Mailing Address in This State, if Different from Street Address	City	State	ZIP+4

5. The names and business addresses of its principal officers and directors. Please place a check mark next to the name if the principal officer serves as a director.

X	CRAIG LITCHIN	1901 CAMINO VIDA ROBLE #204	CARLSBAD	CA	92008
	President	Street Address	City	State	ZIP+4
	Vice President	Street Address	City	State	ZIP+4
	JOHN W LOW	1900 CAMINO VIDA ROBLE #204	CARLSBAD	CA	92008
	Secretary	Street Address	City	State	ZIP+4
	Treasurer	Street Address	City	State	ZIP+4
X	WALTER FULLER	P.O. BOX 299	GARRETT	IN	46738
	Director	Street Address	City	State	ZIP+4
X	JAY FERGUSON	11726 SAN VICENTE BLVD., SUITE 300	LOS ANGELES	CA	90049
	Director	Street Address	City	State	ZIP+4
X	DAVID CASARES	11726 SAN VICENTE BLVD., SUITE 300	LOS ANGELES	CA	90049
	Director	Street Address	City	State	ZIP+4

No person may execute this report knowing it is false in any material aspect. Any violation is subject to a civil penalty.
By signing this form you agree to have both the fee and the form processed electronically.

Dated 01/02/2015

Signature Accepted Electronically
(Signature of an Authorized Person)
CRAIG LITCHIN
(Printed Name)

1/2/2015 2:22:22 PM

ITI INVOICE SAMPLE

Intellectual Technology, Inc.
1901 Camino Vida Roble, Ste 204
Carlsbad, CA 92008

Invoice

DATE	INVOICE #
1/9/2015	1636

BILL TO

ABC Company
Attn:
Address

RFP/Contract #	TERMS

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
258	transactions- December 2014	1.00	258.00
258	First class postage @ $.46	0.46	118.68
Mahalo for your business		**Total**	USD 376.68

LICENCE PLATE INTERNET SAMPLE

Intranet Home Page

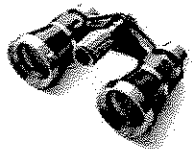
WELCOME

to the

INDIANA BUREAU OF MOTOR VEHICLES
ITI REPORT REPOSITORY APPLICATION

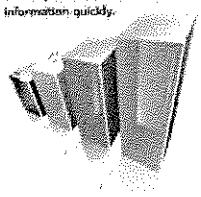
FIND TRANSACTIONS

Need to find a transaction fast? Search by location, name, and many more ways.



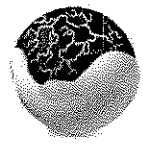
VIEW REPORTS

Need to find data that can be translated easily? This utility allows you to find and track information quickly.



ADMINISTRATION

Manage the infrastructure components of the BMV Vehicle Registration system here. Use the utilities here to change system parameters and configurations.



LOGIN TO GET STARTED TRACKING AND MANAGING YOUR NEEDS

View Reports Menu Selection

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LICENSE PLATE

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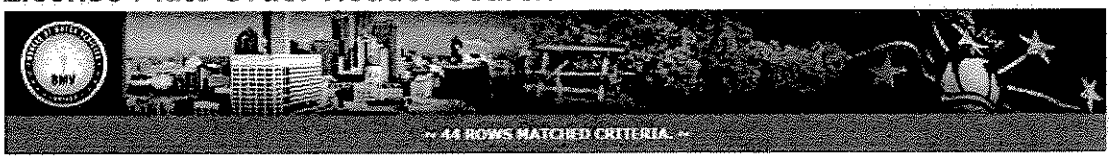
Order Detail Search
Order Header Issues
Order Detail Issues
Sticker Forecast
Jeopardy Summary
Jeopardy Detail
Stickers Printed
Plate Cycle Time
Express Fee Summary
Violations Report
Pulled Plates

LOGOFF

License Plate Order Header Search



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License Plate Order Header Search

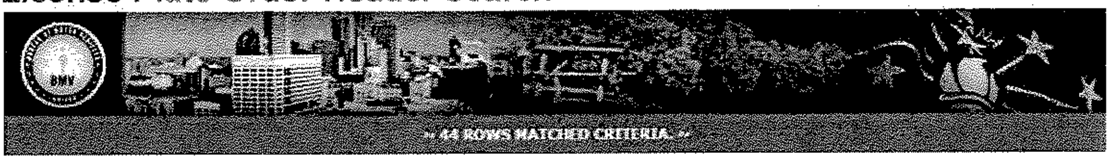
Dates Feb 14 2014 12:00A to Feb 21 2014 11:59P - Run on 2/21/2014 1:01 PM

Search By:
○Status ◉Dates ○OrderNo

Start Date: 2/14/2014 End Date: 2/21/2014 Show Report

Order No	Order Date	Order Count	Jeopardy Count	Expected Due Date	Current Issue	Status	Status Date	Violation Count	Details	Details
8739147	2/14/2014	4839	0	2/25/2014		QA Process Incomplete	2/20/2014 3:31:49 PM	0	Plate Statuses	Change Status
8739148	2/14/2014	3	0	2/25/2014		Mailing Complete	2/20/2014 8:49:30 AM	0	Plate Statuses	Change Status
8739149	2/14/2014	46	0	2/25/2014		Mailing Complete	2/20/2014 8:38:24 AM	0	Plate Statuses	Change Status
8739150	2/14/2014	13	0	2/25/2014		Mailing Complete	2/20/2014 9:21:53 AM	0	Plate Statuses	Change Status
8739151	2/14/2014	20	0	2/25/2014		Mailing Complete	2/20/2014 8:52:04 AM	0	Plate Statuses	Change Status
8739152	2/14/2014	19	0	2/25/2014		Mailing Complete	2/20/2014 8:50:41 AM	0	Plate Statuses	Change Status
8739153	2/14/2014	95	0	2/25/2014		Mailing Complete	2/20/2014 8:44:12 AM	0	Plate Statuses	Change Status
8744182	2/17/2014	5611	0	2/26/2014		QA Process Incomplete	2/21/2014 12:54:27 PM	0	Plate Statuses	Change Status
8744183	2/17/2014	10	0	2/26/2014		Mailing Complete	2/20/2014 8:49:06 AM	0	Plate Statuses	Change Status

License Plate Order Header Search



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Dates Feb 14 2014 12:00A to Feb 21 2014 11:59P - Run on 2/21/2014 1:01 PM

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8739149	2/14/2014	46	0	2/25/2014		Mailing Complete	2/20/2014 8:38:24 AM	0	Plate Statuses	Change Status
8739150	2/14/2014	13	0	2/25/2014		Mailing Complete	2/20/2014 9:21:53 AM	0	Plate Statuses	Change Status
8739151	2/14/2014	20	0	2/25/2014		Mailing Complete	2/20/2014 8:52:04 AM	0	Plate Statuses	Change Status
8739152	2/14/2014	19	0	2/25/2014		Mailing Complete	2/20/2014 8:50:41 AM	0	Plate Statuses	Change Status
8739153	2/14/2014	95	0	2/25/2014		Mailing Complete	2/20/2014 8:44:12 AM	0	Plate Statuses	Change Status
8744182	2/17/2014	5611	0	2/26/2014		QA Process Incomplete	2/21/2014 12:54:27 PM	0	Plate Statuses	Change Status
8744183	2/17/2014	10	0	2/26/2014		Mailing Complete	2/20/2014 8:49:06 AM	0	Plate Statuses	Change Status

License Plate Order Detail

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License Plate Order Detail Search
Order No. 8739147 Run on 2/21/2014 1:03 PM

Order No.	Order Date	Plate	Type	Exp Yr	Last4VIN	County	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Status	Status Date	[illegible]	[illegible]	[illegible]
8739147	2/14/2014	WB9UXX	AR	2014	5821	12 - CLINTON	0	AN0002	HB	43520110102	8068/2	N		QA Pass	2/20/14 8:21A	Select	Change Status	Full
8739147	2/14/2014	KC9C8LL	AR	2014	9765	38 - JAY	0	AN0002	JKW	44170150125	8068/1	N		QA Pass	2/20/14 8:21A	Select	Change Status	Full
8739147	2/14/2014	SLX38BAG	SE	2015	6841	45 - LAKE	0	AN0014-14	AL	44070300074	8068/18	N		QA Pass	2/20/14 8:22A	Select	Change Status	Full
8739147	2/14/2014	SC676AAE	SE	2015	3426	12 - CLINTON	0	AN0014-14	AP	43520300072	8068/79	N		QA Pass	2/20/14 8:24A	Select	Change Status	Full
8739147	2/14/2014	SE335AAM	SE	2015	1980	41 - JOHNSON	0	AN0014-14	AY	45820300150	8069/17	N		QA Pass	2/20/14 8:25A	Select	Change Status	Full
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License Plate Order Status Detail

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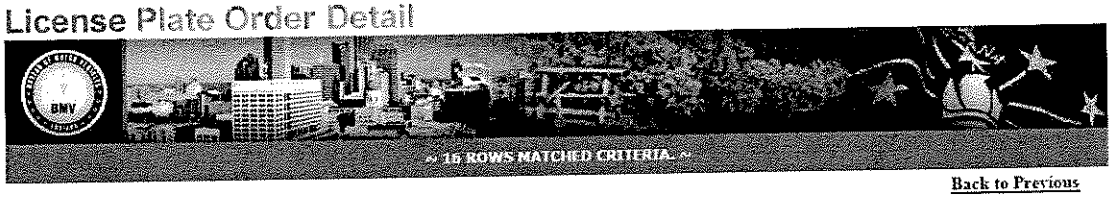
License Plate Order Status Detail
Run on 2/21/2014 1:03 PM

Plate	Status	Status Date
WB9UXX	Order Received	2/13/2014 11:21:31 PM
WB9UXX	Plate File Created	2/14/2014 2:10:10 AM
WB9UXX	Plates Shipped to MPS	2/14/2014 12:58:33 PM
WB9UXX	Reg Printing Complete	2/14/2014 1:54:03 PM
WB9UXX	QA Pass	2/20/2014 8:21:14 AM

