DEPARTMENT OF PROCUREMENT SERVICES
NON-COMPETITIVE REVIEW BOARD (NCRB) APPLICATION

Complete this cover form and the **Non-Competitive Procurement Application Worksheet** in detail. Refer to the page entitled **"Instructions for Non-Competitive Procurement Application"** for completing this application in accordance with its policy regarding NCRB. Complete "other" subject area if additional information is needed. Subject areas must be fully completed and responses merely referencing attachments will not be accepted and will be immediately rejected.

Department	Originator Name	Telephone	Date	Signature of Application Author
Chicago Public Llibrary	Sandra Scamardi	312-747-4269	01/25/17	Scamardi
Contract Liaison	Email Contract Liaison	Telephone		
Sandra Scamardi	sscamardi@chipublib.org	312-474-4269		

List Name of NCRB Attendees/Department	
Maria Ligammari	CPL
Sandra Scamardi	CPL

Request NCRB review be conducted for the product(s) and/or service(s) described herein.

Company: Seven (7) + (3) year Contract with Tech Logic for Maintenance, Service, and Purchase of Related for the Automated Material Handling System- Spec # 315679 - Req # 140118

Contact Person:	Phone:	Email:
Sandra Scamardi/Maria Ligammari	312-747-4269/4290	sscamardi@chipublig.org ligammar@chipublib.org

Project Description: Maintenance, Service, and Purchase of Other Related Items for the Tech Logic Automated Material Handling System

This is a request for:

☒ New Contract   ☐ Amendment / Modification

Contract Type   **Type of Modification**

☒ Blanket Agreement   Term: 84 (# of mo)   ☐ Time Extension   ☐ Vendor Limit Increase ☐ Scope Change
☐ Standard Agreement   Contract Number:_____
                                              Specification Number: _____
                                              Modification Number: _____

Department Request Approval	Recommended Approval
signature 2/1/17 DATE	_signature_ 4-24-17 DATE
DEPARTMENT HEAD OR DESIGNEE	BOARD CHAIRPERSON
BRIAN BANNON	Rick Butler
PRINT NAME	PRINT NAME

☑ Approved   ☐ Rejected

CHIEF PROCUREMENT OFFICER   4/24/17 DATE

All applicable information on this worksheet must be addressed using each question found on the "Instructions for Non-Competitive Procurement Application" in this application.

Justification for Non-Competitive Procurement Worksheet

☒ PROCUREMENT HISTORY

1- The Chicago Public Library (CPL) procured an automated material handling (AMH) system to sort the millions of circulation occurrences of library materials throughout its system presently composed of eighty (80) locations. There are very few systems on the market that met CPL's requirements in terms of capacity but ultimately DPS approved the use of an existing contract with The Library Corporation that allowed for the procurement of the AMH. The AMH was procured from Tech Logic through The Library Corporation that expired earlier this year and for which the warranty is not due to expire until June 9, 2017.

The software and its related designs, programs, components, and operating systems contain proprietary and/or trade secret information owned by Tech Logic. The system is proprietary and exclusively maintained by Tech Logic technicians who possess the training and specialized skills and expertise to maintain it. Therefore there are no other option but to request a non-competitive procurement. CPL is therefore seeking a ten (10) year contract (7+3) for the maintenance of the AMH. In addition, the Print and Apply Labels were designed to work for the AMH Print and Apply printer and the use of any other labels will waive the manufacturer's warranty. The Smart Bins are also proprietary and patented.

2- This is the first requirement for a non-competitive contract for the maintenance of the AMH.

3- Provided the nature of the requirement and the fact that the AMH can only be maintained by Tech Logic, that the Print and Apply Labels are proprietary, and that the Smart Bins are a patented product designed to work only with Tech Logic AMH systems, no other sources were contacted. CPL did not find any existing contracts betweenTech Logic and other governmental entities for the purpose of piggy backing.

4- Provided the nature of the requirement and the fact that the AMH can only be maintained by Tech Logic, that the Print and Apply Labels are proprietary, and that the Smart Bins are a patented products designed to work only with Tech Logic AMH systems, no other sources were contacted. CPL did not find any existing contracts between Tech Logic and other governmental entities for the purpose of piggy backing.

5- The average useful life of the AMH is estimated at fifteen (15) year. Therefore, future procurement would not take place before 2030. At which point CPL would solicit bids for the purchase of an automated material handling system or a sorting solution (no brand specified) that would allow for greater competition and therefore competitive pricing. This strategy may allow CPL to avoid a non-competitive procurement with a vendor that may allow non-proprietary maintenance, software, or maintenance through multiple providers. However, the current AMH is a long term capital investment that will require maintenance support for the life of the equipment and will always be proprietary as are the labels and smart bins.

6- Upon end of life of the equipment and the advancement of technology, it may be possible to consider a competitive bid for the equipment itself, however it is not possible to foresee whether the maintenance of software of a new system, the Print and Apply Labels, and a moveable floor container storage system such as the Smart Bins would remain proprietary.

☒ ESTIMATED COST

1- The cost for maitenance over seven (7) years is estimated at $1,741,845 using the following funding source:

000.0473.0912005.8152.220410.47591291. The cost for the Print and Apply Labels is estimated at $100,000 over seven (7) years, and the cost of the Smart Bins is estimated at $1,908,550.00 over seven (7) years. CPL estimates the total cost at $3,750,395 over seven (7) years.

April 2013

2- CPL would like to include a one (1) three (3) year extension negotiable at the end of the seven (7) year term.

3- Quote (see attached)

4- The contractor has a subtantial dollar investment in the original design and the City has a major investment in the existing equipment itself as it is brand new. Replacing it to allow for competitive bidding would not be a viable nor logical business decision.

5- CPL engaged in various rounds of negotiation successfully achieving a 15% discount which is a satisfactory outcome provided that the bulk of this project is hardware manufactured by Tech Logic.

☒ SCHEDULE REQUIREMENTS

1- There are no particular schedule requirements. Provided that the maintenance of the equipment is covered until June 08, 2017, CPL requests that this maintenance agreement starts June 9, 2017.

2- Not applicable to this project.

3- Not applicable to this project.

4- Not applicable to this project.

☒ EXCLUSIVE OR UNIQUE CAPABILITY

1- CPL does not contemplate hiring a professional service consultant however the maintenance agreement would include one (1) full-time, on-site technician.

2- The software and its related designs, programs, components, operating systems, Print and Apply Labels, and Smart Bins contain proprietary and/or trade secret information owned by Tech Logic.The AMH system is proprietary and only Tech Logic can provide technicians who possess the training, specialized skills and expertise to maintain the system. The Smart Bins are patented under No. 6,000,770, and the Print and Apply Labels specifically designed for the AMH printer. Using a different label will waive the manufacturer's warranty.

3- The software and its related designs, programs, components, and operating systems contain proprietary and/or trade secret information owned by Tech Logic.Tech Logic's business is set-up such that only Tech Logic trained technicians who have the expertise and specialized skills to maintan the system can provide the maintenance for the AMH.

4- Tech Logic operating manuals and software licenses reflect proprietary designs and programs. The software and its related designs, programs, components, and operating systems contain proprietary and/or trade secret information owned by Tech Logic. Use of the software and the operating manuals in a manner not related to the City's use of the Automated Materials Handling System is prohibited.

5- Tech Logic operating manuals and software licenses reflect proprietary designs and programs. The software and its related designs, programs, components, and operating systems contain proprietary and/or trade secret information owned by Tech Logic. Use of the software and the operating manuals in a manner not related to the City's use of the Automated Materials Handling System is prohibited.

6- Exclusive maintenance by Tech Logic is crucial as technician received specific training on the AMH system. Bins or containers other than the Smart Bins are incompatible with the Tech Logic AMH system, and the Print and Apply Labels must be the ones designed by Tech Logic as they were specifically designed to meet multiples parameters for optimal function with the printer. In addition, use of any other label would waive the warranty.

7- Tech Logic operating manuals and software licenses reflect proprietary designs and programs. The software and its related designs, programs, components, and operating systems contain proprietary and/or trade secret information owned by Tech Logic. Use of the software and the operating manuals in a manner not related to the City's use of the Automated Materials Handling System is prohibited.

8- The software and its related designs, programs, components, and operating systems contain proprietary and/or trade secret information owned by Tech Logic. Tech Logic does not have distributors or dealers for this procurement.

☒ OTHER

Attached Tech Logic Waiver request, Chicago Public Library concurrence letter, and letter of approval for No Stated Goals.

DEPARTMENT OF PROCUREMENT SERVICES
NON-COMPETITIVE REVIEW BOARD (NCRB) APPLICATION
INSTRUCTIONS FOR NON-COMPETITIVE PROCUREMENT APPLICATION

INSTRUCTIONS FOR PREPARATION OF NON-COMPETITIVE PROCUREMENT APPLICATION

If a City Department has determined that the purchase of supplies, equipment, work and/or services cannot be done on a competitive basis, a justification must be prepared on this "Justification for Non-Competitive Procurement Application" in which procurement is requested on a or non-competitive basis in accordance with 65 ILCS 5/8-10-4 of the Illinois Compiled Statutes. Using this instruction sheet, all applicable information must be addressed on the worksheet. The information provided must be complete and in sufficient detail to allow for a decision to be made by the Non-Competitive Procurement Review Board. For Amendments, Modifications, describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change.

Attach a DPS Checklist and any other required documentation; the Board will not consider justification with incomplete information documentation or omissions.

PROCUREMENT HISTORY

1. Describe the requirement and how it evolved from initial planning to its present status.
2. Is this a first time requirement or a continuation of previous procurement from the same source? If so, explain the procurement history.
3. Explain attempts made to competitively bid the requirement (attach copy of sources contacted).
4. Describe in detail all research done to find other sources; list other cities, companies in the industry, professional organizations contacted. List periodicals and other publications used as references.
5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?
6. Explain whether or not future competitive bidding is possible. If not, explain in detail.

ESTIMATED COST

1. What is the estimated cost for this requirement or for each contract, if multiple awards are contemplated? What is the funding source?
2. What is the estimated cost by fiscal year?
3. Explain the basis for estimating the cost and what assumptions were made and/or data used (i.e., budgeted amount, previous contract price, current catalog or cost proposal from firms solicited, engineering or in-house estimate, etc.)
4. Explain whether the proposed Contractor or the City has a substantial dollar investment in original design, tooling or other factors which would be duplicated at City expense if another source was considered. Describe cost savings or other measurable benefits to the City which may be achieved.
5. Explain what negotiation of price has occurred or will occur. Detail why the estimated cost is deemed reasonable.

SCHEDULE REQUIREMENTS

1. Explain how the schedule was developed and at what point the specific dates were known.
2. Is lack of drawings and/or specifications a constraining factor to competitive bidding? If so, why is the proposed Contractor the only person or firm able to perform under these circumstances? Why are the drawings and specifications lacking? What is the lead time required to get drawings and specifications suitable for competition? If lack of drawings and specifications is not a constraining factor to competitive bidding, explain why only one person or firm can meet the required schedule.
3. Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.
4. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs and budgeted funds.

EXCLUSIVE OR UNIQUE CAPABILITY

1. If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, and/or other factors make this person or firm exclusively or uniquely qualified for the project. Attach a copy of the cost proposal, scope of services, and **Temporary Consulting Services Form**.
2. Does the proposed firm have personnel considered unquestionably predominant in the particular field?
3. What prior experiences of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project or program?
4. What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?
5. What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project or program which makes them the only source who can perform the work within the required time schedule without unreasonable costs to the City?
6. If procuring products or equipment, describe the intended use and explain any exclusive or unique capabilities, features and/or functions the items have which no other brands or models, possess. Is compatibility with existing equipment critical from an operational standpoint? If so, provide detailed explanation?
7. Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data (attach documentation verifying such)?
8. If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from any other sources? If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center? If so, attach letter from manufacturer on company letterhead.

MBE/WBE COMPLIANCE PLAN

* All submissions must contain detailed information about how the proposed firm will comply with the requirements of the City's Minority and Women Owned Business program. All submissions must include a completed C-1 and D-1 form, which is available on the Procurement Services page on the City's intranet site. The City Department must submit a Compliance Plan, including details about direct and indirect compliance.

OTHER

1. Explain other related considerations and attach all applicable supporting documents, i.e., an approved "ITGB Form" or "Request For Individual Hire Form".

REVIEW AND APPROVAL

This application must be signed by both Originator of the request and signed by the Department Head. After review and final disposition from the Board, this application will be signed by the Board Chairman. After review and final disposition from the Board, this form will be presented to the Chief Procurement Officer recommending approval.

Project Checklist

Attach required forms for each procurement type and detailed scope of services and/or specifications and forward original documents to the Chief Procurement Officer; City Hall, Room 806.