License Plate Order Detail



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License Plate Order Detail

Run on 2/21/2014 1:05 PM

Order Number:	8739147
Plate Number:	WB9UXX
Combined Name:	CECIL B & BRENDA L KINGSOLVER
Street Address:	6879 E COUNTY ROAD 580 S
City ST Zip:	KIRKLIN IN 46050-9165
Pen Part Number:	AN0002
Expiration Date:	06/28/14
Delivery Status:	STANDARD FEE
Full Postal Rate:	N
Data Matrix:	MRGO172636227Z
County:	12 - CLINTON
OperatorID:	HB
TransactionID:	43520110102
Plate Type:	AR
Send to Branch:	No
Current Issue or Violation:	None

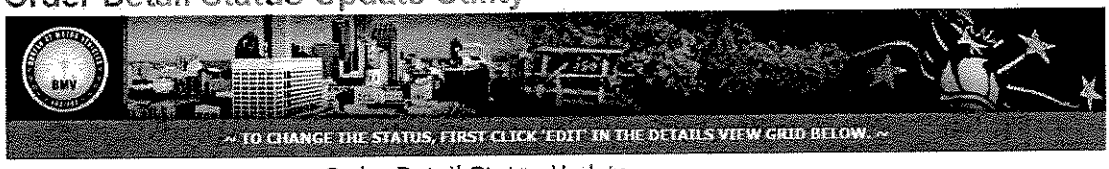
Pulled License Plate Update Utility

Pulled License Plate Update

Order Number:	8739147
Order Date:	2/14/2014 7:00:00 AM
Plate:	WB9UXX
Plate Type:	AR
Expires:	06/28/14
Last4 VIN:	5821
Pulled Date:	2/21/2014 1:06:22 PM
Pulled By:	admin
Reason:	

Save Cancel

Order Detail Status Update Utility



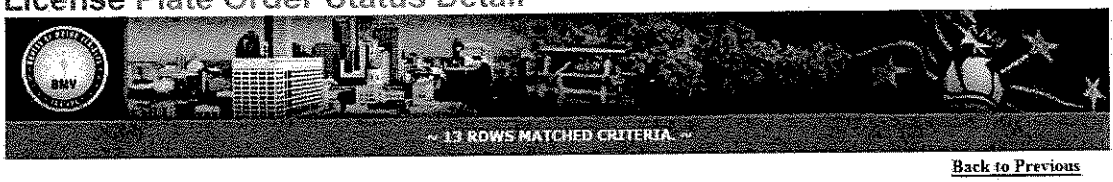
Order Detail Status Update

Return to Report

Order Number	8739147
Request Date	2/13/2014
Branch Number	BMV0888
Plate	WB9UXX
Plate Type	AR
Expires	14
Last 4 VIN	5821
Status	QA Pass
Status Date	2/20/2014 8:21:14 AM

Edit

License Plate Order Status Detail



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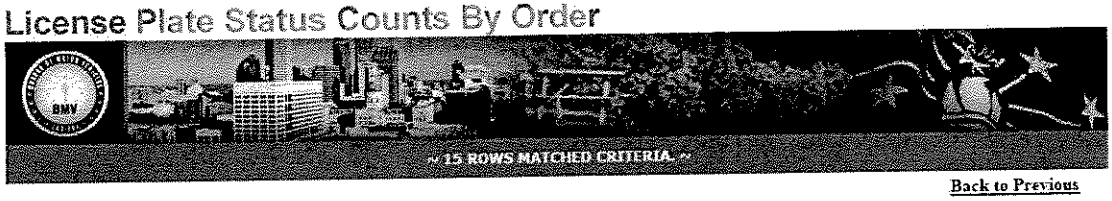
License Plate Order Status Detail

Run on 2/21/2014 1:08 PM

Order No.	Status	Status Date
8739147	Order Received	2/13/2014 11:21:31 PM
8739147	Plate File Created	2/14/2014 2:10:10 AM
8739147	Plates Shipped to MPS	2/14/2014 12:58:33 PM
8739147	Reg Printing Incomplete	2/14/2014 2:09:55 PM
8739147	Reg Printing Incomplete	2/14/2014 2:11:47 PM
8739147	Reg Printing Complete	2/14/2014 2:34:22 PM
8739147	Mailing Incomplete	2/20/2014 9:31:19 AM
8739147	QA Process Incomplete	2/20/2014 9:35:31 AM
8739147	Mailing Incomplete	2/20/2014 9:50:09 AM
8739147	QA Process Incomplete	2/20/2014 11:26:15 AM
8739147	QA Process Incomplete	2/20/2014 1:02:48 PM
8739147	Mailing Incomplete	2/20/2014 1:03:07 PM
8739147	QA Process Incomplete	2/20/2014 3:31:49 PM

License Plate Status Counts By Order



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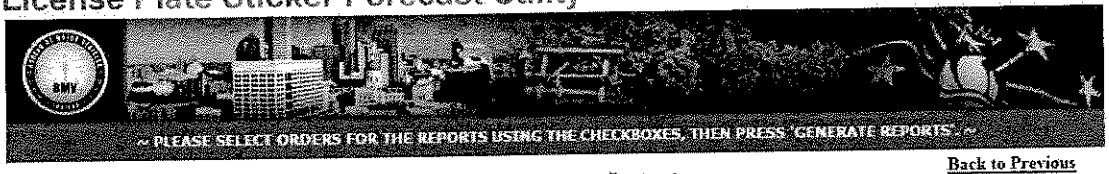
License Plate Status Counts By Order

OrderNo. 8739147 - Run on 2/21/2014 1:09 PM

Order Number:	8739147
Order Date:	02/14/2014
Plate Count:	4839
Order Status:	QA Process Incomplete
Report Date:	02/21/2014 1:09 PM
Plate Status	Count
---	---
Order Received	4839
Plate File Created	4839
Plates Shipped to MPS	4839
Reg Printing Complete	4839
QA Fail	13
QA Pass	4836
Mailing Complete	72

License Plate Sticker Forecast Utility



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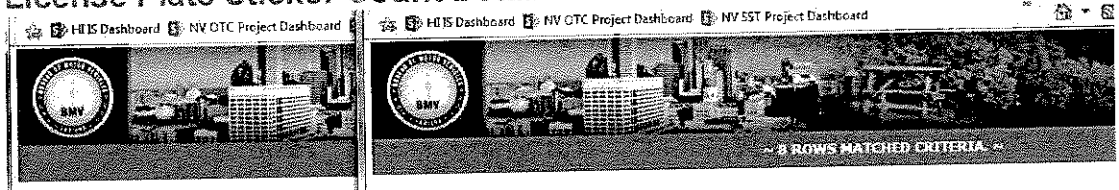
License Plate Sticker Forecast Reports

QA Complete	Order Number	Order Date	Order Count	Status
☐	8765648	2/21/2014 7:00:00 AM	29	Plate File Created
☐	8765647	2/21/2014 7:00:00 AM	29	Plate File Created
☐	8765646	2/21/2014 7:00:00 AM	15	Plate File Created
☐	8765645	2/21/2014 7:00:00 AM	23	Plate File Created
☐	8765644	2/21/2014 7:00:00 AM	1	Plate File Created
☐	8765643	2/21/2014 7:00:00 AM	1	Plate File Created
☐	8765642	2/21/2014 7:00:00 AM	1	Plate File Created
☐	8765641	2/21/2014 7:00:00 AM	4853	Plate File Created

Generate Reports

License Plate Sticker Count Detail



License

MonthDay Stickers for Ord

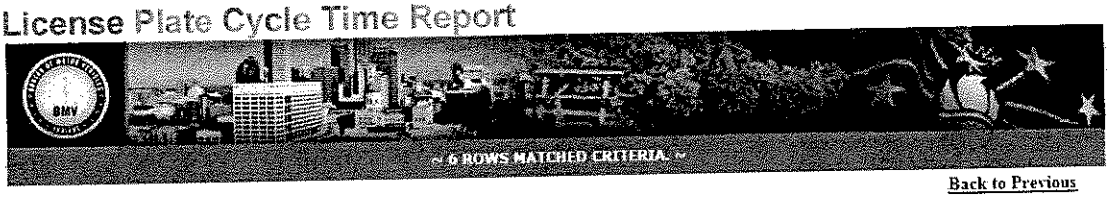
Sticker Date	Sticker Count
01/31/15	15
02/28/15	37
03/21/15	1
05/07/15	1
06/21/14	1
07/07/14	1
11/21/14	1
12/14/14	1
* GRAND TOTAL:	58

License Plate Sticker Count Detail

County Stickers for Order(s) 8765648, 8765647 - Run on 2/21/2014 1:11 PM

Sticker County	Sticker Count
71 - SAINT JOSEPH	3
45 - LAKE	2
18 - DELAWARE	1
20 - ELKHART	1
23 - FOUNTAIN	1
29 - HAMILTON	1
90 - WELLS	1
* GRAND TOTAL:	10

License Plate Cycle Time Report



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License Plate Plate Cycle Time Report

Dates Feb 1 2014 12:00A to Feb 21 2014 11:59P - Run on 2/21/2014 1:13 PM

Start Date: 2/1/2014

End Date: 2/21/2014

Show Report

Task	Average Day	Cumulative Day
Stars to VIMS	3.91	3.91
LP Production	12.60	16.51
Reg Production	13.74	30.25
QA Process	73.56	103.81
Mailing Process	45.43	149.25
Anomalies	1.09	150.33

Average start to finish cycle time is 6.26 business days.