Date: 01/25/2017	

Department Name:
Chicago Public Library

Requisition No: 140118	**Specification No:** 315679
PO No:	**Modification No:**

Contract Liaison:
Sandra Scamardi

Telephone:
7-4269

Email:
sscamardi@chipublib.org

Project / Program Manager:
Maria Ligammari

Telephone:
7-4290

Email:
Ligammar@chipublib.org

Check One:
[X] **New Contract Request**

By signing below, I attest the estimates provided for this contract are true and accurate.

Project / Program Manager Signature

Commissioner/Authorized Designee Signature

For blanket agreements, original or lead department must consult with other potential departments who may want to participate on the blanket agreement. If grant funded, attach copy of the approved grant application and other terms and conditions of the funding source. Note: 1) Funding: Attach information if multiple funding lines. 2) Individual Contract Services: Include approval form signed by Department Head and OBM. 3) ITGB: IT project valued at $100,000.00 or more, attach approval transmittal sheet.

Contract Liaison Signature

By signing this form, I attest that all information provided is true and accurate.

Project Title:
Maintenance Service for the Automated Material Handling System (AMH) and Purchase of Additional Products

Project Description:
New Sole Source Request for Maintenance of the AMH and Purchase of Additional Products -

Funding:

[ ] Corporate	[ ] Bond	[ ] Enterprise	[ ] Grant	[X] Other: ERATE
[ ] IDOT/Transit	[ ] IDOT/Highway	[ ] FHWA	[ ] FTA	[ ] FAA

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	PROJECT	RPTG	ESTDOLLAR AMOUNT
000	0473	091	2005	220410			47591291		$3,750,395

Purchase Order Type:
(•) Blanket/Purchase Order (DUR)
[ ] Master Consultant Agreement (Task Order)
[ ] Standard/One-Time Purchase

Purchase Order Information:

Contract Term (No. of Months):	84
Extension Options (Rate of Recurrence):	1 x 36
Estimated Spend/Value:	$ 3,750,395.00
Grant Commitment / Expiration Date:	

Pre-Bid/Submittal Conference: [ ] Yes [X] No
[ ] Mandatory [ ] Site Visit

Procurement Method:
[ ] Bid [ ] RFP [ ] RFQ [ ] RFI
[ ] Small Order

Special Approvals Required:
[ ] Emergency
[X] Non-Competitive Review Board (NCRB)
[ ] Request for Individual Contract Services
[ ] Information Technology Governance Board (ITGB)

Contract Type:
[ ] Architect Engineering	[ ] Commodity	[ ] Construction [ ] JOC [ ] SBI
[ ] Professional Services	[ ] Revenue Generating	[ ] Vehicle & Heavy Equipment
[X] Work Service	[ ] Joint Procurement	[ ] Reference Contract

[ ] **Modification or Amendment**

Modification Information:
PO Start Date:
PO End Date:
Amount (Increase/Reduction):

MBE/WBE/DBE Analysis: (Attach MBE/WBE/DBE Goal Setting Memo)
[ ] Full Compliance   [ ] Contract Specific Goals
[X] No Stated Goals   [ ] Waiver Request

Modification/Amendment Type:
[ ] Time Extension   [ ] Scope Change/Price Increase /Additional Line Item(s)
[ ] Vendor Limit Increase   [ ] Requisition Encumbrance Adjustment
[ ] Other (specify):

Vendor Info:

Name:	TECH LOGIC
Contact:	Gary W. Kirk
Address:	1818 Buerkle Road, White Bear Lake, MN 55110
E-mail:	gkirk@tech-logic.com
Phone:	800-494-9330 404-451-8530 (cell)

Risk Management / EDS

Insurance Requirements (included) [✓] Yes [ ] No

EDS Certification of Filling (included) [✓] Yes [ ] No

SS 4/21/17

SCOPE OF WORK AND DETAILED SPECIFICATIONS

1. SCOPE

The Chicago Public Library (CPL) procured a proprietary Material Handling System, Software, and Smart Bins from Tech Logic for which the warranty will expire June 2017. CPL intends to purchase Maintenance, Service, and Parts for the life span of the Automated Material Handling System (AMH), Software, and Smart Bins. CPL will also procure proprietary print and apply labels, and Smart Bins.
In addition, as a future phase, CPL may expand the Automated Material Handling System and need to procure manufacturing and installation services.

The Contractor must provide to the Chicago Public Library (CPL) Maintenance, Service, and Parts for Tech Logic Material Handling System (AMH), Software, Smart Bins, and print and apply labels, as well as manufacturing and installation services, all in accordance with the terms and conditions of this specification.

2. MAINTENANCE AND SERVICE ON ALL TECH LOGIC SYSTEM COMPONENTS SOFTWARE, AND SMART BINS – (LINE 1)

The Contractor must provide the following services also called the "Supplemental Service Program (SSP)", for an eighty-four (84) month period upon expiration of the AMH warranty:

- All mechanical labor for routine and non-routine maintenance, software support, all software Updates, patches, routine trouble shooting.
- At least four (4) Preventative Maintenance visits
- One (1) full-time, on-site technician
- Free wear consumable parts
- Free labor for replacement of wear consumable parts
- An inventory of common consumable parts will be stocked at CPL at the Contractor's cost to expedite repair times.
- Regular (as needed) system cleanings.
- On-going operator training refresher sessions.
- Telephone and service support
- The Contractor assumes all risks for service, repairs, parts and labor.

2.1 Mechanical Labor for Routine and Non-Routine Maintenance, and Software Support including updates, patches, and routine trouble shooting

Routine and Non-Routine Maintenance :
CPL requires that Tech Logic performs some weekly and monthly routine and non-routine maintenance as described in Attachment A.

Software Support:
The Contractor must furnish over-the-phone free software support and routine remote troubleshooting of the AMH software specified in this agreement as well as software updates and patches necessary to maintain the AMH software.
Tech Logic must respond to specific, task-oriented questions regarding the operation of currently supported AST software. The types of support available must include usage, product compatibility, diagnostic information, and defect inquiries about eligible software products. Software maintenance must include remote problem analysis and assistance during normal stated business hours and support for mission critical emergencies during off-shift hours.

This service is available only on the license(s) covered and the software versions that are currently supported by Tech Logic. All copies/licenses of the software, regardless of how the copies were obtained, must be renewed under a software support program annually.

CPL is entitled to software support only on the licenses covered. Initial contact response time objective of two (2) hours during prime shift for voice and electronic problem submissions.

Response time for critical/emergency problems during off-shift hours is three (3) hours. Changes to ILS provider and any reconfiguration and/or testing specific to an ILS upgrade and/or conversion will be a billable service to the Library for software support.

A quote for services will be provided and a scope of work determined for the project. Library network issues/troubleshooting are not covered under the support parameters of this program and are billable to the Library if support actions by Tech Logic are deemed necessary to make corrective action

The Contractor must provide software configuration modifications deemed necessary to maintain the AMH software in good working order for the application required by the Chicago Public Library.

The Chicago Public Library and/or the on-site Technician must be able to make software support calls during the hours of 8am and 5pm CST, Monday through Friday.

2.2 Preventative Maintenance Visits
The Contractor must provide four (4) preventative maintenance visits annually that will address the checklist in Attachment B.

2.3 On-Site Technician
The AMH Field Service Technician will be responsible for the electrical and mechanical support and maintenance of the Automated Material Handling (AMH) equipment. The role of this position is to be a technical resource for Tech Logic for troubleshooting and solving mechanical issues on the AMH and to conduct scheduled Preventative Maintenance service.

Mechanical issues that prevent the machine from running must be dealt with immediately by the on-site technician and must be resolved within twenty-four (24) hours.

Any software issues will be routed to Tech Logic customer support and/or Software Engineer who will diagnose remotely, with the help of the on-site technician. A software issue that prevents the machine from running must be resolved within twenty-four (24) hours.

A Tech Logic customer care representative must be available by phone between 8am-5pm Central Time, Monday through Friday, if at any time the on-site technician or CPL staff need support.

Duties and Responsibilities of the on-site technician include:
1. Perform routine maintenance on the AMH (Attachment A).
2. Perform quarterly full Preventative Maintenance service on the AMH. (Attachment B)
3. Perform operational training to employees of the Chicago Public Library as needed.
4. Troubleshoot any electrical and/or mechanical issues on the AMH using diagnostic tools, service aids and product schematics.
5. Document, update, and maintain customer issues using Tech Logic ticket tracking system.

6. Provide input for potential maintenance, product, and/or process updates.
7. Must reliably maintain an inventory of spare parts needed for the AMH.
8. Coordinate all shipping requirements.

The on-site technician will work Monday through Friday 8:00AM to 4:30PM. Scheduled full preventative maintenance will be performed during off usage hours.

If the on-site technician is absent for an illness or a personal reason, Tech Logic must utilize local technicians from their service provider, BancTec, to fill in for emergency work. BancTec has two (2) local Chicago employees who have been trained on Tech Logic AMH equipment and can fill in as needed. If the on-site technician takes vacation for multiple days then Tech Logic must send a Tech Logic technician on site to fill in during this absence.

2.4 Normal Wear Consumable Parts
Under this agreement, the Contractor must provide wear and tear consumable parts at no additional cost. Normal wear parts include bearings, belts, chains, elastic drive bands, phenolic rollers, sprockets for the AMH system and batteries, brakes brake cables, cables, chains, and sprockets for the bins.

At Tech Logic's discretion, new, non-original manufacturer or remanufactured parts may be used to perform any repairs. Tech Logic may elect to discontinue certain products for a variety of reasons, including but not limited to; the product is obsoleted at the end of its life cycle, key product components are no longer being manufactured, vendor obsolescence or technology obsolescence.

2.5 Free Labor for the Replacement of Wear Consumable Parts
The Contractor must replace normal wear consumable parts at no additional cost.

2.6 On-Site Inventory
Contractor must maintain an on-site inventory of sufficient diversity and quantity as to ensure availability of any part that is required for the satisfactory operation of the AMH System. In lieu of the inventory, the Contractor must be able to arrange delivery within twenty-four (24) hours to ensure that all response times and maintenance conditions are adhered to. The Contractor's compliance with these requirements will be determined by the Chief Procurement Officer, whose decision will be binding.

2.7 Telephone and Service Support

Telephone Support:
The service must include unlimited telephone support with a response from the right expert within two (2) hours excluding company holidays defined as New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, the Friday after Thanksgiving and Christmas Day. Holidays falling on Saturday will be observed on the Friday before. Holidays falling on Sunday will be observed the Monday after.

Service Support:
The service must include response during normal library operating hours. CPL will notify Tech Logic of any Mechanical or Software issue directly or via communication with the on-site provided technician. Tech Logic must attempt to correct the issue immediately via on-site technician with backup support via remote with Tech Logic. On-site support technician must be available during normal Library operating hours not exceeding forty (40) hours per week.

2.8 Regular System Cleanings
(see routine maintenance).

2.9 Training
Tech Logic must provide on-going operator training refresher sessions on the operation and maintenance of the AMH by professional and qualified trainers at no additional charge.

2.10 Contractor's Responsibility
The Contractor assumes all risks for service, repairs, parts and labor.

3. REQUIREMENTS FOR PRINT AND APPLY LABELS – LINE 2
The Contractor must provide its proprietary print and apply labels designed specifically to work for the AMH print and apply printer. CPL will use Tech Logic proprietary labels as to ensure the manufacturer's warranty on the performance of the equipment. The print and apply labels come in a roll of two thousand (2,000) labels. CPL's usage is estimated at one hundred forty four (144) rolls per year.

4. REQUIREMENTS FOR SMART BINS® - LINE 3
The Contractor must provide CPL with Smart Bins® model 125 as needed. Smart Bins® model 125 are an integral component of the AMH and under patent no. 6,000,770. (Attachment C). They are designed to store books in bins in an orderly fashion at each section of line-shaft conveyor and pop-up transfer, deposits books into the Smart Bins® containers located along each side of the conveyor, filling them consecutively until all bins are full. They are wheeled and contain an automatic floor controlled be a photoelectric sensor that detects the presence or absence of items. Bin location must be pre-programmed based on CPL sort requirements.

Smart Bins® model 125 are equipped with the following intelligent modes:

- Auto Unload: Bin floor raises to the top for easy unloading.
- Auto Load: Load sensors adjust bin floor descent so items are not damaged as they fill the bin.
- Manual Mode: Operator has full control of the bin floor height for unloading.

The power requirements are 120 VAC, 60Hz, 5 Amps.

The bin can hold approximately one hundred and twenty-five (125) items.

The internal dimensions of the bins are 20"L x 14.25"W x 30.75"H and external dimensions 21.25"L x 18.75"W x 45"H

5. REQUIREMENTS FOR THE EXPANSION OF THE AUTOMATED MATERIAL HANDLING SYSTEM

Upon CPL's decision to expand and/or move the existing AMH, Tech Logic shall submit a proposal with pricing and upon agreement with the City design, construct and install AMH components to receive, convey, sort and/or deliver books and other materials to and from locations within the City.