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Billing Report
Cycle Time Performance
Missing PenPartNumbers

LOGOFF

License Plate Dashboard

License Plate Dashboard

Plates Completed Feb 1 2014 to Feb 21 2014

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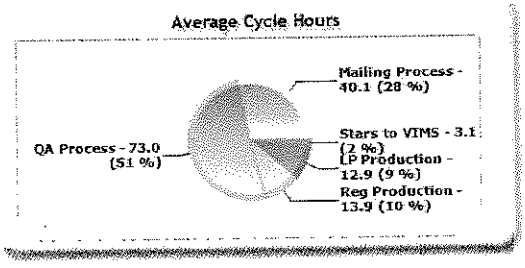
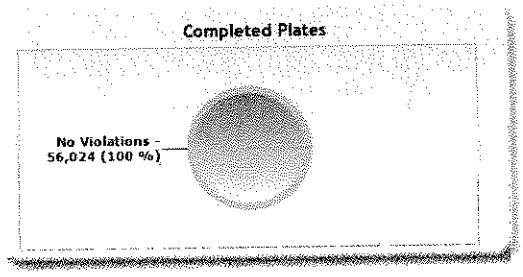
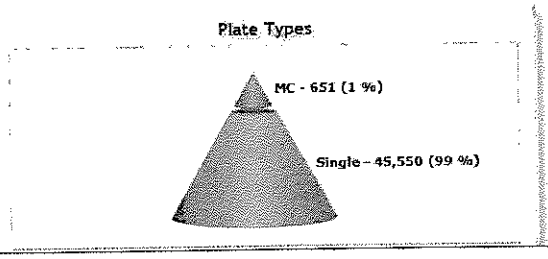
Start Date: 2/1/2014 End Date: 2/21/2014 Show Graphs



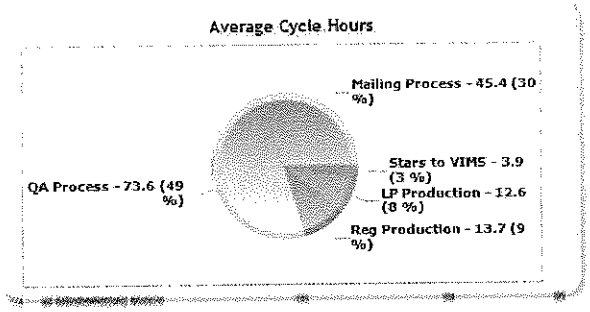


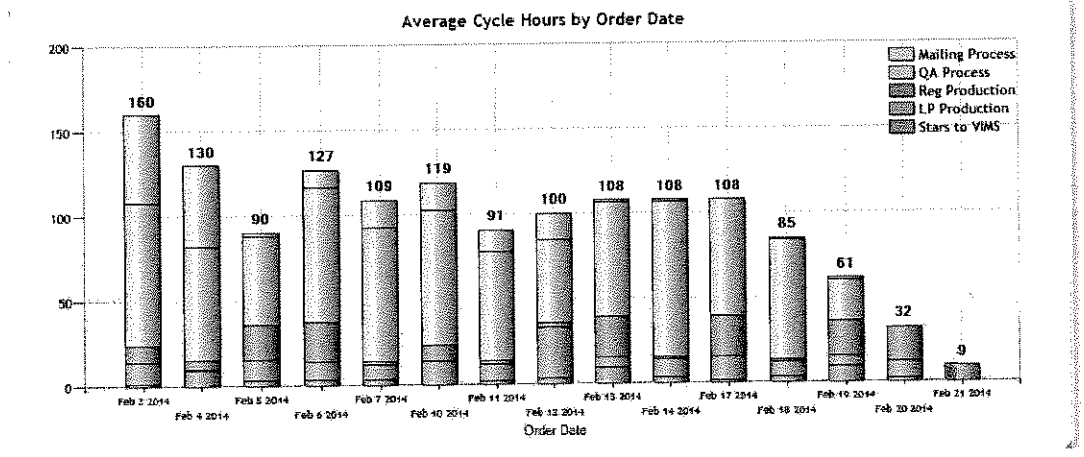
Number of plates completed: 56,024 Average cycle time to complete: 6.04 business days



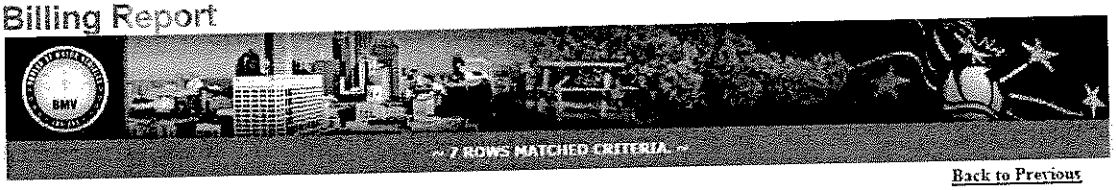
Cycle Time Performance Dashboard

Start Date: 2/1/2014 End Date: 2/21/2014 Show Graphs





Billing Report



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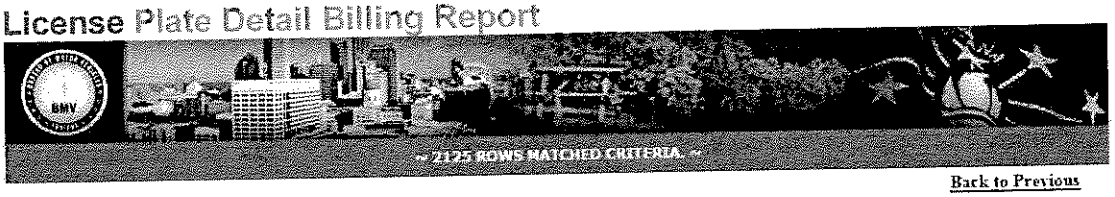
License Plate Billing Summary Report

Dates Jan 1 2014 12:00A to Jan 31 2014 11:59P - 3M-BMV - Run on 2/21/2014 1:57 PM

Billing: 3M-BMV | Start Date: 1/1/2014 | End Date: 1/31/2014 | Show Report

Billing	Single FP	Single Auto	Single Tot	Multi FP	Multi Auto	Multi Tot	MC FP	MC Auto	MC Tot	Unk FP	Unk Auto	Unk Tot	Tot FP	Tot Auto	Grand Tot	Details
3M-BMV Std Non-Violations	666	78,034	78,700	64	7,204	7,268	582	0	582	0	0	0	1,312	85,238	86,550	Select
3M-BMV Std Violations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3M-BMV Dealer Transp Non-Viols	0	148	148	0	0	0	0	0	0	0	0	0	0	148	148	Select
3M-BMV Dealer Transp Viols	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3M-BMV Send to Branch Non-Viol	0	3,814	3,814	0	14	14	0	2	2	0	0	0	0	3,830	3,830	Select
3M-BMV Send to Branch Viols	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
*3M-BMV Grand Total	666	81,996	82,662	64	7,218	7,282	582	2	584	0	0	0	1,312	89,216	90,528	

License Plate Detail Billing Report



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License Plate Billing PenPartNumber Report

Dates Jan 1 2014 12:00A to Jan 31 2014 11:59P - Run on 2/21/2014 1:57 PM

Billing	PenPartNumber	OrderNumber	Count
3M-BMV Std Non-Violations	AN0002	8587863	3
3M-BMV Std Non-Violations	AN0002	8593627	2
3M-BMV Std Non-Violations	AN0002	8597225	1
3M-BMV Std Non-Violations	AN0002	8611580	11
3M-BMV Std Non-Violations	AN0002	8636227	1
3M-BMV Std Non-Violations	AN0002	8640326	1
3M-BMV Std Non-Violations	AN0002	8642944	3
3M-BMV Std Non-Violations	AN0002	8665866	2
3M-BMV Std Non-Violations	AN0002	8674559	1
3M-BMV Std Non-Violations	AN0008-13	8597556	1
3M-BMV Std Non-Violations	AN0008-13	8632893	3
3M-BMV Std Non-Violations	AN0008-13	8659254	1
3M-BMV Std Non-Violations	AN0010-13	8597556	2
3M-BMV Std Non-Violations	AN0010-13	8644095	1
3M-BMV Std Non-Violations	AN0014-13	8587863	3
3M-BMV Std Non-Violations	AN0014-13	8593627	2
3M-BMV Std Non-Violations	AN0014-13	8597556	1
3M-BMV Std Non-Violations	AN0014-13	8598937	3
3M-BMV Std Non-Violations	AN0014-13	8603586	1

PERSONNEL RESUMES

Drew Nicholson

Program Manager

Contact

Telephone – 260.459.8800

Email – dnicholson@iti4dmv.com

Overview

Drew currently leads a team of application and network developers whose primary focus is on state government licensing initiatives. He and his team have successfully designed, developed, and deployed fifteen state government licensing projects with annual transaction volumes from two million to twelve million. Drew and his team have consistently and accurately met or exceeded project timelines on all initiatives.

Relevant Experience

Intellectual Technology, Inc.
Chief Operating Officer, Fort Wayne, IN (2000 – Present)

Lightspeed NetSolutions, Inc.
President, Sarasota, FL (1995 – 2009)

Drew manages the solution design, application development, network development, and maintenance of state government licensing initiatives for Intellectual Technology, Inc. Drew works closely with various state government agencies to facilitate design, development, support, and maintenance of awarded projects. The scope of services provided include; technology consulting, network design, application design, database design, requirements, management, support design, and workflow efficiency. Drew manages all technology components of each contract and maintains relationships with the customer ensuring high levels of satisfaction throughout the life cycle of the contracts.

Drew personally designs the project solutions for each contract awarded. Drew designs the network infrastructures, security protocols, application design, database design, and workflow efficiency.

Drew also has worked with numerous private companies developing applications and networks. Projects have included large scale WAN design and deployment, high volume E-commerce sites, customized software solutions, and numerous system integration projects.

Education

University of Central Florida, degree in Astrophysics.

Paul Fussner

Assistant Program Manager

Contact

Telephone – 440.358.9488

Email – Fussner@WIHGroup.com

Overview:

Paul serves as the Vice President for the Irwin Hodson Group of companies (Irwin Hodson). Paul also serves as the Vice President for Irwin Hodson's sister company, Waldale Manufacturing, Ltd. (Waldale).

Paul is directly involved with the overall management and strategic direction for both Irwin Hodson and Waldale Manufacturing, with combined manufacturing locations in Portland, OR, Columbia, SC, Amherst, Nova Scotia, Quebec City, Quebec, and Regina, Saskatchewan. Paul is also responsible for the management of the business development and customer service activities for both companies.

Relevant Experience:

Paul has worked in the Reflective sheeting and License Plate manufacturing/fulfillment businesses for his entire 39 year career. Areas of significant pertinence to the South Dakota RFP include Reflective sheeting manufacturing management, Field Technical Services management, development of industry-first Digital License Plate thermal transfer printing system, License Plate manufacturing management and process control, and Registration/Fulfillment services for license plates and registration documents.

Work History:

Vice President: 2009-present
Irwin Hodson Group and Waldale Manufacturing, Ltd.