5.1. Design, Manufacturing, and Shipment.
Any expansion of the AMH shall be designed by Tech Logic, after consultation with City, and shall be manufactured and installed in accordance with the plans and specifications agreed

upon. Tech Logic will provide "System Layout Drawings and Components" as well as a pricing proposal. The work shall be performed in a workmanlike and commercially reasonable manner.

A. Manufacturing Design - Automated Materials Handling System.

The Contractor must submit plans for the System expansion layout. Commencing on the Effective Date, Tech Logic shall complete the Automated Materials Handling System Expansion Manufacturing Design, based on the Plans submitted for the expansion and designed to achieve the functionality described in Exhibit 1, "Description of Functionality." Upon completion and approval by the City, a written Notice of Completion of the Manufacturing Design for the Automated Materials Handling System Expansion shall be delivered to the City, which Notice shall specify Tech Logic's estimated date of testing by Tech Logic.

Notwithstanding approval by the City of the Design, Tech Logic remains responsible for delivering all components for the expansion of the Automated Material Handling System that comply with the requirements of this scope of services and agreement.

B. Shipment.

Tech Logic must furnish and deliver all components for the Expansion of the Automated Materials Handling System FOB, at no cost to the City.

C. Delivery.

(1) General. Delivery of all components for the expansion of the Automated Materials Handling System shall be made to a location mutually agreed to by the parties in advance. Tech Logic shall coordinate delivery of all components with the City. Harold Washington Library Center Dock hours are 9:00 am – 3:00 pm, Monday – Friday.

(2) Storage. The City shall provide safe enclosed storage of all components for the expansion of the Automated Materials Handling System. Should storage of these components at the site be unavailable, the components of the Automated Materials Handling System shall be delivered to a storage space designated by the City, and the City shall be both physically and financially responsible for delivery of all components of the Automated Materials Handling System from such storage space to the City for installation.

5.2. Installation and Testing.

A. Pre-shipment Factory Testing.

Tech Logic shall assemble and test the components for the expansion of the Automated Materials Handling System prior to shipment to the City. The City may elect to attend each system test at the City's expense, provided, however, that the failure of the City to attend such test shall not constitute the City's acceptance of the expanded Automated Materials Handling System.

B. Installation.

The components for the expansion of the Automated Materials Handling System shall be installed at the Chicago Public Library, Harold Washington Library Center, 400 S. State Street, Chicago, Illinois 60605, in one (1) or more phase(s), with the first phase of installation within a reasonable period time of the delivery of the components for the expansion of the AMH to the City. Installation of all components of the AMH purchased hereunder will be made with the reasonable assistance of the City and its agents as provided in Section 6. Obligations of City. Tech Logic shall assist the City in any

technical conversations regarding the interface of the Automated Materials Handling System software with the Integrated Library System (ILS). Tech Logic shall be responsible for providing all lifts, scaffolding, tools and other needed equipment as required to install all the components for the expansion of the AMH. It shall be the responsibility of Tech Logic to familiarize itself with the installation site(s) and to make arrangements for all necessary equipment and tools.

C. Notice of Completion of Installation.
Following the installation of the components for the expansion of the Automated Materials Handling System, Tech Logic shall notify the City that the components for the expansion of the Automated Materials Handling System are installed at the Library and the Automated Material Handling System is running under permanent power in accordance with Exhibit 1 by delivering "Notice of Completion of Installation" to Library.

D. Testing and Correction Following Installation.
City shall have ten (10) business days to test the Automated Materials Handling System, and complete a Notice of Corrections, which shall include an itemized list of corrections, if any, and submit the Notice of Corrections to Tech Logic for review and corrective action. Upon receipt of the Notice of Corrections, Tech Logic shall repair, replace, reprogram and/or otherwise remedy the corrections to the City's reasonable satisfaction within fifteen (15) business days of receipt of the Notice of Corrections.

This process shall be repeated until the itemized list of corrections has been remedied, to the City's reasonable satisfaction. For clarification, the City shall have ten (10) business days to test the corrections and complete another Notice of Corrections identifying those items, if any that remain open. However, if Tech Logic is unable after the third attempt to so remedy the corrections, the City shall have the right, in its sole discretion, to cancel the order and obtain a refund of all sums paid with respect to this Scope of Services. Upon the City's reasonable determination that such corrections have been remedied by Tech Logic, then "Final Acceptance" of the Automated Materials Handling System expansion components will be deemed to have occurred. Such testing and correction procedure shall apply with respect to any handling bins delivered subsequent to installation.

E. Maintenance and Operating Manuals.
Not later than the time that the Notice of Completion for each aspect of the System is delivered to the City, Tech Logic shall provide the City with all information and operation manuals. Operation manuals shall include mechanical, electrical and program design documentation for the City to adequately test, troubleshoot and maintain the Automated Materials Handling System.

6. OBLIGATIONS OF THE CITY

6.1. Acceptance of Risk and Storage of Automated Materials Handling System Components
City shall provide safe and enclosed storage of all Automated Materials Handling System components until Tech Logic is onsite for installation in accordance with section 5.1 C (2), supra. Except for damage caused by Tech Logic's agents, City shall bear all risk of loss and damage of Automated Materials Handling System components after delivery at the location designated by the City.

6.2. City's Responsibility for Installation

A. Interface with the Library Management System (LMS)
If the Automated Materials Handling System requires an interface with the City's LMS, the City shall be responsible for purchasing and/or contracting with the City's LMS vendor for a connection that will allow the Automated Materials Handling System software to interface with the LMS. All connections required by this Section 6.2 will be made in accordance with Tech Logic's schedule for installation however, ~~that~~ the failure of the City to attend such test shall not constitute the City's acceptance of the Automated Materials Handling System.

B. Electrical and Mechanical Work.
City shall hire, at its own expense, an electrical and mechanical contractor to wire power to the Automated Materials Handling System.

C. Availability of Facilities.
The City shall provide adequate work space and storage space at the Chicago Public Library to facilitate the performance of services by Tech Logic during the expansion of the Automated Materials Handling System for up to four (4) of Tech Logic's personnel, subject to the following conditions:

- Obstructed Installations. Tech Logic personnel shall have continuously free and unobstructed access to all areas in which components are to be installed. Any delay during installation of the Automated Materials Handling System resulting from action or inaction of parties other than Tech Logic personnel themselves, as determined by agreement of the City and Tech Logic.

- City is particularly aware that when installing system components, Tech Logic personnel must be free to work in conjoined linear paths, installing conveyor sections end-to-end, without having to move operations to other areas.

6.3. Training and Testing.
City shall fully cooperate with Tech Logic in all installation, testing, and training activities described in Section 5.

6.4. Maintenance.
The City will pay for the maintenance of the Automated Materials Handling System.

6.5. City's Access to Inspect the Work.
Tech Logic shall permit representatives of the City, at reasonable times, to have access to and inspect Tech Logic's installation work of the Automated Materials Handling System.

7. Licenses and Proprietary Rights

7.1. Manuals and Software.
Tech Logic's operating manuals and software licenses identified in this Scope of Services reflect proprietary designs and programs. The software and its related designs, programs, components, and operating systems contain proprietary and/or trade secret information owned by Tech Logic and third party vendors who have entered into licensing agreements with Tech Logic. Use of the software and the operating manuals in a manner not related to the City's use of the Automated Materials Handling System is prohibited.

7.2. Licenses.

Tech Logic hereby represents that it has granted such licenses to the City for the right to use all software that Tech Logic has developed and all third-party software licenses, if any, necessary for the City to own and operate the Automated Materials Handling System as provided in this Agreement. City shall, however, be subject to the Standard Software and Service Support Agreement as set forth in Exhibit 5.

8. Warranty and Customer Support.

8.1. Warranty for the AMH

Any damage to the automated sorter or its components caused by the misuse, neglect, or unauthorized repair and maintenance of the equipment, is not covered by the warranty. Fire suppression systems/components are not covered. CPL is responsible for coverage of extended maintenance for fire suppression.

Any damage to the software or its components caused by misuse, a malicious virus, unauthorized changes in the software, or unsupported operating systems is not covered. Software support under the aforementioned conditions is billable at $150.00 per hour or $2,900.00 minimum for onsite support with a charge of $1,450.00 per day for each additional day.

8.2. Warranty for future Expansion

Upon the expiration of the one (1) year manufacturer's warranty, the maintenance of the expanded AMH will be covered under the Scope of this agreement under the same terms and conditions, and will be co-terminus with the maintenance agreement under this Contract.

During the warranty period, Tech Logic warrants that the Automated Materials Handling System will be free of material defects including with respect to design, materials and labor and perform substantially as described in Tech Logic's operating manuals and in Exhibit 1, "Description of Functionality." Tech Logic warrants that the expansion of the Automated Materials Handling System will comply with applicable law covering installation and operation of such systems and Tech Logic further warrants that the components for the expansion of the AMH will be installed in a workmanlike manner. Warranty coverage established by this agreement begins, for the Automated Materials Handling System and each component of the Automated Materials Handling System, upon Final Acceptance.

8.3. Condition to Warranty for the Expansion

City shall notify Tech Logic within five (5) business days of any defects or malfunctions in the Automated Materials Handling System of which it learns from any source. Failure to do so will void the warranty against that defect.

8.4. Warranty Action

Correction of defects of the Automated Materials Handling System shall be accomplished by Tech Logic in a timely and expeditious manner, according to the following procedure:

• Telephone Assistance. Tech Logic may attempt to address City's warranty complaint by telephone assistance or by written or electronic messaging communication before taking further action.

• Further Action. If Tech Logic determines that the problem with the expanded component of the Automated Materials Handling System is not merely due to City's incorrect operation, or if a

system manager or team leader having the qualifications described in Section 8. is unable to correct the problem with telephonic or other assistance within five (5) business days, Tech Logic shall provide all further assistance required to correct the problem, including labor and materials.

Any damage to the automated sorter or its components caused by the misuse, neglect, or unauthorized repair and maintenance of the equipment, is not covered by the warranty. Fire suppression systems/components are not covered. CPL is responsible for coverage of extended maintenance for fire suppression. Any damage to the software, or its components, caused by misuse, a malicious virus, unauthorized changes in the software, or unsupported operating systems is not covered. Software support under the aforementioned conditions is billable at $150.00 per hour or $2,900.00 minimum for onsite support with a charge of $1,450.00 per day for each additional day.

If the problem is not one covered by warranty, City shall pay for all costs of labor and materials at Tech Logic's standard rate for additional labor of $200.00 per hour (Mon-Fri 9am-6pm) per Tech Logic personnel (3 hour minimum), or $2,000.00 per day per Tech Logic personnel.

Mon-Fri, "after hours" and Saturdays labor rate is $250 per hour with a three (3) hour minimum. Sunday labor rate is $300 per hour with a three (3) hour minimum.

8.5. Non-Covered Items

Component or system failures caused by lack of required maintenance identified in the operating manual or by misuse of the Automated Materials Handling System, including the introduction of "non-standard" items as described below and the results thereof, are conditions that are not included in warranty coverage. The Automated Materials Handling System will not be designed to process the following materials:

• Materials with minor dimensions less than four (4) inches;

• Materials with major dimensions greater than 16 inches;

• Materials with a thickness less than 3/16 inch;

• Materials with covers that are off (i.e. puzzles, games, etc.);

• Materials contained in thin or limp bags;

• Materials with loose, torn or bent covers or with rolled or curled pages;

• Video tape, compact disc, DVD, and cassettes with open covers, or items that have come out of their containers;

• Materials with protruding paper such as book marks or "date due" slips;

• Paper bags;

• Mailing tubes;

- Pamphlets, sheet music, newspapers or magazines that are not in a hard case;

- Transparent items;

- Children's toys that are not in a hard case;

- Materials with worn or malfunctioning identification strips or markers; and

- Other items not a part of the City's circulating library collection.

8.6. Customer Support

Customer support shall be as stated in Section 8, beginning on the date of the Notice of Completion of Installation. Tech Logic's customer support is given with the understanding that the City will provide adequately trained personnel to run the Automated Materials Handling System, including the following:

A. System Manager or Team Leader.

A broad base of computer skills is required as well as a background and understanding of current Microsoft operating system software that runs the Automated Materials Handling System. Knowledge of the City operations is equally important. In addition, this person should have good personnel skills and experience in supervision. This person will be required to schedule personnel and provide back-up and training for the people on this team. This person shall be the principal contact with Tech Logic for operation and maintenance of the Automated Materials Handling System. Further, this person shall possess, in addition to computer and software literacy, mechanical troubleshooting skills.

B. System Operators

Automated Materials Handling System operators shall be capable of running basic Microsoft Windows software applications and have a general familiarity with personal computers. Additionally, the system operators shall be capable of taking readable notes and have the skills to train and pass on their knowledge to other system operators.

C. System Maintenance Personnel

City's System Maintenance Personnel shall have experience in building and facilities maintenance which shall include heating and ventilating systems, power distribution systems and generalized personal computer operation. Further, City's System Maintenance Personnel shall also particularly possess a working knowledge of pneumatics, control wiring, and 3-phase electronics. In general, such Personnel shall be willing and able to help trouble shoot system mechanical problems when other City staff members need assistance.

9. KEY PERSONEL

Technician
Account Manager

10. ALTERNATE MAINTENANCE PROGRAM OPTION "FULL SERVICE PROGRAM" (FSP)

The City may elect to switch its service program to "Full Service" under which the Contractor must provide the following upon expiration of the AMH warranty:

- All mechanical labor, "non-consumable" parts and software support.
- Mechanical labor except for routine maintenance.
- All software updates, patches, routine trouble shooting.
- Four (4) annual preventive maintenance visits.

Normal wear "consumable" parts as follows are not included: include bearings, belts, chains, elastic drive bands, phenolic rollers, sprockets for the AMH system and batteries, brakes brake cables, cables, chains, and sprockets for the bins. The Contractor must provide wear consumable parts at a ten percent (10%) discount off Tech Logic price list (Exhibit 2).

11. CONTRACTOR'S RESPONSIBILITIES
The Contractor's personnel must exercise safe and sound-business practices with the skill, care and diligence normally shown by professionals employed in the type of work required under this Contract.

Characters of workers
The Contractor must employ only competent and efficient employees, and whenever, in the opinion of the Commissioner of the Chicago Public Library or authorized representative, any employee is careless, incompetent, obstructs the progress of the work, acts contrary to the instructions or conduct themselves improperly, the Contractor must, upon the request of the Commissioner of the Chicago Public Library or authorized representative, remove the employee from the work and must not employ such employee again for the work under this Contract, except with the written consent of the Commissioner of the Chicago Public Library or authorized representative. The Contractor must not permit any person to enter the City facility or property while under the influence of intoxicating liquors or illegal drugs or contraband. The Contractor must not permit obnoxious behavior, or possession or consumption of alcoholic beverages or illegal drugs or contraband anywhere on the site of any work to be performed under this Contract.

Supervisor
Supervisory personnel must be present on the work site at all times while work is being performed.

Supervisory personnel must promptly execute all orders or directions from the Commissioner of the Chicago Public Library or authorized representative whether the work is being performed by the Contractor or its Subcontractor.

Uniforms
The Contractor's employees must wear suitable uniforms during the time they are on duty on any City property.

The Contractor's employees must wear an identification badge at all times while on duty on any City property.

Use of City facilities
The Contractor must inform the Commissioner of the Chicago Public Library or authorized representative of the use of City facilities, such as telephones.

12. DOCUMENTATION AND REPORTING
Contractor shall provide documentation in connection with the Maintenance and Support activities provided under this Contract. Documentations shall include operation and maintenance manuals, software update, patches, and training documentation.

The Contractor shall provide quarterly reporting to include service history of all equipment, downtime analysis, and service trend analysis to recommend software or hardware changes to improve overall operations if necessary.

13. QUALITY OF REPAIR
DPS to include boiler plate.

14. CLEAN UP
When making on-site installation, the Contractor must, during the progress of the work, remove and dispose of all materials and the resultant debris on a daily basis and keep the work site(s) and adjacent premises in a clean condition satisfactory to the City. Upon completion of the work, the Contractor must remove all materials, tools and machinery and restore the site to the same general condition that existed prior to the commencement of its operation.

15. PUBLIC CONVENIENCE
All work performed under this Contract must be so conducted as to cause a minimum, amount of dust, noise and inconvenience to the normal activities of the facility or the public way where work is performed. The Contractor is responsible for conducting all work in such a manner as to minimize debris left in the public way and will provide clean-up as required by the Commissioner. Whenever the Commissioner determines any type of operation constitutes a nuisance, the Contractor must immediately proceed to conduct its operations in an approved manner.

The Commissioner may at any time require additional provisions if such as deemed necessary for public safety or convenience.

16. PROTECTION OF WORK, DAMAGES AND REPAIRS
The Contractor must provide protection for all uncompleted work under this Contract until the work has been completed and accepted by the City.
The Contractor will be responsible for and must repair and pay for damages to new and existing structures, material, equipment, plant, stock and apparatus during the course of the work, where such damage is directly due to work under this Contract, or where such damage is the result of the negligence, or carelessness on the part of the Contractor or of its employees, or on the part of the Contractors subcontractor or its employees. However, the Contractor must first immediately notify the Commissioner, or his authorized representative, and report the nature and extent of damages prior to making any such necessary repairs.

17. EXCEPTIONS
Boiler plate language.

BASIS OF AWARD
Non-Competitive

CONTRACT PERIOD/TERM OF PERFORMANCE
Eighty-four (84) months + one thirty-six (36) month time extension.

CATALOG LANGUAGE FOR PARTS
DPS to add catalog language

PRICE ADJUSTEMENT/ESCALATION

The original prices will be valid and firm for the initial twenty-four (24) months of the Contract period beginning with the start date of the contract. Beginning on the date after the initial twenty-four (24) months of the term, and for each twelve (12) month anniversary thereafter, annual price adjustment of the Contract's pricing may be made after receipt of a written request from the Contractor showing cause substantiating the need of the increase, made no later than thirty (30) calendar days after the expiration of each such twelve (12) month period. If Contractor does not request a price adjustment within such thirty (30) calendar day period, Contractor will not be entitled to a price adjustment for the upcoming year.

The Contractor's service agreement price will be adjusted "New Contract Price" by an amount not to exceed four percent (4%) per year, for each additional twelve (12) month period. The Contractor will be required to furnish a certified statement or affidavit stating that the increase represents the costs for Maintenance, Service, and Parts for Tech Logic Material Handling System and in no way represents an increase for profits, labor, or overhead. The Contractor must justify its request for an increase by submitting detailed pricing data, support documentation, and any other information requested by the Chief Procurement Office to verify the price increase request.

If approved by the Chief Procurement Officer, a properly executed Contract modification must be signed by the Contractor and executed by the City of Chicago to reflect the price increase and the effective date for the increase. Original agreement prices are in effect until the modification has been fully executed and released to the Contractor unless the modification specifies an effective date for the agreed upon price change.

Maintenance, Service, and Parts for Tech Logic Material Handling System provided by the Contractor at a price change, without a properly executed Contract modification signed by the Chief Procurement Officer, is made at the Contractor's risk. Consequently, in the event such modification is not executed by the City, the Contractor releases the City from any liability whatsoever to pay for any Maintenance, Service, and Parts for Tech Logic Material Handling System provided at an unapproved increased price.

Exhibit 1

Description of Functionality

The **Description of Functionality** is commonly referred to as a "**Sequence of Operations**" and describes how the system works from both a controls point of view and mechanical view. It further defines system specifications that provide the City with a good understanding of anticipated performance objectives. Throughput rates, speeds of moving devices, and reaction times of the system are all best guesses based on previous system performances. This is so because many variables such as network speeds, automated circulation system response times, City personnel variances in performance and City collection variables may all have an impact on system throughput rates, speeds and reaction times.

UltraSort's modular "suite" of software programs is used throughout its systems. Each system is unique and custom designed to fit the City's specific environment, yet the basic underlying code is the same from system to system via the modular code. UltraSort will pick and choose from these modules and link them together into the systems final program. This consistency in programming at the lower level program structure enables UltraSort to easily upgrade changes to the City's top-level system program as time passes. It is important for the reader to understand that deviations from UltraSort's standard module functions can produce additional programming costs to the City.

Tech Logic systems are broken into several major categories each having its own, unique "sequence of operations". The basic categories are Safety and Emergency Stop Systems, Book Drops and Delivery Systems, Storage Systems, Book Placer Sorting Systems, Distribution Sorting Systems, Patron Reserve Storage Systems, Check-In/Out Systems and Asset Management Systems.

Tech Logic represents that the City's Automated Material Handling System includes the functionality below.

Article 1: Definition of Terms

1.01 "**ACS**" means the City's automated circulation system used for asset tracking, recording, accounting, and lending and return software system of library materials.

1.02 "**FSP**" means "Full Service Program", which is a lower level of service than the "Supplemental Service Program" (SSP)

1.03 "**MHS**" means automated Material Handling System and is used for all levels of handling sophistication within a Tech Logic System.

1.04 "**CircIT Application**" is the Tech Logic title for the Visual Basic .NET program that resides on the System

1.05 "**Batch File List**" refers to a file that is generated containing books and their characteristics of distribution states such as transit check-in or checked-in, and are virtually associated with the interagency bin's RFID tag.

1.06 "**Book(s)**" shall refer to all materials including but not limited to books, tapes, CD's, DVD's, magazines and all City items that must generally be handled by the System within the City environment.

1.07 "**Delivery System**" refers to that portion of the System that receives Books from book drops and transports the Books to the Process Area.

1.08 "**Distribution System**" refers to that portion of the System that delivers Books between City branches or within a cooperative City System.

1.09 "**LAV**" refers to the City's Automation Vendor that has provided the City with its asset tracking software.

1.10 "**MS**" refers to licensed Microsoft Corporation software that resides on the System PC or the City's PC. When the City purchases a PC from Tech Logic, the license is transferred to the City and is considered third party pass through licensing.

1.11 "**MS Software(s)**" refers to software that is purchased by Tech Logic from Microsoft Corporation for use on the System PC. These software's are considered "Third Party" and licenses are passed through to the City at the time of System installation and acceptance.

1.12 "**Process Area**" means that portion of the System that processes the Books for final placement of Books into storage bins, sorted onto book trucks, stored for patron holds, or otherwise acts as a work station for Book check-in or check-out.

1.13 "**RFID**" means Radio Frequency Identification that is the method of identifying or detecting data stored on a microchip with an antenna. RFID consists of three components; RFID Tag, RFID antenna, and RFID Coupler. The antenna is for amplifying transmission to and from a coupler via radio frequency technology. The coupler receives the data from the RFID Tag and sends a raw data stream via RS-232 connection to a PC and is interpreted by the Tech Logic Software to identify the City Item that the RFID tag is attached to.

1.14 "**SSP**" means "Supplemental Service Program" where Tech Logic assumes all risks for service, repairs, parts, and labor.

1.15 "**System Item(s)**" refers to numerated system components as described in Exhibit 3 and identified in Exhibit 2.

1.16 "**System PC**" refers to one or more personnel computer "PC(s)" that control all aspects of the System, including but not limited to all the machines within the System and all communication software's that interface with the City's host computer.

1.17 "**System I/O**" refers to all input and output devices within the System. Inputs (I) include all hardwired electronic signals such as photo-eyes, proximity switches, and other electronic devices that the System PC relies on for System status conditions. Outputs (O) include all hardwired electronic signals to System machine devices such as air valves, motors, lights, and other electronic devices that the System PC controls.

1.18 "**Tag Replication**" is the process of converting industry standard barcodes into RFID Tags.

1.19 "**Tech Logic Code**" is programmed instructions written in various computer languages and run via compilation of various software's that reside on the Tech Logic's System PC or

the City's PC. Tech Logic Code is proprietary property of Tech Logic and licensed for use to the City, all as stated within the Software License Agreement.

1.20 "**Tech Logic Hot Keys**" is a set of predefined quick keys which allows the staff members at the City to quickly toggle to different modes of operations, or application modules.

1.21 "**Tech Logic Suite**" refers to the underlying program modules that have been written and developed by Tech Logic to quickly and expeditiously assembles whole system top-level programs.

1.22 "**Tech Logic-HMI**" refers to Tech Logic's Human Machine Interface software graphics. Tech Logic-HMI is the visual layer of software code, messages and graphics that the System Operator sees on the System PC.

1.23 "**Tech Logic-MI**" refers to the Tech Logic Machine Interface and communicates between hardware calls from the Tech Logic-HMI to the instruction sets of various devices in the MHS.

1.24 "**VB**" refers to Microsoft's Visual Basic software which resides on the System PC(s) or the City's PC(s) and runs Tech Logic Systems via compiled code written by Tech Logic.

1.25 "**VB-LAV Interface Software**" refers to Tech Logic's lower level VB modular software that interfaces with the ACS. Tech Logic's interfacing is designed to interface with the LAV software using TCP-IP using Windows Sockets on well-known or other application ports such as Telnet.

Article 2: Safety, E-Stops, Control Cabinets, and System Control

2.01 **Safety Features** are designed into every aspect of a Tech Logic System. Mechanical Systems and machines are designed with safety guards that are painted OSHA yellow. These guards are labeled and should never be removed when the system is powered up and running. Line shaft conveyor rollers are powered using urethane bands that will stop when touched by human hands.