Marketing Director (1994-2009)
Irwin Hodson Group

Education:

Bachelor of Science Degree, Marketing, Lake Erie College

Von Swalley

Account Manager

Contact

Telephone – 317.408.8064

Email – vswalley@iti4dmv.com

Overview

Von Swalley currently leads the Sales and Marketing efforts for ITI. As part of the ITI Management Team, Von is responsible for managing the sales efforts and developing marketing strategy and related messaging. Von works closely with Drew Nicholson on identifying and developing new solutions and potential markets for ITI.

Relevant Experience

Intellectual Technology, Inc. (2013 – Present)
Director of Sales, Fort Wayne, IN

Standard Register (1986 - 2013)
Government Market Manager, Government and Channels Sales, (2012 – 2013)

Senior Corporate Marketing Manager, Government Market. Dayton, OH (2010-2012).

Corporate Account Director, Indiana Region. Indianapolis, IN (2004-2010)

Systems Sales Specialist, Indiana Region. Indianapolis, In (1986-2004)

Von has worked in variety of technical, sales and marketing jobs. While at Standard Register, Von started as a Field Service Technician and then migrated to a Sales role specializing in selling Systems. The Systems sold were used for Financial Services, Warehouse Management Systems, Remittance Processing and Cash Settlement Systems, E-Commerce Services, Fulfillment Services and Electronic Documents and Workflow applications.

Von has developed several innovative Solutions that ended up being marketed as National Programs while at Standard Register; including a Gift Certification Program; a Birth Certificate Program; an Electronic Bill of Lading Program; and a Motor Vehicle Registration Program. At Standard Register, Von came up with several innovative products that ended up being patented by Standard Register, 2 of which are used for Motor Vehicle Registration forms that have affixed labels.

During his last 5 years at Standard Register, Von was part of a Corporate Strategy team and had responsibility for managing Government Market sales and Channel Partner programs. The Government Market included State and Federal Agencies.

Education

Indiana University-Bloomington, B.S. Degree School of Business

Marybeth Courtwright

Project Manager

Contact

Telephone – 440.352.3004

Email – mcourtwright@iti4dmv.com

Overview

Marybeth currently provides project management oversight for several existing ITI state government contracts including those with Ohio, Indiana, Arkansas, Mississippi, Missouri, Louisiana, and New York. She has participated in the successful development, implementation, and management of seven (7) vehicle renewal system projects comprised of branch, kiosk, and mailroom installations.

Marybeth also acts as the key-account project manager for ITI partners in jurisdictions where ITI is not the lead contractor.

Relevant Experience

Intellectual Technologies, Inc.
Project Manager (2006 – Present)

Marybeth's current role with ITI consists of managing existing State government contracts as well as assisting with design, development, and implementation of new opportunities. She continues to be involved with the entire contract process, from RFP receipt, to response development, and through to complete implementation and ongoing management of awarded contracts. In June, 2012 Marybeth received the Project Management Professional (PMP) certification.

Avery Dennison
Product Manager (1981 – 2005)

Marybeth's previous project and product management roles with Avery Dennison put her in the unique position of having been involved with government contracts as well as private industry. This previous industry experience has provided her with the opportunity to become intimately familiar with the products used by the industry.

Her key responsibilities at Avery Dennison included management of product lines with annual sales in excess of $75 million. Other key duties included product development, product line extensions, and product redesign projects.

Education

B.S. - Business Administration - Lake Erie College

Glenn Stockert

IT Manager

Contact

Telephone – 260.459.8800

Email – gstockert@iti4dmv.com

Overview

Glenn currently leads a team of network and application engineers whose primary focus is on state government licensing initiatives.

Relevant Experience

Intellectual Technology, Inc.
Information Technology Manager, Ft Wayne, IN (2013 – Present)
Glenn manages network development, application development, and maintenance of state government licensing initiatives for Intellectual Technology, Inc. Glenn works closely with State Network Engineers to facilitate design, development, deployment, support and maintenance of awarded projects. The scope of services provided includes network design as well as support and maintenance of deployed systems.

Annie's publishing (2010-2013)

Information Technology Manager

3 Rivers Federal Credit Union (1999 - 2010)

Information Technology Manager

Education

B.S Management Information Systems, Indiana Wesleyan University

EET Ivy Tech Community College of Indiana

David Orzel

Manufacturing and Support Manager

Contact

Telephone – 607.625.5271

Email – DOrzel@WIHGroup.com

Overview

Dave serves as the Technical Services and Project Manager for the Irwin Hodson Group of companies (Irwin Hodson). Mr. Orzel also serves in the same capacity for Irwin Hodson's sister company, Waldale Manufacturing, Ltd. (Waldale).

Dave is directly involved with the installation, training, and service of license plate equipment sold by Irwin Hodson. Also, in addition to his project management responsibilities for both Irwin Hodson and Waldale, Mr. Orzel also manages the Irwin Hodson and manufacturing facilities plant managers in Portland, OR and Columbia, SC.

Relevant Experience

Dave possesses over thirty years' experience in the specialty coatings/retroreflective and digital printing fields, including the last 20 years with the Irwin Hodson Group.

Dave's twenty years of experience in the license plate manufacturing industry included the project management for the development of the industry's first thermal transfer license plate digital printer. Dave has worked closely with ITI on projects in Hawaii and Alaska for 10 years and has provided extensive consulting to ITI on license plate projects. Mr. Orzel will be responsible for setting up the manufacturing environment, establishing metrics, and providing support to PEN when needed. Dave is proficient with DLP printers as IHG currently owns them and uses DLP for other contracts. Dave will ensure the implementation and installation of all license plate manufacturing components necessary for this project, and will maintain the support role for the PEN manufacturing component throughout the contract.

Work History

Irwin Hodson Group
Project Manager (1994 – Present)

Education

Broome Community College, Degree in Business Administration
Broome Community College, Degree in Engineering Technology w/ Electrical Emphasis.

Kevin Wood

Logistics Manager

Contact

Telephone – 260.459.8800

Email – kwood@iti4dmv.com

Overview

Kevin currently oversees the management of all field service operations including but not limited to; daily services, preventative maintenance and the deployment self-service terminals and over-the-counter equipment. He also oversees our team of warehouse and fulfillment personnel whose primary focus is on the production and distribution of supplies to support current state DMV projects. This includes, but is not limited to; mailroom operations, logistics, facility management, distributions, customer care support, quality inspections and inventory controls. He and his team have successfully inspected, packaged, and distributed to state government licensing projects with transaction volumes from two million to eight million individually. Kevin and his team have consistently and accurately met order and fulfillment requirements.

Relevant Experience

Kevin manages a team that is responsible for the preparation, shipping, and delivery of all equipment and supplies to all project locations. Kevin ensures the fulfillment of registration forms and stickers as well other indicia to 16 ITI projects across 12 States. The depth of his fulfillment responsibilities includes distributions to over 2000 DMV field offices nationwide.

Kevin oversees the management of the Central Fulfillment team where all in-house registrations are printed and mailed daily.

Kevin oversees the management of all field service operations.

Intellectual Technology, Inc.
Field Service Administrator, Fort Wayne, In. (2012 – Present)

Intellectual Technology, Inc.
Director of Warehouse Operations, Fort Wayne, In. (2008 – 2012)

Summit Brands, Inc. (Iron Out, Inc.)
Warehouse Manager, Fort Wayne, In. (1998 – 2005)

Military

USN, Petty Officer 2nd Class
1978 – 1984
Motor Boat Captain
Honorable Discharge

Education
University of Chapman College, San Diego

IUPU Fort Wayne

Shannon Goldner

Creative Director

Contact

Telephone – 260.459.8800

Email – sgoldner@iti4dmv.com

Overview

Shannon is a multi-disciplined design professional and frontend developer, specializing in user experience (UX) and interactive design.

Relevant Experience

Intellectual Technologies, Inc.
Creative Director
As the Creative Director of ITI, Shannon currently provides visual strategy and graphics support for all existing ITI state government contracts. She is the visual design expert overseeing creative direction for both client and in-house graphics media needs, managing various marketing materials across web/interactive, print, and social media platforms. Working closely with Project Managers and Developers, Shannon provides UX design and support for user-friendly interactive solutions for web, touch-screen kiosks, mobile devices, and other applications.

Exelis Inc. (2008 – 2013)
Multimedia Developer
In her role as Multimedia Developer, Shannon's primary responsibilities included visual direction/strategy, concept development, generation, and execution of interactive materials for internal and external creative media needs within various segment levels of the business, other divisions, and customers around the globe. As both a designer and developer, she supported Internet and Intranet websites; interactive training guides and presentations; and mobile applications.

Bays Design (2006 – 2008)
Web Design/Developer
In her role as Web Designer/Developer, Shannon provided first-level support for design, development, and maintenance of various client websites and interactive materials, as well as support for promotional print materials.

Education

BFA – Double Concentration: Graphic Design; Computer Art & Design

Indiana University

QUALITY CONTROL PLAN

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Review Procedures 8
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Overview

The quality assurance team shall consist of a program manager, project manager, quality assurance manager, and operational personnel that perform a variety of activities supporting the operation and maintenance of the Department system. In order to provide the highest quality products and services, each support team member must adhere to documented processes, procedures and standards. The Team's independent Quality Assurance Team's QA process will be used to monitor and evaluate the adherence to processes, procedures, and standards to determine potential product and service quality issues as defined in the test plans. It involves reviewing and auditing the products and activities to verify that they comply with the test plan procedures and standards, and assuring the appropriate visibility for results of the reviews and audits.

The QA Team's QA activities will be an integral part of all Team system activities. This QA plan provides activities appropriate to the following Team services and activities:

1. Project Planning and Management
2. Network Administration and Operations
3. Problem Tracking and Reporting
4. Hardware/Software Configuration Management
5. User Training
6. Technical Development
7. Risk Management.

Purpose

This QA plan will provide assurance to all members of the team that the project is being managed, developed, and deployed in a sound and reasonable manner. In addition, steps will be taken to ensure the approach utilized is consistent with industry standards and Department regulations. The plan will include the procedural process and methodology for measuring quality, executing change control, issue resolution, and performance reporting. This provides a planned systematic method to provide confidence that the Team's products and services are developed and delivered according to established processes and is of the highest quality. It defines the policy for QA activities, the organizational structure of the QA group, responsibilities of the QA group, responsibilities of affected groups, and identifies necessary reviews and audits. The Quality Assurance Manager will report directly to Department and coordinate all efforts with the Team Project Manager. QA will be conducted using independent quality reviews. This function reports directly to the Department Program Manager independently of the contractor Project Manager.