2.02 **Operational Manuals** are provided with each Tech Logic System in the form of a CD. These manuals need to be read and studied by all System Operators and Maintenance personnel prior to System operation. The Operation Manuals include many topics including safety, machinery bills of materials, start-up and shut down procedures, maintenance procedures and an extensive disclosure of each control cabinet circuit for each aspect of the system.

2.03 **All Tech Logic Systems** incorporate a separately wired "closed loop" emergency stop system. The E-Stop Circuit is a hard wired, independently run electrical circuit that has the ability to stop the entire system with the push of a button. It "kills" (cuts power) to all System machines, regardless of where they are located, thereby halting all machine operations. The red mushroom shaped push button is located throughout the system and is designed specifically to offer safety to all City personnel. Its function is required by law and should be used only for emergency conditions that may be hazardous to human health and/or damaging to machines or Books within the system. Its design is "Push" to halt, "Pull" to reset. The offending, activated E-Stop within the system must be visited and reset before the system can be started. This key feature of the E-Stop circuit means that the system

cannot be restarted until all E-Stops within the system are reset. E-Stops are located on system control panels and at additional locations, in small enclosures, as required for adequate personnel safety.

2.04 **Control Panel.** Control panels provide the system with power distribution to all System Outputs and gather System Inputs for the System PC. Control panels, when required, may have an electrical disconnect, green illuminated "start" button and/or a red mushroom shaped E-Stop button. In all cases, the system cannot be started until all disconnects are turned on, all E-Stops are reset, as previously mentioned, and all start buttons are pushed. Should a start button refuse to light green when pushed, then an E-Stop within the system is not reset and/or a power disconnect is not turned on. When all the green start buttons on all system control panels are on and lighted, the system can then be started by the System PC.

2.05 **The System PC (S),** must be compliant with and runs the following software, if required, each having a distinct purpose within the overall System operation:

    A. Microsoft Windows XP Professional SP2

    B. MS Software Visual Basic 6

    C. VB-LAV Interface Software

    D. CircIT application

    E. LAV Client

    F. Microsoft Office 2003

    G. Remote Proxy

2.06 **When the System PC boots**, it runs on Microsoft Windows XP Pro Software as the operating system software. Once Windows XP is running and the system has been powered up, as previously mentioned, the operator "double-clicks" on the "Run MHS System" icon which is located on the desk-top and/or within windows "start" menu.

2.07 **From the System Operator's point of view**, all the programs are loaded and run behind the scenes and the only software program visible is Tech Logic-HMI. The Tech Logic-HMI is a dynamic, colored picture of the system that shows all the machinery; conveyors full status, SMART BIN® Container full status etc. in a manner that is user friendly. Literally, each graphical device changes color as its status changes. For instance, belt conveyors change colors from green to yellow to red depending on their status, which could be empty and stopped, on and moving, or stopped and waiting for upstream traffic to clear. Similarly, the entire system is dynamically changing in the form of status messages and graphical color images. These features are easy for system operators to understand. Once the System PC is booted and all software's are up and running, the system runs on its own, virtually capable of running unmanned.

2.08 **The MS Visual Basic Software programs**, written by Tech Logic, are divided up into "mini-programs" each one controlling various portions of the system and communicating with each other. This unique feature provides independent "logic", as can be seen throughout this exhibit.

Article 3: Book Drops and Delivery Systems

3.01 **Book Drops and Delivery** Systems consist of book drops and conveyors that deliver books to the Processing area. Book drop doors are monitored via photo-eye switches and when the book drop door is opened, the immediate conveyor starts to run. As books pass through the system, each belt conveyor, equipped with photo eyes that detect a book's presence, will start and stop based on its "Full/Not-Full" status.

3.02 **The Delivery System** has redundant activities programmed into its logic. It runs the belt conveyors in "accumulate-mode", "run/purge-mode" or "override-mode". The System runs in "run/purge-mode" most of the time and merely delivers books to the processing area as expeditiously as possible. When the Processing Area is busy, say for a few moments, Tech Logic-MI will then slide into "Accumulate-Mode" and proceed to accumulate Books along the conveyor's path. If the Process area continues be busy and unable to accept Books from the Delivery System, Tech Logic-MI will switch into "Override-Mode" operation. "Override-Mode" operation forces all belt conveyors within the delivery system on. Books are then directed to the Smart-Bin located in the Process Area that is designated "Overflow."

3.03.1 **A Delivery System PC** is used on larger Bin, Book Placer, and Distribution Systems to maintain continuous operation of the Delivery System. Tech Logic provides two System PC's on larger Systems. This allows the Process Area PC to be stopped and re-booted without affecting the Delivery System. If a separate Delivery System PC is used, it will appear as a second PC and so labeled.

3.03.2 If **De-Shingler Conveyers** are included in the System package, the De-Shingler Conveyor(s) will act to separate multiple items inserted in the Book Drop. The incline and speed of the De-Shingler Conveyor will separate any items not listed in Section 8.01, E of the City Agreement.

Article 4: Smart Bin® Container Storage Systems

4.01 **Smart-Bin Storage Systems** are designed to merely store books in bins in an orderly fashion. They are not designed to check-in books, as they have no devices to read barcodes nor RFID tags. Additionally, the System PC does not communicate with the ACS.

4.02 **The Sequence of Operations** for a Bin Storage System Process Area starts at the last belt conveyor of delivery system. Books are transferred from the Delivery System belt conveyors and passed onto the Process Area line-shaft and pop-up transfer conveyors. Under ideal conditions this process of belt conveyor to line-shaft conveyor transfer can be as fast as 1-1/2 to 2 seconds per book not to exceed 10 seconds per book. Each section of line-shaft conveyor and pop-up transfer, deposits books into the SMART BIN® Containers located along each side of the conveyor, filling them consecutively until all bins are full. If all bins become full, the system will move to "Override-Mode" and deposit the books in the end bin, even though it might be full.

4.03 **The HMI for a SMART BIN® Container Storage System** is the System Operators one source connection to the entire Material Handling System. Its colorful HMI informs the system operator of machine status via Green, Yellow and Red conditions. Each machine and/or conveyor shows up as being idle and empty, in motion or stopped and waiting. It

also provides, mouse-type on screen push buttons that allow the system operator to activate/de-activate several machine functions, such as belt conveyor overrides, SMART BIN® Container resets and general inventory reporting.

4.04 **All Tech Logic SMART BIN® Container Storage Systems** are equipped with multiple pager features that allow for over-night, over-filled SMART BIN® paging of key City personnel. When the City offers a dedicated phone line to the MHS system, the System PC will page the respective staff person on call and inform that person that the SMART BIN® Container Storage system is full or nearly full. The staff person on call merely visits the City during off hours and replaces the full SMART BIN® Container with an empty one. That person can do this task in minutes. This reduces the size requirements that any given System must be to handle extended weekends.

Article 5: Smart Bin® Container Sorting Systems

5.01 **SMART BIN® Sorting Systems** are designed to check-in books and sort them into bins using the City's pre-assigned collection codes as the sort criteria. They are designed to use either barcodes or RFID tags as the identification method. Additionally, the System PC(s) uses Tech Logic's VB-LAV Interface Software to communicate with the ACS for check-in.

5.02 **The Sequence of Operations** for a SMART BIN® Container Storage System Process Area starts at the last belt conveyor of delivery system. Books are transferred from the Delivery System belt conveyors and passed onto the Process Area line-shaft and pop-up transfer conveyors. Under ideal conditions this process of belt conveyor to line-shaft conveyor transfer can be as fast as 1-1/2 to 2 seconds per book not to exceed 10 seconds per book.

5.03 If **Loader/Unloader Machines** are included in the System package, the Loader/Unloader machine(s) will act as delivery system buffers and remote system automatic loading of Cordless SMART BIN ® containers. These machines have two basic modes, Load or Unload. The System PC will switch from mode to mode to maintain an even flow of materials to the sorting area.

5.04 If a **Sizing/Squaring Machine** is included in the System package, Books are moved from the Loading/Unloading machine area to the Sizing/Squaring Machine wherein Books are squared and checked for over and under size conditions. If a Book is outside of the systems size range, it is rejected into an adjacent SMART BIN® container which also serves as the "Overflow" bin.

5.05 If **Barcode** is the identification method and if the City's collection has barcodes on both sides of the Book, then an omni-directional "top-side-only" style scanner is used and positioned directly over a line-shaft conveyor section for book identification. If the scanner finds a barcode, the book is processed per section 5.08 of this article. If a barcode is not found, the Book is rejected and sent to the systems end reject SMART BIN® Container.

5.06 If **Barcode** is the identification method and if the City's collection has barcodes on only one side of the Book, then once the book has passed the Sizing/Squaring Machine, it is conveyed into the Book Rotating and Barcode Scanning Machine. Dual bar-bode scanners, mounted above and below the conveyor, try to read the Book's barcode as it moves along its length. The scanners can only read barcodes that are orientated "picket-fence" to the conveyors length. If the scanners do not find a barcode, the book is then rotated 90 degrees and proceeds back towards the Sizing/Squaring machine for a second try at

finding the barcode. If the scanners find a barcode on the second pass the conveyor is again reversed and the book is conveyed back onto the rotator. In the case of a Dual-Rotating Quad Barcode Scanning machine, the book proceeds to the next Rotating Station. In both cases, if no barcode is found the book is rejected and moves to the end "reject" SMART BIN® Container. Once a barcode has been recognized, the barcode is processed per section 5.08 of this article.

5.07 If **RFID Tag** is the identification method, then once the book enters the Sizing/Squaring Machine, it is scanned by the RFID Antenna which is located 4" above the Sizing/Squaring Machine line-shaft roller bed. RFID check-in style SMART BIN® Container Sorting Systems does not need a Book Rotating Machine. If no RFID tag is found the book is rejected and moves to the end "reject" SMART BIN® Container. Once an RFID tag has been recognized, the barcode is processed per section 5.08 of this article.

5.08 **Processing a Book** is similar for both barcode and RFID tags and takes the following software steps to determine shelf sortation:

A. Tech Logic-HMI Software determines if the barcode or RFID tag is valid before it tries to process the data, if it's not valid the book is tagged "Reject" and the system then tracks its destination to the end Smart-Bin for rejection.

B. If the barcode or RFID tag is valid, Tech Logic-HMI then assembles the LAV "request" string that is written in 3M Companies standard protocol rev 2.0 w/ UltraSort extensions.

C. The "request" string is then passed to the LAV via TCP-IP network communications.

D. Once the Book's barcode or RFID tag is processed by the City's LAV, in other words "Checked-In", the LAV sends a "return" string back to Tech Logic-HMI software via the LAV-VB Software Interface. The "return" string, also written in 3M Standard Interface Protocol (SIP), and includes the necessary data to perform sortation. The data required from the LAV includes the following fields of data and is considered Tech Logic's 3M Protocol w/ extensions:

- Collection Code

- Call Number

- Item Type Code

- Agency Destination

- Patron Name (only if Book is on reserve)

D. Tech Logic's MI directs, tracks, conveys and transfers the Book to the correct SMART BIN® Container.

Article 6: Book Placer Sorting System

6.01 **Book Placer Sorting Systems** are designed to check-in books and sort them onto industry standard book trucks and/or into SMART BIN® Containers using the City's pre-assigned collection codes as the sort criteria. Book Placer Sorting Systems may or may not incorporate SMART BIN® Containers and is determined by the City and Tech Logic. They are designed to use either barcodes or RFID tags as the identification method. Additionally, the System PC(s) use Tech Logic's VB-LAV Interface Software to communicate with the ACS for check-in.

6.02 **The Sequence of Operations** for a Book Placer Sorting System Process Area starts at the last belt conveyor of the delivery system. Books are transferred from the Delivery System belt conveyors and passed onto the Process Area line-shaft and pop-up transfer conveyors. Under ideal conditions this process of belt conveyor to line-shaft conveyor transfer can be as fast as 1-1/2 to 2 seconds per book. Sizing/Squaring and Book Rotating Machine rates can vary from 2 seconds to 8 seconds while the average rate of a Book Placer machine will range from 10 to 25 seconds depending on how full the book truck shelf is. The art of properly sizing a system for top end rates will vary depending on all the aforementioned criteria as previous stated in this exhibits' preamble.

6.03 If **Loader/Unloader Machines** are included in the System package, the Loader/Unloader machine(s) will act as delivery system buffers and remote system automatic loading of Cordless SMART BIN® containers. These machines have two basic modes, Load or Unload. The System PC will switch from mode to mode to maintain an even flow of materials to the sorting area.

6.04 If a **Sizing/Squaring Machine** is included in the System package, Books are moved from the Loading/Unloading machine area to the Sizing/Squaring Machine wherein Books are squared and checked for over and under size conditions. If a Book is outside of the systems size range, it is rejected into an adjacent Smart-Bin which also serves as the "Overflow" bin.

6.05 If **Barcode** is the identification method and if the City's collection has barcodes on only one side of the Book, then once the book has passed the Sizing/Squaring Machine, it is conveyed into the Book Rotating and barcode Scanning Machine. Dual bar-bode scanners, mounted above and below the conveyor, try to read the Book's barcode as it moves along its length. The scanners can only read barcodes that are orientated "picket-fence" to the conveyors length. If the scanners do not find a barcode, the book is then rotated 90 degrees and proceeds back towards the Sizing/Squaring machine for a second try at finding the barcode. If the scanners find a barcode on the second pass the conveyor is again reversed and the book is conveyed back onto the rotator. In the case of a Dual-Rotating Quad Barcode Scanning machine, the book proceeds to the next Rotating Station. In both case, if no barcode is found the book is rejected and moves to the end "reject" SMART BIN® Container. Once a barcode has been recognized, the barcode is processed per section 6.07 of this article and proceeds to the Book Rotating Machine.

6.06 If **RFID Tag** is the identification method, then once the book enters the Sizing/Squaring Machine, it is scanned by the RFID Antenna which is located 4" above the Sizing/Squaring Machine line-shaft roller bed. RFID check-in style Book Placer and/or SMART BIN® Container Sorting Systems still need a Book Rotating Machine. RFID style Systems does not need a Dual Book Rotating Machine. If no RFID tag is found the book is rejected and

moves to the end "reject" SMART BIN® Container. Once an RFID tag has been recognized, the barcode is processed per section 6.07 of this article.

6.07 **Processing a Book** is similar for both barcode and RFID tags and takes the following software steps to determine shelf sortation:

A. Tech Logic-HMI Software determines if the barcode or RFID tag is valid before it tries to process the data, if it's not valid the book is tagged "Reject" and the system then tracks its destination to the end Smart-Bin for rejection.

B. If the barcode or RFID tag is valid, Tech Logic-HMI then assembles the LAV "request" string that is written in 3M Companies standard protocol rev 2.0 w/ UltraSort extensions.

C. The "request" string is then passed to the LAV via TCP-IP network communications.

D. Once the Book's barcode or RFID tag is processed by the City's LAV, in other words "Checked-In", the LAV sends a "return" string back to Tech Logic-HMI software via the LAV-VB Software Interface. The "return" string, also written in 3M Standard Interface Protocol (SIP), and includes the necessary data to perform sortation. The data required from the LAV includes the following fields of data and is considered Tech Logic's 3M Protocol w/ extensions:

- Collection Code

- Call Number

- Item Type Code

- Agency Destination

- Patron Name (only if Book is on reserve)

E. Tech Logic's MI then directs, tracks, conveys and transfers the Book to the correct Book Placing Machine and/or SMART BIN® Container.

6.08 **Tech Logic's VB-MI program "tracks"** the Books as they proceed downstream on the line-shaft conveyor towards each Book Placing Machine. The line-shaft conveyor employs pop-up transfer style diverters along its conveying path. These transfers divert the Book into the Book Placer's Receiver. Once the Book Placer has a book it then places the book on the book truck and the process is finalized. The Tech Logic-HMI allows the system operator to lower Book Truck Tilting Machine at will or as they become full.

6.09 **Tech Logic-HMI is the System Operators'** one source connection to the entire Material Handling System. Its colorful Tech Logic-HMI informs the System Operator of machine status via Green, Yellow and Red conditions. Each machine and/or conveyor shows up as being idle and empty, in motion or stopped and waiting. It also provides Mouse-type on screen push buttons that allow the System Operator to activate/de-activate several machine functions, such as belt conveyor overrides, SMART BIN® Container resets and general inventory reporting.

Article 7: Distribution Systems

7.01 **The Distribution System functions as the "main hub"** for inter-branch and/or cooperative City transit sorting systems. The Tech Logic Cordless SMART BIN® Container is the primary method of Book handling between the City's branches and/or cooperative Chicago Public Library's. The Cordless SMART BIN® Container is designed to replace the traditional "stacked" plastic tote technology with ergonomic, electric operated Cordless SMART BIN® Containers that can be automatically loaded and unloaded by Tech Logic's Loader/Unloader Machine or manually by hand. The Distribution System tracks Books as they move between branches or Chicago Public Library's within a cooperative.

7.02 **The Tech Logic Bin Distribution Client/Server Software Suite** automates the distribution of materials between branch and cooperative Chicago Public Library's. Whenever a Cordless SMART BIN® Container is filled, a batch file list is generated. This batch file list contains all of the items contained within the Cordless SMART BIN® Container and is then tracked throughout the system. When the Cordless SMART BIN® Container reaches its destination, the entire bin contents are checked in, automatically within seconds. This batch transit check-in greatly speeds up the operations at distribution centers, branch and mini-branch locations.

7.03 **The Distribution System Sequence of Operations** includes a Tech Logic Server PC running at the main Distribution System and one (1) Tech Logic Client PC at each branch and/or cooperative location. The Distribution System is based on RFID tag technology that allows for invisible identification of Cordless SMART BIN® Container library Books. The following chain of events describes the system as it functions at various levels:

A. An RFID antenna reads materials as a staff member and/or the distribution system machinery loads the Cordless SMART BIN® Containers. A virtual batch file is generated as the bin is filled. Once the Cordless SMART BIN® Container is full, the batch file list is associated to the bin's RFID cad. Each Cordless SMART BIN® Container within the Distribution System has its own bin number and is always associated to the bin RFID card. This asset tracking method all but eliminates lost or misplaced items within the Distribution System.

B. When the Cordless SMART BIN® Container reaches its destination, the bin RFID card is read by the transit check-in station and/or branch unloading machinery and the entire bin's entire contents are transit checked in via the Server batch file. Once all bin contents are batch checked in, the operator removes books out of the bin passing them over the check-in station's RFID antenna. The standalone RFID check-in station will annunciate what the operator is to do with the item.

    i. If the Book remains at the branch and is to be shelved, the check-in station does not make any audible sounds.

    ii. If the book is on hold the check-in station will make an audible sound indicating to the operator that the book is on reserve. At the same time, the check-in station will print a receipt with the patron's name.

    iii. If the book is to be put back into transit the check-in station will make an audible sound indicating to the operator that the book needs to go back to the main distribution center for re-route. The operator then puts the transit check-in

book into a Cordless SMART BIN® Container and uses the same process as (2) above.

C. The standalone branch transit check-in is equipped with a printer that will print the following reports:

    i. Entire Bin Contents List

    ii. Patron Holds List

    iii. Destination Route Change List

Exhibit 2

Schedule of Compensation for Maintenance of the AMH and Components' Pricing

PRICING FOR SERVICE AND MAINTENANCE SUPPLEMENTAL SERVICE PROGRAM (SSP):

- years 1 and 2 with on-site technician $228,200 x 2 = $456,400
- Year 3 through 7 the Contractor will receive an annual increase not to exceed four percent (4%).

PRICING FOR AUTOMATED MATERIAL HANDLING PRODUCTS:

Manuf. Part #	Product Description	Unit of Measure (pack, case, unit)	Units per UOM	Published List Price	CPL Price
AYX	Additional Conveyance For Custom Sorting Solutions	Unit		MSRP	
AYX	Barcode imager module for sorters	Unit	1	$75,243.00	$67,718.70
AYX	Ultrasort™ 3 Bin Sorter Internal Drop	Unit	1	$87,650.00	$78,885.00
AYX	Ultrasort™ 3 Bin Sorter External Drop	Unit	1	$90,650.00	$81,585.00
AYX	Ultrasort™ 5 Bin Sorter Internal Drop	Unit	1	$108,840.00	$97,956.00
AYX	Ultrasort™ 5 Bin Sorter External Drop	Unit	1	$111,840.00	$100,656.00
AYX	Ultrasort™ 7 Bin Sorter Internal Drop	Unit	1	$311,555.13	$280,399.62
AYX	Ultrasort™ 7 Bin Sorter External Drop	Unit	1	$322,744.63	$290,470.17
AYX	Ultrasort™ 9 Bin Sorter Internal Drop	Unit	1	$358,222.13	$322,399.92
AYX	Ultrasort™ 9 Bin Sorter External Drop	Unit	1	$369,411.63	$332,470.47
AYX	Ultrasort™ 11 Bin Sorter Internal Drop	Unit	1	$429,154.13	$386,238.72
AYX	Ultrasort™ 11 Bin Sorter External Drop	Unit	1	$440,343.63	$396,309.27
AYX	Ultrasort™ 13 Bin Sorter Internal Drop	Unit	1	$472,716.13	$425,444.52
AYX	Ultrasort™ 13 Bin Sorter External Drop	Unit	1	$483,905.03	$435,514.53
AYX	Smart Bin 124 Qty 1-25	Unit	1- 25	$3,895.00	$3,778.15
AYX	Smart Bin 125 Qty. 26-100	Unit	26 -100	$3,895.00	$3,778.15
AYX	Samrt Bin 125 Qty. 101+	Unit	101+	$3,895.00	$3,739.20
AYX	Print & Apply Label	Pack	2000	$80.00	$80.00
AYX	Multi Bin Software Control Software	Unit	1	$14,600.00	$14,600.00
AYX	One Year Full Service Program (FSP) & Supplemental Service Program (SSP)	Yearly	1	$228,200.00	$228,200.00

PRICING FOR SERVICE ON SOFTWARE AND COMPONENTS UNDER SSP:

Any damage to the software or its components caused by misuse, a malicious virus, unauthorized changes in the software, or unsupported operating systems is not covered. Software support under the aforementioned conditions is billable at $150.00 per hour or $2,900.00 minimum for onsite support with a charge of $1,450.00 per day for each additional day.

If an equipment problem is not one covered by warranty, Tech Logic's standard rate for additional labor is $200.00 per hour (Mon-Fri 9am-6pm) per Tech Logic personnel (3 hour minimum), or $2,000.00 per day per Tech Logic personnel.

Mon-Fri, "after hours" and Saturdays labor rate is $250 per hour with a three (3) hour minimum. Sunday labor rate is $300 per hour with a three (3) hour minimum.

Exhibit 3

Software License Agreement

1. License Grant.
A. *License*. Subject to the terms and conditions of this Agreement, Tech Logic grants City a perpetual, nontransferable, nonexclusive license to use the computer program and user documentation listed in Exhibit 1 (the 'Software') in connection with the Automated Materials Handling Systems procured by City under the Agreement. City may install and use the Software's computer program only on one machine. If City desires additional copies of the Software's computer program or user documentation, Tech Logic will provide such copies at the rates set forth in Exhibit 2.

B. *Restrictions*. City shall not (i) use the Software to provide services under any name other than that of the City; (ii) use the Software to process the data of third parties without Tech Logic's prior written consent; (iii) use the Software in the operation of a service bureau; (iv) modify or change the Software; or (v) decompile, disassemble or otherwise reverse engineer the Software.

2. Deliverables.
A. *Software*. Tech Logic shall provide the City one executable copy of the Software's computer program and one copy of the Software's user documentation. City shall not copy the Software (except for one archival copy for back up purposes only) or the user documentation.

3. Installation, Maintenance and Training.
Tech Logic shall install and maintain the Software and provide training to the City's employees pursuant to the terms of the Maintenance Agreement. City shall provide internet capability to allow Tech Logic to access, review and modify the Software remotely.

4. Functionality.

A. Tech Logic-HMI Software determines if the barcode or RFID tag is valid before it tries to process the data, if it's not valid the book is tagged "Reject" and the system then tracks its destination to the end Smart-Bin for rejection.

B. If the barcode or RFID tag is valid, Tech Logic-HMI then assembles the LAV "request" string that is written in 3M Companies standard protocol rev 2.0 w/ UltraSort extensions.

C. The "request" string is then passed to the LAV via TCP-IP network communications.

D. Once the Book's barcode or RFID tag is processed by the City's LAV, in other words "Checked-In", the LAV sends a "return" string back to Tech Logic-HMI software via the LAV-VB Software Interface. The "return" string, also written in 3M Standard Interface Protocol (SIP), and includes the necessary data to perform sortation. The data required from the LAV includes the following fields of data and is considered Tech Logic's 3M Protocol w/ extensions:

- Collection Code
- Call Number
- Item Type Code
- Agency Destination
- Patron Name (only if Book is on reserve)

    E. Tech Logic's MI then directs, tracks, conveys and transfers the Book to the correct Book Placing Machine and/or SMART BIN® Container.

5. Payments.
City shall pay Tech Logic the Software license fees, in the amounts and under the terms set forth in Exhibit 2. Tech Logic may change its license fees for additional copies of the Software upon thirty (30) calendar days prior written notice, but not to exceed four percent (4%) per year.

6. Confidentiality.
City agrees that neither City, its agents, nor, its employees shall in any manner use, disclose or otherwise communicate any information with respect to the Software which might enable copying of all or any portion of the Software. City agrees to take all reasonable action to protect the confidential and proprietary information included in the Software, including appropriate instructions and agreement with its employees.