This Team Quality Assurance Plan (QAP) describes the standards, processes and procedures used to support the consistent delivery of high-quality, professional products and services provided in the support of an automated environment. The quality assurance process is concerned with establishing the authority of the QA function, quality assurance standards, procedures, policies, monitoring, and evaluation processes to determine quality in relation to established standards. QA provides standards against which the quality of the product/service being provided and the progress toward completion of the finished product such as registration cards and stickers can be measured. Quality assurance activities will concentrate on the prevention of problems through the continuous improvement of processes.

QA Team Members

Program Manager	Dave Orzell	dorzell@wihgroup.com
Program Manager	Drew Nicholson	dnicholson@iti4dmv.com
Project Manager	Marybeth Courtwright	mcourtwright@iti4dmv.com
Quality Assurance Manager	Andrew Reinking	areinking@iti4dmv.com
Testing Operator	Sean Richards	srichards@iti4dmv.com
Testing Operator	Bre Norton	bnorton@iti4dmv.com

Policy Statement

All Team system activity is required to include QA activities as an integral part of processes used for the development and delivery of products/services. This policy supports:

- Rational Quality Assurance goals will be specified and coordinated with Department . They will be fully accepted and supported by all personnel supporting the system.
- A continual improvement effort will be implemented in support of Quality Assurance for the system.
- All quality control and quality measurement activities will be coordinated with Department and documented.
- A QA Manager will be appointed to supervise and lead the QA Team and will be designated to be responsible for all Quality Assurance activities.
- Senior Management of Department and the Team, supported by technical personnel will review Quality Assurance activities.
- The Team Quality Assurance Plan will be base lined and placed under Configuration Management control.
- Quality Assurance will work to foster constructive communication, provide feedback to detect and prevent development problems, control risks, discuss alternative solutions, and ensure quality is built-in to all products and services provided to the Department and will continue through the life of the contract.

Scope

The scope of this plan covers the Team activity for planning, designing, development, implementation, and operation of the system. This model discusses the following QA topics:

- Organizational structure
- Documentation required
- Procedures to be enforced
- Audits and reviews to be conducted
- Process improvement
- Problem reporting and resolution
- Quality Assurance metrics

The Team activities that will be reviewed by QA activities are:

- Team Project Planning
- Network Operations
- Problem Tracking and Reporting
- Hardware/Software Configuration Management
- User Training
- Backup and Disaster Recovery
- Help Desk
- Verify the quality and accuracy of printed plates
- Verify the quality and accuracy of printed plate from the batch processes.

Management

Organizational Structure

The QA function will be a separate entity and will maintain independence from the Team contract management by possessing a direct reporting function to the technical and senior management of the Department. This structure will protect the QA team's independence and objectivity concerning the assurance of high-quality, professional products and services. This team is responsible for the development of a Team QAP that will be used to identify the roles and responsibilities of the QA team.

Roles and Responsibilities

The role of the QA team is to assist the technical and service staffs to continually improve the quality of their work products and services. The QA team is responsible at a minimum for establishing processes and procedures that accurately verify and validate the adherence of Project Management, system design and development, implementation, operational support, system security, disaster recovery, and transition activities to applicable standards, guidelines, and procedures.

The QA team will be involved at the start of the project. To establish their function within the project, they will participate in the development of the Project Management Plan (PMP), the Transition Plan, provide input into the project's schedule and work breakdown structure (WBS), ensure that QA activities are identified, and that time is allotted for QA activities.

The organizational responsibilities as they relate to QA are:

- Department and Team Senior Project Management
- Provide management support, supervision, and oversight for the QA function
- Ensures the independence of the QA function
- Makes available staff and other resources as needed to support QA
- Ensures resolution of problem and concern issues
- Reviews QA audits and reports

- The Team Program Managers
- Manages overall Team performance.
- Ensures QA activities are conducted.
- Ensures compliance with the QA program.
- Ensures responses to deficiency reports from QA reviews and audits.

Quality Assurance Team

- Develops and maintains the Quality Assurance Plan.
- Conducts audits and reviews.
- Ensures work products adhere to the appropriate standard.
- Develops audit and review procedures for Team activities.
- Ensures the QA processes and procedures adequately control project quality.
- Ensures the QA activities accurately measure the product, service and process quality.
- Reviews and approves specified deliverables for release to customer.
- Promptly reports results of audits to the QA Manager.

- Periodically reports unresolved, noncompliant items to technical personnel and senior management.
- Maintains an on-going dialogue with Department technical staff and Team support staff.
- Ensures that the expectations of QA activities are identified and understood between the technical staff, QA Manager, and the team members.
- Collects and analyzes metrics produced from the results of the QA process.
- Recommends changes in procedures to improve processes.

The Team Technical Staff

- Implements task-level quality control based on QA standards, policies, and procedures.
- Participates in reviews and audits.
- Performs corrective actions or process improvements in response to QA findings.
- Manages and controls defects/errors and corrections.
- Tracks the status of defects/errors until closed.

The effectiveness of the QA team's effort depends on the support and commitment of the technical staff and all levels of management. All affected groups will be trained in the principles of quality assurance and be committed to the proper inclusion and performance of QA activities within their work efforts.

Required Documentation

All required documents for the Team-developed project will follow the appropriate standards concerning content and format. When industry standards are not available, the QA team, along with input from the project team, will develop the standards or adapt documents developed by other groups to use as standards within the project. Standards will be identified and followed for all required project documentation.

The Team activities are to be implemented according to customer requirements. The required documentation is necessary to ensure Team activities are planned, monitored and controlled and will be used to verify the adequacy of the actual processes and procedures used to develop and/or deliver products/services. Required documentation will include at a minimum:

- System Test Plan
- System Architecture
- Backup and Disaster Recovery Plan
- Network Operations Manual
- System Security Procedures

- Help Desk Support
- Project Management Plan
- Training Plan

Other documentation may need to be identified for specific tasks.

Quality Assurance Procedures

Different methods and techniques will be utilized depending on the specific quality assurance activity. The techniques, tools, and procedures that will be used are as follows:

- Walkthroughs - Formal or informal, structured walkthroughs are used for orientation, examining promising ideas, identifying defects or errors, and improving products at any stage in the process.
- Reviews - An independent evaluation of an activity or process to assess compliance with the project plan; or to examine products or processes against quality factors through the use of checklists, interviews, and meetings.
- Audits - An independent examination of a work product or process to determine compliance with specifications, standards, contractual agreements, or other pre-established criteria.
- Evaluations - An evaluation activity that examines products/services to determine compliance to customer requirements.
- Process Improvement - A process improvement program designed to reduce the error rate in a process.

Team Quality Assurance will provide an independent review of the processes used at key check points. These reviews will seek to identify risks early, and will simplify monitoring and managing problem areas throughout the project. Due to the dynamic nature of Team activities and the need to provide quick-response requests, the QA team and the Department Project Manager will identify the sign-off points at key check points of an activity to ensure that expressed goals and requirements are met.

Walkthrough Procedure

Walkthroughs are beneficial for evaluating plans, documentation and other deliverables and serve to orient staff members to new technology products and services. Walkthroughs will be conducted internally and on an as-needed basis. They will be used to:

Present plans, documentation, or other deliverables for review and approval.

Review material in the preparation stages.

Critique and report quality deficiencies of plans, processes, and procedures.

Walkthroughs will be scheduled early enough to allow for revisions if problems are identified. Records of these walkthroughs will be maintained, along with issues that were identified and resulting action to be taken. Issues can be accepted "as is" or may require more work. If further discussion on the issue is required, additional walkthroughs can be scheduled.

Review Process

Reviews are important to assess compliance with a project plan. Specifically, the review process examines products/services from the context of quality factors. Quality factors are categories of product/service attributes. Examples of quality factors include:

Correctness - The extent to which a product/service satisfies the customer requirements and the stated objectives.

Timeliness - The product/service is provided when needed to the customer.

Reliability - The extent to which a product functions accurately or service is provided on a consistent basis.

Productivity - The amount of resources to correctly produce the product or deliver the service, including the relationship between the amounts of time needed to accomplish work and the effort expended.

Review Procedures

The QA team will plan and conduct a review according to accepted practices and standards. A typical review procedure includes:

- Identify reviews in the WBS and project schedule.
- Verify correct review procedures are in place.
- Document review results against quality factors.
- Verify product/service traceability, if applicable
- Verify product/service against contractual requirements
- Verify product/service against standards and procedures
- Validate corrections by scheduling follow-up actions and reviews.
- Verify that defects or errors are tracked to closure.
- Document review results against product validation information.
- Summarize review findings for management, technical, or project oversight groups.
- Enhance review procedures.

Audit Process

The QA team will be responsible for conducting product/service and process audits. The purpose of audits is to identify deviations in process performance, identify noncompliance items that cannot be resolved at the technical support or project management level, to validate process improvement/corrective action achievements, and to provide relevant reports to all management levels.

Product audits will be independent examinations of work product(s) to assess compliance with specifications, standards, customer requirements, or other criteria. Product audits will be used to verify that the product was evaluated before it was delivered to the customer, that it was evaluated against applicable standards, procedures, or other requirements. Any deviations are identified, documented, and tracked to closure and to verify corrections.

A process audit is a systematic and independent examination used to determine whether quality activities and related results comply with planned arrangements. It will also determine whether these arrangements are implemented effectively and are suitable to achieve The Team's objectives.

The QA team will perform the following activities when conducting an audit.

- Define the scope and purpose of the audit.
- Prepare audit procedures and checklists for the audit.
- Examine evidence of implementation and controls.
- Interview personnel to learn the status and functions of the processes and the status of the products.
- Discuss findings with the technical staff and QA Manager.
- Prepare and submit an audit report to Department and Team management.
- Refer unresolved deviations to Department and Team management for resolution.
- Audit Procedures

A typical audit would include the following steps:

- Clearly understand and adhere to the audit scope
- Conduct preparation meetings in advance of the audit.
- Define areas to be reviewed.
- Define review criteria.
- Conduct an overview meeting in advance of the audit
- Understanding of the Team organization, products, and processes.
- Conduct the planned meetings, interviews, samples, etc.
- Review the preliminary findings internally with the audit team.
- Verify and classify findings from the audit.

- Validate audit findings with the audit recipient.
- Prepare the audit report for the audit client.
- Provide recommendations on request only.
- Follow-up on corrective action/process improvement.
- Improve the audit process.

An audit is considered complete when:

- Each element within the scope of the audit has been examined.
- Findings have been presented to the audited organization.
- Response to draft findings have been received and evaluated.
- Final findings have been formally presented to the audited organization and initiating entity.
- The audit report has been prepared and submitted to recipients designated in the audit plan.
- Document audit findings and recommendations and report to Project Manager.
- The recommendation report, if required by the plan, has been prepared and submitted to recipients designated in the audit plan.
- All of the auditing organization's follow-up actions included in the scope of the audit have been performed.

Evaluation Process

Evaluations examine the activities used to develop/deliver products and services, ultimately determining if the activity is fulfilling requirements. The QA function establishes criteria for an evaluation, verifies the process has been performed, and collects the metrics to describe the actual results of those activities.

Process Improvement

The QA team will be actively involved in process improvement. Process improvements will be considered successful when an effective process emerges or evolves that can be characterized as: practiced, documented, enforced, trained, measured, and improvable.

A corrective action plan must be developed when a deficiency in the process is detected. Corrective action should prevent the problem from recurring.

Successive steps for implementing a process improvement approach are:

- Detection of quality-related problems
- Identification of responsibility
- Evaluation of importance
- Investigation of possible causes

- Analysis of problem
- Preventive action
- Process controls
- Disposition of nonconforming items
- Permanent changes

The QA team will analyze the results of their findings in relation to the results of documented processes used to produce products or services. This comparison will be used to determine which process may need improvement and to determine the effectiveness of changes to the processes. This comparison will also be used to identify best practices that should be continued or implemented for other functions.

Problem Reporting Procedures

Errors, defects, issues, deviations and noncompliance items identified in Team system activities will be itemized, documented, tracked to closure, and reported by the QA team. The QA team must verify all problems were tracked to closure and must provide continuing feedback to management and the technical support team concerning the status of the problem.

Noncompliance Reporting Procedures

Noncompliance issues are issues discovered or reported that are in violation of QA standards such as improper logic application and printing issues.
Problems are resolved with the direct producer or the QA Manager, when possible.
Problems that cannot be resolved with the technical team or QA Manager are elevated to the Team project manager and State project manager.
Problems that have been referred to the project managers are reviewed weekly until they are resolved. Items that cannot be resolved by the project managers within a week are elevated to Department and Team senior management for resolution.

Quality Assurance Metrics

The QA team will work with the technical support staff to identify indicators and their associated measures (Metrics) that are needed to control performance and predict future status of processes used to produce products and services. The metrics will be used to help determine when and where a problem is occurring and what type of impact it will have on the product or service. The metrics will be used to base decisions concerning the selection of best practices to implement in the project.
Metrics that are necessary to monitor the effectiveness of QA processes and procedures are:

- Number of reviews (QA activities) conducted

- Status of non-conformance items identified
- Status of action items open/closed/on-hold
- Number of days to correct and close a non-conformance item
- Customer satisfaction levels relating to product and service quality
- Trends for process improvement
- Lessons learned

Quality Assurance Audits

An Internal Audit will be conducted to ascertain adherence to quality procedures. Each department will be audited. Management will review all audit checklists for each department. All non-conformance's will require corrective action and follow up. The corrective action and follow up will be documented and signed by the Manager responsible for the affected department.

An annual review of the Quality System shall be the responsibility of the Industry Manager and the Management Representative. This review shall include the following:

- Internal Audit Items
- Product Quality Statistics
- Customer Statistics
- Training Needs
- Quality System Revisions
- Corrective Action Summary
- Vendor Performance

Attending the annual Management Review will be the:

- Industry Manager
- Quality Assurance Manager
- Production Manager
- Administration Supervisor or their designees.

The details of the annual Management Review shall be documented. The investigation of all recommendations shall be the responsibility of the Management Representative.
In addition, Management will regularly review Corrective Action issues (see Section 14). These reviews will include:

- Customer Complaints
- Non-conforming Product
- Findings of Internal Audits

SUBCONTRACTOR LETTER

Intellectual Technology, Inc.

January 9, 2015

Subject: **Subcontractor Letter of Agreement between:**
Prime Contractor: **Intellectual Technology, Inc. (ITI)**
Subcontractor: **The Irwin Hodson Group LLC (IHG)**

On this date, January 9, 2015, The Irwin Hodson Group enters into a contractual agreement to serve as a subcontractor to Intellectual Technology, Inc. (ITI) for the sole purpose of fulfilling the requirements of South Dakota RFP 109; Centralized Production and Direct Distribution of License Plates.

As a subcontractor to ITI, and utilizing electronic order entry data supplied by ITI interface software, IHG will:

- Provide ongoing Project Management resources
- Provide license plate manufacturing equipment, installation services, license plate consumables, training, and technical services
- Provide technical advisors for all license plate manufacturing and related fulfillment services, including use of reflective sheeting, thermal transfer ribbons, protective clear overlaminate, and aluminum substrate.

Subcontractor agreement will remain in force until entire RFP contract, including any/all extensions, has been fulfilled, or the contract awarded to another vendor, or until both ITI and IHG agree to terminate this agreement.

Drew Nicholson (ITI)
COO

C. Todd Lawrence (IHG)
CEO

Corporate Headquarters
1901 Camino Vida Roble, Suite 204 | Carlsbad, California 92008
T. 760-476-9100 F. 760-476-9150

Technology & Logistics
2980 E. Coliseum Blvd. | Fort Wayne, Indiana 46805
T. 260-459-8800 F. 260-459-8820

Appendix C
BIT Software and Technology Clauses

1. All of the following terms and provisions are applicable to each and every entity that hosts State data. If Contractor subcontracts any hosting of State data to another entity, the relationship between Contractor and any such subcontracting entity must be that of Principal and Agent. No such Agent may act as an independent contractor for Contractor. Contractor must include in its contract with any such Agent explicit terms providing for this Principal and Agent relationship, and Contractor must further supervise such Agent so as to insure that such Agent complies with all of the following terms.

2. The Contractor shall use commercially reasonable efforts at all of its facilities used to store, retain, and process State data, materials, and information, including appropriate administrative, physical, and technical safeguards, to secure such data from unauthorized access, disclosure, alteration, and use, until the data is deleted, or for an alternate time period mutually agreed on in writing by the parties. Such measures will be no less protective than those used to secure the Contractor's own data of a similar type, and in no event less than reasonable in view of the type and nature of the data involved. Without limiting the foregoing, the Contractor warrants that all State data, materials, and information will be encrypted in transmission (including via web interface) and all portable storage media at no less than 128-bit level encryption, and that the Contractor will comply with all other technical specifications of the State as incorporated herein by reference.

3. The Contractor shall ensure that employees or subcontractors, if any, who perform work under this Agreement have read, understood, and received appropriate instruction as to how to comply with the data protection provisions of this Contract, and Contractor has diligently screened and reviewed the qualifications of such employees or subcontractors, if any, prior to granting access to State data, materials, and information.

4. Password policies for all Contractor employees or subcontractors, if any, shall be documented annually and provided to the State, on the effective date of this Contract and on the anniversary of the same going forward, to assure adequate password protections are in place.

5. The Contractor shall take all actions necessary to protect State data, materials, and information from exploits, inappropriate alterations, access or release, and malicious attacks. By signing this Contract the Contractor warrants that all known security issues as of the date hereof are resolved.

   The Contractor will fully support and maintain the Contractor's application on platforms and code bases (including, but not limited to: operating systems, hypervisors, web presentation layers, communication protocols, security products, report writers, and any other technologies on which the application depends) that are still being supported, maintained, and patched by the applicable third parties owning them. The Contractor may not withhold support from the State for this application nor charge the State additional fees as a result of the state moving the Contractor's application to a new release of third party technology if:

i. The previous version of the third party code base or platform is no longer being maintained, patched, and supported; and

ii. The new version to which the State moved the application is actively maintained, patched, and supported.

If there are multiple versions of the applicable code base or platform(s) supported by the third party in question, the Contractor may limit their support and maintenance to any one or all of the applicable third party code bases or platforms.

Assistance will be provided to the State by the Contractor in performing an investigation to determine the nature of any security issues that are discovered or are reasonably suspected after acceptance. This investigation can include security scans made at the State's discretion. Failure by the Contractor to remedy any security issues within ten (10) days of discovery can be considered a breach of this agreement by the State.

6. When hosting any state data that may be confidential, private, financially sensitive, or contain personally identifiable information, the Contractor must agree to:

Allow the State, at the State's expense, to perform up to two security audits and vulnerability assessments per year to provide verification of Contractor's IT security safeguards for the system and its data. The State will work with the Contractor to arrange the audit at a time least likely to create work load issues for the Contractor and will accept scanning a test or UAT environment on which the code and systems are a mirror image of the production environment.

The Contractor agrees to work with the State to rectify any serious security issues revealed by the security audit and vulnerability assessments. This includes additional security audits and vulnerability assessments that shall be performed after any remediation efforts to confirm the security issues have been resolved and no further security issues exist. It is required that any security audits must meet the requirements of the Payment Card Industry Data Security Standard (PCI DSS) irrespective of there being any PCI DSS data involved.

7. The Contractor will implement, maintain and update security incident and data breach procedures that comply with all State and Federal requirements. As a part of the implementation of this agreement the Contractor will provide to the State the Contractor's procedures for dealing with security incidents and data breaches. The procedure must be acceptable to the State or modified to be acceptable to the State. If the Contractor makes any changes to the Contractor's security incident and data breach procedures the changes must be provided to the State thirty (30) days prior to the implementation of the change(s). The changes to the procedure must be agreed to by the State or modified to be acceptable to the State. Failure to implement, maintain and update security incident and data breach procedures in a manner acceptable to the State shall be a breach of this agreement.