7. Title.
City agrees that Tech Logic owns all copyright, trade secret, patent, trademark and other proprietary rights in and to the Software, including all modifications thereto.

8. Warranties.
Tech Logic warrants that it has clear title to the Software. Tech Logic further warrants that for a period of ninety (90) days after installation, the Software, if used by the City in accordance with the Software's user documentation, will substantially perform the functions set forth in Exhibit 1. TECH LOGIC MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. For clarification, this provision is subject to the warranty provisions and terms in the scope of services.

9. General Provisions.
Assignability. This license and all rights and obligations thereunder shall not be assignable by the City except with the prior written consent of Tech Logic. A change in control shall be deemed an assignment subject to this subsection. This Agreement shall be binding upon each party's permitted successors and assigns.
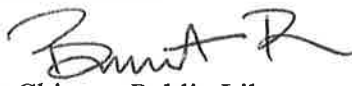
CHICAGO PUBLIC LIBRARY
CITY OF CHICAGO

March 1, 2017

To: Jamie L. Rhee
              Chief Procurement Officer

From: Brian Bannon
              Commissioner Chicago Public Library

Re: **PROCUREMENT REQUEST: Non-Competitive Procurement for an Eighty-Four (84) Month Contract for Maintenance Service, Parts, and Repair Service for the Automated Material Handling System (AMH) and Purchase of other Related Items.**

              REQ: 140118
              SPEC: 315679

The Chicago Public Library (CPL) procured an Automated Material Handling (AMH) System through an existing contract # 9274, to sort the millions of circulation occurrences of library materials throughout its system presently composed of eighty (80) locations. The software and its related designs, programs, components, and operating systems contain proprietary and/or trade secret information owned by Tech Logic. The system is proprietary and exclusively maintained by Tech Logic technicians who possess the training, specialized skills, and expertise to maintain it. The Print and Apply Labels were designed to work on the AMH Print and Apply Printer and the use of a different label would waive the manufacturer's warranty. The Smartbins are also proprietary and patented.

The warranty for the AMH is due to expire June 9, 2017, therefore the Chicago Public Library respectfully requests that an eighty-four (84) month non-competitive contract plus one (1) three (3) year extension be awarded to Tech Logic for the Maintenance Service, Parts, and Repair for the Automated Material Handling System and Purchase of Related Items. The cost for the maintenance and service will be $228,200 annually for the first two (2) years. Price increase for the maintenance and service thereafter are not to exceed four percent (4%) annually.
CPL included additional equipment for purchase to include Print and Apply labels for $100,000 and SmartBins for $1,908,500 over eighty-four (84) month, as well as language for the potential expansion of the Automated Material Handling System, for a total estimated amount of $3,750,395.

The following documents are attached to the FMPS requisition number 104118:

- Non-competitive Review Board Application
- DPS Checklist
- Detailed Specifications
- Attachment A (Maintenance Schedule)
- Attachement B (Preventive Maintenance Service Checklist)
- Attachement C (Patents)
- Tech Logic Quote
- CPL's Estimates
- Justification from vendor of exclusive and unique provider
- Waiver request from Vendor
- Proprietary Statement
- Statement that Bantec is the sole worldwide service partner
- CPL waiver concurrence letter.
- EDS Certificate
- Approved No-Stated Goals
- Certificate of Insurance

Thank you for your attention to this request. If further information is required, please contact please contact Sandra Scamardi at (312) 747-4269 or sscamardi@chipublib.org or Maria Ligammari (312) 747-4290 or ligammar@chipublib.org

MAINTENANCE SCHEDULE

Periodic maintenance consists of inspection, lubrication, and cleaning.
See Safety Guidelines before performing any maintenance on the machine.

As Needed Maintenance	Initial and date when procedure is completed											
Clean book drop areas												
Adjust Photoelectric Sensors												
Vacuum electrical cabinets and under conveyor												
Oil printer slide bearings (if equipped)												
Oil popup transfers when noisy												
Grease or gear oil bearing surfaces, ball screws, and rails												

Daily Maintenance	
Visual	• Check belts, rollers, in and under system, wear products, debris, lost library items, and loose parts. • Inspect all components of the fire suppression system (if equipped). Check the tank gauge and the control panel's green power LED is lit.
Audible	Listen to machine operation for unusual sounds of squeaking, grinding, or clunking.
Cleaning	• Lightly dust or wipe all photoelectric sensors, and clean camera lenses. • Do not clean the moving parts of the system do not need cleaning unless something is spilled. • DO NOT GO UNDER THE SYSTEM WHEN IT IS OPERATING. • Rags or towels may catch in the system rollers or belts and cause injury to the operator or damage to the system.

Weekly Maintenance	Initial and date when procedure is completed											
Check under system for debris/lost items												
Listen for any unusual noises that may indicate needed repair or maintenance												
Look for misaligned photoelectric sensors. Dust or clean photoelectric sensors												
Check incline/decline conveyor belts to see if items are slipping and clean as necessary. Material slippage means the incline needs cleaning.												

Monthly Maintenance	Initial and date when procedure is completed												
Clean barcode scanner face (if applicable)													
Clean printer mechanism; check for obstruction in path of receipt paper													
Check studs that have a hex nut on them one on each end of the line shaft conveyor rollers, replace as needed													

Semi-Annual Maintenance	Initial and date when procedure is completed	
Check gauge and verify the fire suppression system is charged		
Have fire suppression system inspected by a professional technician		

Annual Maintenance	Initial and date when procedure is completed
Check setscrews on three bolt bearings sprockets, and pulleys	
Grease actuator lead screw on popup transfer	
Listen for unusual vibration, bearing noise, etc.	
Grease all chains under oval guards	
Grease all chains under large guards	
Check conveyor belts for wear and tension; replace as needed	
Check bins for normal operation in manual/automatic modes and up/down modes	
Check all belt conveyor photoelectric sensors. Make sure they are clean and work properly	
Check the belts on all line shaft conveyors to make sure they are aligned properly	Note If you hear a squeaking, the belt drive pulleys are probably not aligned properly.
Check all indicator lights on book drop for proper operation; clean as needed	
Check that E-stops are operational	

techlogic

PREVENTATIVE MAINTENANCE
SERVICE CHECKLIST

—AST SYSTEM—

Name of Technician: _____

Date: _____

Library Name: _____

EFFECTIVE DATE: April 16, 2015
REVISION LEVEL: B

INSTRUCTIONS

Use this Service Checklist for all preventive maintenance (PM) that is done on Tech Logic AST systems. Each AST system is different and may not have all components listed in this document. While going through the checklist, please make a note of any parts that need to be replaced, any issues that may need to be looked at later, or any issues that the library brings to your attention.

Tools

It is recommended for the technician to have 3-in-1 oil and lithium grease for chains and moving parts. The following supplies and equipment are recommended for cleaning the photoeyes. Do not use WD-40 anywhere on the machine:

- Vacuum
- Grease Gun
- Rags
- Degreaser
- Canned Air
- Ammonia-free glass cleaner.

The technician should have their own tools to perform the following services.

Before You Begin

☐ Check with the library for any concerns that they have with the system, and make note of them.

Before beginning PM, make sure that the library is aware that the system will be down for an extended amount of time, so they can make arrangements for their patrons to deposit their items in other book drops or book bins.

Also before beginning, put the AST machine in Pause using the AST software. When the system is paused, use the troubleshooting screens to check inputs and outputs or to turn different parts of the machine on or off. If a component needs to be replaced or the machine needs adjustment, turn the power off to the entire system before servicing.

Questions?

Contact Tech Logic Customer Care by calling **1-866-880-9981**.

EXTERIOR BOOK DROPS

☐ There are no exterior book drops on this system (skip to next section).

☐ **Book Drop Door**

    ☐ Using the AST software, manually move the door up and down.
- Verify that the door moves up and down smoothly.
- Verify that the door opens and closes all the way.
- Check for grinding noises or abnormal noises.

    ☐ If pneumatic, oil the door guides with 3-in-1 oil.

    ☐ If electric, clean the motor screw. Do not use any solvents, oils or grease. If the book-drop motor is making noise, dry-silicone spray or dry Teflon spray is acceptable to use on the motor screw.

☐ **Photo Eyes**

    ☐ Clean each photo eye with glass cleaner and a rag.

    ☐ Verify each photo eye reads properly.

    ☐ Adjust alignment or sensitivity as needed. Sensitivity adjustments for the fiber optic sensors include:
- Turn left until the amber light is the only light on.
- Turn right until the green light turns on, and the amber light turns off.
- Turn right a 3 full turns.

☐ **Courtesy Lights** (lights that illuminate the faceplate)

    ☐ Verify all of the bulbs are on.

    ☐ Replace as necessary.

☐ **Seal**

    ☐ Verify that the book drop has a good seal around the edges.

☐ **Speaker** (if applicable, some book drops have speakers to play messages and directions)

    ☐ Check volume.

    ☐ Check clarity.

    Notes

INTERIOR BOOK DROPS

☐ There are no interior book drops on this system (skip to next section).

☐ **Photo Eye**

    ☐ Verify that the beginning photo eye located inside of the book drop opening is clean, aligned, and adjusted. **Sensitivity Adjustment**:

- Turn left until the red and green are both lit.
- Turn right, until the green light turns off.
- Keep turning until the green light just turns on.

☐ **Message Display** (if applicable)

    ☐ Check that the message display works and displays the correct messages.

    Notes

CONVEYOR BELTS

☐ There are no conveyor belts on this system (skip to next section).

☐ **Belts**

   ☐ Check for any tears in the conveyor belts.

   ☐ Check the V-Guide on the bottom of the belt; make sure it is not worn or coming apart.

   📌 **Note** The belt size information is on the plates mounted on the side of the conveyor if a replacement needs to be ordered.

☐ **Lacing**

   ☐ Check that the lacing is tight and in good condition.

☐ **Drum Motors**

   ☐ Check for any leaking seals at the elbow and wire from the motorized pulley.

   ☐ Scan the surrounding area for any oil spots or leaks.

☐ **Top Mount Motors**

   ☐ Check the chain tension.

   ☐ Inspect the motor and sprockets.

☐ **Incline/Deshingling Conveyors (if applicable)**

   ☐ Clean the brush on the underside of the conveyor.

   ☐ Use a scrub brush, Dawn dish soap and water to scrub the entire belt. This will clean up the dust and grease that has accumulated and help prevent items from slipping on the belt. This is a recommended weekly task for the customer.

☐ **Tracking**

   ☐ Verify that the belts are tracking properly and not wandering.

   ☐ If the belts are wandering, adjust tension to straighten belts.

☐ **Guards** (all gears and chains should have yellow guards in place)

   ☐ Verify that all guarding is in place and in good condition.

☐ **Rollers**

   ☐ Make sure rollers are not making any unusual sounds.

☐ **Curved Conveyors (if applicable)**

   ☐ Look for broken bands; replace the bands if more than two parallel bands in a row are broken.

   ☐ Verify that the clips are holding the rollers in place and that the rollers are centered (equidistant from each other).

☐ **Merge Sections**

☐ Look for wear on the belts.

☐ Belts should be close together without any big gaps.

☐ If there is minor wear, make note of it. If there is excessive wear, request a replacement belt.

☐ **Bearings**

☐ Grease all bearings. Do not over-grease. Apply until small amount of grease is visible. Pay attention that the grease does not leak out on the other end of the bearing.

☐ Replace as required.

Notes

SANDWICH BELTS
(VERTICAL INCLINE/DECLINE CONVEYORS)

☐ There are no sandwich belts on this system (skip to next section).

☐ **Bogie Springs/Chains**

    ☐ Check the tension.

    ☐ Make sure that all springs are touching the belt.

    ☐ Pass items of various sizes through the conveyor to verify proper operation.

☐ **Belts**

    ☐ Check the tracking of the belt.

    ☐ Look for any wear or tearing.

    ☐ Check the V-Guide on sandwich belt; make sure that it is not worn or coming

    Notes

FIRE SUPPRESSION

☐ There is no fire suppression on this system (skip to next section).

☐ **Door Actuator**

    ☐ Using the AST software, manually move door up and down to check for proper operation.

    ☐ Check the date of the last inspection by a certified inspector. If past the expiration date, inform the library contact.

    Notes

PNEUMATIC SYSTEM

☐ This system is entirely electric (skip to next section).

☐ **Pressure Regulators**

> **Note** The air compressor is not Tech Logic equipment.

☐ Check for water.

☐ Check for loose connections.

☐ Check for pressure switch settings — there are two regulators: one for the book drops and one for the sorting sections.

> **Note** The bookdrop regualator should be around 90—95 psi.
> The sorting regulator should be at least 120 psi.

☐ Check the system pressure.

> **Note** Incoming pressure to AST system (provided by customer) should be at least 120 psi.

☐ Verify the customer has drained the water from the compressor.