8. The Contractor's employees and any subcontractor's employees, participating in the work covered by this agreement will be required to sign the Security Acknowledgement

Form which is attached to the Contract as Appendix D. The signed Security Acknowledgement Form(s) must be given to the BIT before work on the contract may begin. The Security Acknowledgement Form commits the Contractor's and any subcontractor's employees to abide by the terms of the Information Technology User's Security Guide ("ITUSG"). Failure to abide by the requirements of the ITUSG or the Security Acknowledgement Form is a breach of this agreement. It is also a breach of this agreement if the Contractor's does not obtain the signature on the Security Acknowledgement Form from any employees and any subcontractor(s') employees, any of whom are participating in the work covered by this agreement, and who begin working under this agreement after the project has begun. Any disciplining of the Contractor's or subcontractor's employees due to a failure of an employee to abide by the terms of the Security Acknowledgement Form will be done at the discretion of the Contractor or subcontractor and in accordance with the Contractor's or subcontractor's personnel policies. Regardless of the actions taken by the Contractor or subcontractor, the State shall retain the right to require at its discretion the removal of the employee from the project covered by this agreement.

9. The State of South Dakota requires all employee(s) of all contractor(s), subcontractor(s) and or agent(s) who write or modify State of South Dakota-owned software, alter hardware, configure software of state-owned technology resources, have access to source code and/or protected-personally identifiable information or have access to secure areas to have background checks. At the State's request, the Contractor must provide the State with personnel background checks.

10. Immediately upon becoming aware of or the possibility of a data breach that is the distribution of, disclosure of, alteration of, or use of State data, the Contractor will, (i) notify the State, (ii) fully investigate the incident, (iii) cooperate fully with the State's investigation of, analysis of, and response to the incident, (iv) promptly implement necessary remedial measures and (v) document responsive actions taken related to the data breach, including any post-incident review of events and actions taken to make changes in business practices providing the Services. During the investigation of any data breach, the Contractor shall use a forensics company, advisors, public relations firm and legal counsel that are acceptable to the State, and preserve all evidence including but not limited to communications, documents, and logs. The State will have the authority to set the scope of the investigation. In addition, the Contractor shall inform the State of the actions it is taking or will take to reduce the risk of further loss to the State.

Except as otherwise required by law, Contractor shall provide notice of the incident to the State only. The State will determine whether notification will: (i) impede a law enforcement investigation; (ii) jeopardize the State's interests; and (iii) whether it is more appropriate for the Contractor to provide notification to the affected parties rather than the State. The method and content of the notification of the affected parties must be coordinated with and is subject to approval of the State. If the Contractor is required by Federal law or regulation to conduct a security incident or data breach investigation and or make notifications to the affected parties the results of the investigation must be reported to the State.

Notwithstanding any other provision of this agreement, and in addition to any other remedies available to the State under law or equity, the Contractor will reimburse the State in full for all costs incurred by the State in investigation and remediation of such data breach, including but not limited to providing notification to third parties whose data was compromised and to regulatory agencies or other entities as required by law or contract. The Contractor shall also reimburse the State in full for all costs the State incurs in its offering of two (2) years credit monitoring to each person whose data was compromised. The Contractor shall also pay any and all legal fees, audit costs, fines, and other fees imposed by regulatory agencies or contracting partners as a result of the data breach.

11. The Contractor will use industry standard and up-to-date security tools and technologies, such as anti-virus protections and intrusion detection methods, in providing services under this Contract, as indicated in the ITUSG. The Contractor will, at its own expense, either conduct or have conducted at least on an annual basis:

i. A vulnerability scan, performed by a scanner approved by the State, of the Contractor's systems and facilities that are used in any way to deliver services under this agreement; and
ii. A formal penetration test, performed by a process and qualified personnel approved by the State, of the Contractor's systems and facilities that are used in any way to deliver services under this agreement.

All test results must be provided to the State within thirty (30) days of receipt by the Contractor. The results must be found acceptable by the State. If the results are not found acceptable, the State may terminate this Contract and be reimbursed by the Contractor for any costs.

12. Contractor covenants that:

i. Any files shared with the State do not contain any code that does not support a software requirement;
ii. Contractor will not insert into any file shared with the State any virus, rogue program, time bomb, worm, Trojan Horse, back doors, Easter eggs or other malicious or intentionally destructive code ("Malicious Code");
iii. Contractor will use commercially reasonable efforts consistent with industry standards to scan for and remove any Malicious Code from any file shared with the State before sharing. In the event any Malicious Code is discovered in the shared files as delivered by the Contractor to the State, under this Contract, the Contractor shall provide the State a clean copy of the file, at no charge, which does not contain Malicious Code or otherwise correct the affected portion of the services provided to the State under this Contract. The remedies in this paragraph are in addition to such other and additional remedies the State may have at law, equity, or otherwise; and
iv. Contractor will resolve all known security issues.

13. If Contractor has the State's or end user's data hosted by another party Contractor must provide the State the name of such party and the terms of service, agreement or contract Contractor has with such other party. It is permissible for Contractor to redact any pricing or cost information from any documents provided to the State. Contractor must provide the State with contact information for such third party and the location of their data center(s). Contractor must receive from the third party written assurances that the State and/or end user data will reside in the United States at all times and provide these written assurances to the State. If either the terms of service, agreement or contract, the location of the data center(s), or the written assurance that the data will reside in the United States are not acceptable to the State, the State may terminate this agreement and seek another service provider without penalty. Failure to abide by any of these terms will be considered a breach of this agreement by Contractor.

14. Contractor hereby acknowledges and agrees that all reports, plans, specifications, technical data, miscellaneous drawings, software system programs and documentation, procedures, or files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, and all information contained therein provided to the State by the Contractor in connection with its performance of services under this Contract not developed or licensed by the Contractor prior to execution of this Contract, but specifically developed under the Contract (the "Contractor Deliverables"), shall be considered "work for hire." Use of these materials, other than related to contract performance by the Contractor, without the prior written consent of the State, is prohibited. Such papers, reports, forms, software programs, source code(s) and other material which are a part of the work under this Contract will not be copyrighted without written approval of the State. In addition, an escrow agent to be mutually determined and agreed upon by the parties may maintain copies of all Contractor Deliverables in an escrow account and in accordance with an escrow agreement that reflects at least the terms set forth herein and with the State bearing all fees and expenses associated therewith if elected by the State. The Contractor Deliverables shall be released upon the occurrence of one or more of the following events (each, a "Release Event"): (A) if Contractor becomes insolvent or admits insolvency or admits a general inability to pay its debts as they become due; (B) if Contractor files a petition for protection under the Bankruptcy Code of the United States, or an involuntary petition in bankruptcy is filed against Contractor and is not dismissed within sixty (60) days thereafter; (C) if Contractor ceases operations as a going concern; (D) if Contractor is in breach of a material obligation under this Contract, which breach has not be cured within thirty (30) days' notice of such breach. Upon the occurrence of a Release Event and delivery of the Contractor Deliverables to State, all copyrights, patents, trademarks, service marks or other intellectual property or proprietary rights related to the Contractor Deliverables are and shall remain solely with Contractor, both prior to and after the occurrence of the Release Event.

15. Upon notice of termination of the Contract or upon reaching the end of the term of the Contract, the State of South Dakota requires that State applications that store information to repositories not hosted on the State's infrastructure require the vendor before termination (whether initiated by the State or the Contractor) to extract the State's information such that the State is able to load the information onto\into the State's

standard repositories. If the information cannot be extracted in a format that allows the information to be loaded onto or into the State's standard repositories the information (metadata (data structure descriptions) and data) will be extracted into a text file format and returned to the State. Upon the effective date of the termination of the Contract, the State of South Dakota requires that State applications that store information to repositories not hosted on the State's infrastructure require the Contractor before termination (whether initiated by the State or the Contractor) to extract the State's information such that the state is able to load the information onto or into the State's standard repositories. If the information cannot be extracted in a format that allows the information to be loaded onto or into the State's Standard repositories the information (metadata (data structure descriptions) and data) will be extracted into a text file format and returned to the State. In the event of termination or at the end of the term of the Contract, the Contractor shall deliver to the State all reports, plans, specifications, technical data, and all other information completed during the term hereof prior to the date of termination. The terms of this section were arrived at after negotiation between the parties. This section is the joint product or work of the parties, and not a section written or demanded by any one party to this agreement. The Contractor recognizes and agrees, however, that the State of South Dakota cannot enter into an agreement providing for hosting of any of its data on the Contractor's servers and networks without provisions protecting its ability to access and recover its data in a usable, non-proprietary format in the event of termination of the Contract with sufficient time to convert that data and the business functions provided by the Contractor to another system and contractor.

16. Upon termination or expiration of the Contract, the Contractor will ensure that all State and end user data is transferred to the State or a third party designated by the State securely, within a reasonable period of time, and without significant interruption in service. The Contractor will ensure that such migration uses facilities and methods that are compatible with the relevant systems of the transferee, and to the extent technologically feasible, that the State will have reasonable access to State and end user data during the transition.

The Contractor will notify the State of impending cessation of its business or that of a tiered provider and any contingency plans in the event of notice of such an event. This includes immediate transfer of any previously transferred data and State access to the Contractor's facilities to remove or destroy any State-owned assets and data. The Contractor shall implement its exit plan and take all necessary actions to ensure a smooth transition of service with minimal disruption to the State. The Contractor will provide a fully documented service description and perform and document a gap analysis by examining any differences between the Services provided by the Contractor hereunder and those to be provided by its successor. The Contractor will also provide a full inventory and configuration of servers, routers, other hardware, and software involved in service delivery along with supporting documentation, indicating which if any of these are owned by or dedicated to the State. The Contractor will work closely with its successor to ensure a successful transition to the new equipment, with minimal downtime and impact on the State, all such work to be coordinated and performed in advance of the formal, final transition date.

17. In no event shall the Contractor be liable for loss of good will, or for special, indirect, incidental, consequential or punitive damages arising from the State's use of the Services of the Contractor, regardless of whether such claim arises in tort or in contract.

    If the State's records or other data submitted for processing are lost or damaged as a result of any failure by the Contractors, its employees or agents to exercise reasonable care to prevent such loss or damages the Contractor's liability on account of such loss or damages shall not exceed the reasonable cost of reproducing such records or data. This limitation shall not apply in the event that the records or data cannot be reproduced at reasonable cost.

18. The Contractor will use State data and end user data only for the purpose of fulfilling its duties under this agreement and for the State's and its end user's sole benefit, and will not share such data with, or disclose it to, any third party, without the prior written consent of the State or as otherwise required by law. By way of illustration and not of limitation, the Contractor will not use such data for the Contractor's own benefit and, in particular, will not engage in "data mining" of State or end user data or communications, whether through automated or human means, except as specifically and expressly required by law or authorized in writing by the State through a State employee or officer specifically authorized to grant such use of State data.

    All State and end user data will be stored on servers located solely within the continental United States of America. At no time is it acceptable for any State data to be stored in facilities outside the United States of America. This restriction also applies to disaster recovery; any disaster recovery plan must provide for data storage entirely within the United States of America.

    The Contractor will provide access to State and end user data only to those Contractor employees and subcontractors who need to access the data to fulfill the Contractor's obligations under this agreement.

19. Using appropriate and reliable storage media, the Contractor will regularly back up State information and retain such backup copies for a minimum of twelve (12) months, starting from the time the State information is received by Contractor. At the State's election, the Contractor will either securely destroy or transmit to the State repository the backup copies of State information. Upon the State's request, the Contractor will supply the State with a certificate indicating the nature of the storage media destroyed, the date destroyed, and the method of destruction used. The Contractor will retain logs associated with the destruction of State information for a minimum of four (4) years, unless the parties mutually agree to a different period. The Contractor shall immediately place a "hold" on the destruction under its usual storage media retention policies of storage media that include State information, in response to a written request from authorized State personnel indicating that those records may be relevant to litigation that the State reasonably anticipates. The State will promptly coordinate with the Contractor regarding the preservation and disposition of storage media. The Contractor shall continue to preserve the storage media until further notice by the State. The Contractor shall provide documentation and, at the discretion of the State, allow for on-site inspections as needed

to demonstrate that all facilities supporting the methods of disposal of storage media, including but not limited to hard drives and tapes are disposed of, transferred from one environment to another, media is scheduled and prepared for reuse, and acceptable methodologies are employed for tracking and auditing to insure data security.

20. Advance notice of seven (7) days shall be given to the State of any major upgrades or system changes that the Contractor will be implementing. A major upgrade is a replacement of hardware, software or firmware with a newer or better version, in order to bring the system up to date or to improve its characteristics. The State reserves the right to postpone such changes. To the extent possible, the Contractor will schedule downtime during times of ordinarily low use by the State. In the event of unscheduled or unforeseen downtime for any reason, except as otherwise prohibited by law, the Contractor will promptly notify the State and respond promptly to the State's reasonable requests for information regarding the downtime.

21. The Contractor shall be responsible for the acquisition and operation of all hardware, software and network support related to the services being provided.

22. The State shall have the right at any time to require that the Contractor remove from the project any staff or subcontractor who the State believes is detrimental to the project. The State will provide the Contractor with notice of its determination, and the reasons it requests the removal. If the State signifies that a potential security violation exists with respect to the request, the Contractor shall immediately remove such individual.

23. Any system, site, and/or application utilized by the Contractor to perform the Services under the Contract must be compatible with the State's current browser standard which can be found at, http://bit.sd.gov/standards/. PHP or Adobe ColdFusion will not be used in the system, site, and/or application.

24. Consultant warrants that the software and hardware developed or purchased for the State will be in compliance with the BIT Standards including but not limited to the standards for security, file naming conventions, executable module names, job control language, systems software, and systems software release levels, temporary work areas, executable program size, forms management, network access, tape management, hosting requirements, administrative controls, and job stream procedures prior to the installation and acceptance of the final project. BIT standards can be found at http://bit.sd.gov/standards/.

25. During the life of this agreement the PRISM solution (as described in the Contractor's Response) can be denied access to or removed from the production system at BIT's discretion. The reasons for the denial of access or removal of the application from the production system can include, but are not limited to, security, functionality, unsupported third party technologies, or excessive resource consumption. At the discretion of the State contractual payments may be suspended while the application is denied access to or removed from the production system if the problem is caused by the Contractor's actions or inactions. Access to the production system and any updates to the production system

will be made only with BIT's prior approval. It is expected that any fixes will be tested on the test system provided by the Contractor as stated in the RFP and not on the production system. It is expected that the Contractor shall provide BIT with proof of the fix proposed before BIT provides access to the production system. The certification by BIT of the fix on the test system does not guarantee the Contractor access to the production system. BIT shall sign a non-disclosure agreement with the Contractor if revealing its fix will put the Contractor's intellectual property at risk. If the Contractor is unable to produce the project deliverables due to the Contractor actions or inactions within thirty (30) days of the application's denial of access or removal from the production system and the Contractor does not employ the change management process to alter the project schedule or deliverables within the same thirty (30) days then at the State's discretion this agreement may be terminated.

26. The State operates a virtualized computing environment and retains the right to use industry standard hypervisor high availability, fail-over, and disaster recovery systems to move instances of the product(s) between the install sites defined with the Contractor provided resource and usage restrictions as outlined elsewhere in the Contract are maintained. This movement of product can be done by the State without any additional fees or charges by the Contractor. As part of normal operations the State may also install the product on different computers or servers if the product is also removed from the previous computer or server provided resource and usage restrictions as outlined elsewhere in this agreement are maintained. This movement of product can be done by the State without any additional fees or charges by the Contractor.

27. The State operates a virtualized computing environment and uses software-based management and resource capping to fulfill licensing obligations and retains the right to use and upgrade as deemed appropriate its hypervisor and operating system technology and related hardware to execute the product without additional license fees or other charges provided the State assures the guest operating system(s) running within that hypervisor environment continue to present computing resources to the licensed product that conform with the terms of the license agreement. The computing resource allocations within the State's hypervisor software-based management controls for the guest operating system(s) executing the product shall be the only consideration in licensing compliance related to computing resource capacity.

28. The State routinely load balances applications that run on the State's computing environment across multiple servers. The Contractor's product must be able to be load balanced across multiple servers. Any changes or modifications required to allow the Contractor's product to be load balanced so that it can operate on the State's computing environment will be at the Contractor's expense.

29. The software system programs used during the term of the Contract by the Contractor must provide the functionality described in Section 3 of the Contractor's Response.

30. The Contractor's application must use appropriate abstraction technologies, such as relative pathing. By way of example, hardcoded server names and hardcoded IP addresses are not permitted.

Use of hard-coded resources may result in a failure to pass pre-production testing or may cause the application to fail or be shut down at any time without warning. In all such cases, correcting the hardcoding violations shall be the responsibility of the Contractor and will not be a project change chargeable to the State.

31. Contractor warrants that it has provided to the State and incorporated into this agreement all license agreements, end user agreements, and terms of use regarding its software or any software incorporated into its software before execution of this Contract. The parties agree that neither the State nor its end_users shall be bound by the terms of any such agreements not timely provided pursuant to this paragraph and incorporated into this Contract. This paragraph shall control and supersede the language of any such agreements to the contrary.

32. The Contractor's application is required to; (i) only reuse code within the boundaries and guidelines of State Standards; (ii) encrypt data in transport and at rest using a mutually agreed upon encryption format; (iii) close all connections and close at the end of processing; (iv) have no code not required for the functioning of application; (v) have no "Back Doors" or other entries into the application other than those that have the prior approval of the State; (vi) have no tracking of device owner's activities without a clear notice given to the device owner and requiring the device owner's active approval before the application does any tracking; (vii) not have connections to any service not required by the functional requirements of the application or defined in the project requirements documentation; (viii) fully disclose in the "About" information the connections made, permission(s) required and the purpose of those connections and permission(s); (ix) only ask for those permissions and access rights on the owner's device that are required for the defined requirements of the Contractor's application and (x) have no access to data outside of what is defined in the About information for the Vendor's application.

33. It is understood and agreed to by all parties that the BIT is representing that, as the state's technology governing organization, it has reviewed only the technical provisions of this agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties signify their agreement effective the date below first written by the signatures affixed below.

STATE OF SOUTH DAKOTA
DEPARTMENT OF REVENUE

BY: _____
(Andy Gerlach)

Secretary of Revenue
(TITLE AND AGENCY)

4/13/2015
(DATE)

BY: _____
(BIT Commissioner David Zolnowsky)

04/13/2015
(DATE)

INTELLECTUAL TECHNOLOGY, INC.

BY: _____
(Drew Nicholson)

Chief Operating Officer
(TITLE)

4/10/2015
(DATE)

BIT: Security Acknowledgement

SOUTH DAKOTA CYBER SECURITY

Please return requests to your Manager

Following is the Employee Agreement that all BIT employees and State contractors must sign; **Employee Agreement to Comply with BIT Technology Infrastructure Security Policy.** The State of South Dakota is dedicated to information security and has security specialists in each BIT Division. However, users are responsible for compliance to all information security policies and procedures. *By signature below, the employee / contractor hereby acknowledges and agrees to the following:*

1. Employee or contractor is a "user" as defined in the State of South Dakota BIT: ITUSG;
2. Employee is a State of South Dakota employee or contractor that uses State of South Dakota technology infrastructure or information;
3. Employee / contractor will protect technology assets of the State from unauthorized activities including disclosure, modification, deletion, and usage;
4. Employee / contractor has read and agrees to abide by the State of South Dakota BIT: ITUSG;
5. Employee / contractor consents to discuss with a supervisor / State contact regarding policies or procedures not understood within the BIT: ITUSG;
6. Employee / contractor shall abide by the policies described as a condition of continued employment / service;
7. Employee / contractor understands that any individual found to violate the BIT: ITUSG is subject to disciplinary action, including but not limited to, privilege revocation, employment termination and financial reimbursement;
8. Access to the technology infrastructure of the State is a privilege which may be changed or revoked at the discretion of BIT management;
9. Access to the technology infrastructure of the State automatically terminates upon departure from the State of South Dakota employment;
10. Employee / contractor shall promptly report violations of BIT: ITUSG policies to a manager / State contact and BIT Help Desk;
11. This document may be amended from time to time. The State of South Dakota recommends employees for the State to regularly review the BIT: ITUSG, and annual amendments on the State of South Dakota Intranet. http://intranet.bit.sd.gov/policies/docs/BIT-Security%20Information%20Technology%20User%20Security%20Guide.pdf

ACKNOWLEDGMENT: STATE OF SOUTH DAKOTA INFORMATION TECHNOLOGY SECURITY GUIDE

Employee / contractor signature _____ Date _____ Manager\ State contact _____ Date _____

Employee / contractor name in block capital letters _____

APPENDIX D