☐ **MAC Valves**

☐ Check for leaks.

☐ Check for loose connections.

☐ **All Pneumatic Devices**

☐ Verify that all pneumatic moving parts move quickly and properly; if they do not, the pressure is too low or there is a leak somewhere.

Notes

SORTING SECTION

- [ ] **Line Shaft Conveyors**
  - [ ] Check the alignment of all of the photo eyes.
  - [ ] Clean and adjust the photo eyes as needed.
  - [ ] Verify that each photo eye is triggered when item passes through (use a book as a test).
  - [ ] Adjust the sensitivity if needed.
  - [ ] Check all roller bands for wear and tear; replace as needed.
  - [ ] Check line shaft bands for wear and tear; replace as needed.
  - [ ] Clean hair and debris from the rollers.

- [ ] **Transfer Sections (Popup Transfers)**
  - [ ] Check all transfer bands for wear; replace as needed.
  - [ ] Verify that the transfer moves up and down smoothly.
  - [ ] If needed, clean the popup transfer actuators with a clean rag.
  - [ ] If the actuator is making noise, dry lubricant spray can be used.
  - [ ] If pneumatic, check for leaks.
  - [ ] Visually inspect the popup transfer levels.

- [ ] **Retractable Chutes (if applicable)**
  - [ ] Check for rips in the belting.
  - [ ] Lubricate the slide chutes and actuators with grease and oil cylinders as necessary.
  - [ ] Make sure that there is no grinding or unusual noise.
  - [ ] Make sure the chutes are fully extending.

- [ ] **Loader/Unloaders (if applicable)**
  - [ ] Check all of the photo eyes.
  - [ ] Check all of the photo eyes.
  - [ ] Clean and adjust the photo eyes as necessary.
  - [ ] Check the belts for wear and tear.
  - [ ] Make sure that there is no grinding or unusual noise coming from the belts or actuators.

- [ ] **Rotators (if applicable; used on AST systems with placers)**
  - [ ] Check the alignment.
  - [ ] Check the alignment.
  - [ ] Check all of the photo eyes.
  - [ ] Clean and adjust the photo eyes as necessary.

- [ ] Check the proximity switches.
- [ ] Oil the cylinders as necessary.

- [ ] **Smart Bins (if applicable)**

  - [ ] Verify that all of the outlets on AST system are live, and replace any fuses or reset circuit breakers as necessary.
  - [ ] Check for any worn or broken parts; make note of any part that needs to be replaced.
  - [ ] Check the bin functionality.

    - Manual mode – up/down.

    - Auto mode – up/down.

    - Photo eyes work properly (clean and adjust as needed).

    - Top and bottom limit switches work properly. (Make sure the micro-switches are not bent or beginning to break).

    - AST software registers when bin is full. Lubricate the gears if bin is making noises.
  - [ ] Lubricate the gears if the bin is making noises.
  - [ ] Check the floor speed.

    Note The average time it takes for the floor to move its full range of motion is 35–45 seconds.

  - [ ] Disconnect the bins from AC outlet, and verify that the bins work properly on battery power.

- [ ] **Sizer/Squarer** (if applicable; usually used with AST systems that have placers or barcode scanning)

  - [ ] If pneumatic, lubricate the cylinder.
  - [ ] Check the photo eyes; clean and adjust as necessary.
  - [ ] Check the fiber optic photo eyes that size the book.

- [ ] **Placers** (if applicable)

  - [ ] Using the AST software, move the placers in/out and up/down.
  - [ ] Make sure the x- and z- axis have smooth motion.
  - [ ] Verify that the placer paddle moves back and forth smoothly.
  - [ ] Verify that the placer head moves up and down smoothly.
  - [ ] Check for any worn parts.
  - [ ] Verify that the cart tilters and placers are at 15 degrees.
  - [ ] Clean and adjust the photo eyes as necessary.
  - [ ] Verify that the books are being placed properly.

    Notes

GENERAL

☐ **System Area**

    ☐ Check under the system for any oil on the floor.

    ☐ When PM is complete, make sure that all tools are picked up and area is clean.

☐ **Paperwork**

    ☐ If there are parts that need to be ordered/ replaced, make note of them and contact Tech Logic.

☐ Clean all electrical cabinet fans and filters.

☐ Using canned air, blow out the dust from PC fan.

☐ **On first PM of the year, create software backup.** (Work with Tech Logic if required).

☐ **Put the machine back into normal operation.** Inform the Staff that the machine is useable. Run at least 100 items through to ensure proper operation of the machine.

    Additional Comments

SIGNATURES
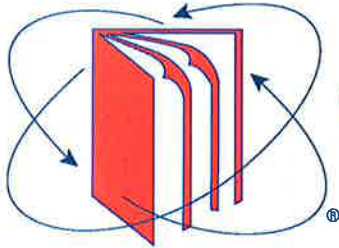
Start Time   End Time

Technician   Date Completed

Employee of library Date   Date

techlogic

family owned ▪ innovation driven

Tech Logic

1818 Buerkle Road
White Bear Lake, MN 55110
USA

Phone: 651.747.0492
Toll free: 800.494.9330
Fax: 651.747.0493
Email: contact@tech-logic.com
Web: www.tech-logic.com

tech logic
PEOPLE FIRST

Patents

Tech Logic Patents Issued:

Patent no. 6,000,770 – Library book bin "smart bin" with vertically adjustable floor

Patent no. 6,074,156 – Library cart loading system and method

Patent no. 6,257,816 – Book binding orientation detector

Patent no. 6,422,457 – Access device for a material depository "book drop"

Patent no. 6,203,262 – Cart loading system and method for library-like materials "Hi-IQ"

Patent no. 6,557,696 – Inclined conveyor "sandwich conveyor"

Patent no. 6,562,418 – Check-out system for library-like materials

Patent no. 7,004,709 – Bin for library articles and automatic unloading system therefore

Patent no. 6,994,252 – Combination library patron-supervisor self check-in/out workstation

Patent no. 6,793,139 – Library article transportation system with inclined conveyor

Patent no. US D687, 429 S – Self-Service Kiosk "MediaSurfer"

January 17, 2017

Jamie L. Rhee
Chief Procurement Officer
Harold Washington Library Center
Chicago Public Library
400 S. State Street – 10N
Chicago IL 60605

Ref: Justification of exclusive unique ability to provide goods and services

Dear Jamie,

Tech Logic manufactured and installed the Automated Material Handling (AMH) system at the Harold Washington Library Center; the software, related designs, programs, components, and operating systems contain proprietary and/or trade secret information owned by Tech Logic. Therefore, the AMH can only be maintained by Tech Logic technicians and certified and trained Tech Logic technicians through its contracted partner Bantec only, as they possess the training, specialized skills, and expertise to maintain the AMH system.

Additionally, the Tech Logic "SmartBins" TM are designed specifically to work with AMH machine and are an integral part of the functionality of the system. Likewise, the "Print and Apply" labeling system utilizes a proprietary and exclusive type of label that is only available from Tech Logic and the use of a different label would waive the AMH warranty.

Sincerely,

Gary W. Kirk
President
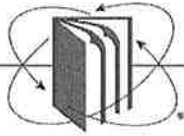
techlogic

May 18, 2016

Sandra Scamardi
Contracts Administrator
Harold Washington Library Center
Chicago Public Library
400 S. State Street – 10N
Chicago IL 60602

Dear Sandra,

This letter certifies that bins and labels other than Tech Logic branded or designed are incompatible with the Tech Logic AMH machine installed at the Harold Washington Library.

Tech Logic's "SmartBins" TM are designed specifically to work with the AMH machine and are an integral part of the functionality of the system.

Likewise, the "Print and Apply" labeling system utilizes a proprietary and exclusive type of label that is only available from Tech Logic.

Sincerely,

Gary W. Kirk
President

CERTIFICATE OF FILING FOR

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT

EDS Number: 102205
Certificate Printed on: 01/19/2017

Date of This Filing:01/19/2017 10:24 AM
Original Filing Date:01/17/2017 08:44 AM

Disclosing Party: Tech Logic Corporation
Filed by: Mr. Calvin Whittington

Title:Treasurer

Matter: Service of AMH System for Library
Applicant: Tech Logic Corporation
Specification #:
Contract #:

The Economic Disclosure Statement referenced above has been electronically filed with the City. Please provide a copy of this Certificate of Filing to your city contact with other required documents pertaining to the Matter. For additional guidance as to when to provide this Certificate and other required documents, please follow instructions provided to you about the Matter or consult with your City contact.

A copy of the EDS may be viewed and printed by visiting https://webapps1.cityofchicago.org/EDSWeb and entering the EDS number into the EDS Search. Prior to contract award, the filing is accessible online only to the disclosing party and the City, but is still subject to the Illinois Freedom of Information Act. The filing is visible online to the public after contract award.

LIBRA-4   OP ID: CA

ACORD®   CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/16/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: John A. Latimer, IV		
Keller Stonebraker Ins. (HG) 1120 C Professional Court P.O. Box 609 Hagerstown, MD 21741-0609 John A. Latimer, IV	PHONE (A/C, No, Ext): 301-733-2530		FAX (A/C, No): 301-791-1478
	E-MAIL ADDRESS:		
	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Great Northern Insurance Col.		20303
INSURED The Library Corporation, Carl Corporation and Tech-Logic Corporation, ETAL 1 Research Park Inwood, WV 25428-9733	INSURER B : Federal Insurance Co.		20281
	INSURER C : Chubb Indemnity		
	INSURER D :		
	INSURER E :		
	INSURER F :		

COVERAGES   CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY** ☐ CLAIMS-MADE X OCCUR	X		36031761	05/26/2016	05/26/2017	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
							MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY X PROJECT ☐ LOC OTHER:						GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
A	**AUTOMOBILE LIABILITY** X ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	X		73588935	05/26/2016	05/26/2017	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
B	X **UMBRELLA LIAB** X OCCUR X **EXCESS LIAB** ☐ CLAIMS-MADE ☐ DED X RETENTION $ 0			79898652	05/26/2016	05/26/2017	EACH OCCURRENCE	$ 6,000,000
							AGGREGATE	$ 6,000,000
								$
C	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	71751556 (CA INCLUDED)	05/26/2016	05/26/2017	X PER STATUTE ☐ OTHER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
A	Professional Liab Claims Made			36031761 RETRO DATE 9/2/03	05/26/2016	05/26/2017	Claim/Agg Retention	5,000,000 25,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
RE: Harold Washington Library Center (HWLC)
See notepad

CERTIFICATE HOLDER CBREG-1	CANCELLATION
CBRE, Inc. Attn: Nicole Rosario-Orta Suite 3S-14 400 S. State Street Chicago, IL 60605	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE *[signature]*

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ACORD 25 (2014/01)   The ACORD name and logo are registered marks of ACORD

NOTEPAD:

HOLDER CODE   **CBREG-1**

INSURED'S NAME   **The Library Corporation,**

LIBRA-4

OP ID: CA
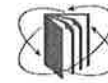
PAGE **2**

Date **01/16/2017**

The City of Chicago and the Chicago Public Library and CBRE, Inc. are additional insured as indicated to include primary and non-contributory where required by written contract.

NOTEPAD:

HOLDER CODE   **CBREG-1**

INSURED'S NAME   **The Library Corporation,**

LIBRA-4

OP ID: CA

PAGE **2**

Date **01/16/2017**

tech logic
PEOPLE FIRST
835 Hale Avenue
Oakdale, MN 55128
800.494.9330
www.tech-logic.com

March 1, 2017

Chicago Public Library

Automated Material Handling

Manuf. Part #	Product Description	Unit of Measure (pack, case, unit)	Units per UOM	Published List Price	CPL Price
AYX	Additional Conveyance For Custom Sorting Solutions	Unit		MSRP	
AYX	Barcode imager module for sorters	Unit	1	$75,243.00	$67,718.70
AYX	Ultrasort™ 3 Bin Sorter Internal Drop	Unit	1	$87,650.00	$78,885.00
AYX	Ultrasort™ 3 Bin Sorter External Drop	Unit	1	$90,650.00	$81,585.00
AYX	Ultrasort™ 5 Bin Sorter Internal Drop	Unit	1	$108,840.00	$97,956.00
AYX	Ultrasort™ 5 Bin Sorter External Drop	Unit	1	$111,840.00	$100,656.00
AYX	Ultrasort™ 7 Bin Sorter Internal Drop	Unit	1	$311,555.13	$280,399.62
AYX	Ultrasort™ 7 Bin Sorter External Drop	Unit	1	$322,744.63	$290,470.17
AYX	Ultrasort™ 9 Bin Sorter Internal Drop	Unit	1	$358,222.13	$322,399.92
AYX	Ultrasort™ 9 Bin Sorter External Drop	Unit	1	$369,411.63	$332,470.47
AYX	Ultrasort™ 11 Bin Sorter Internal Drop	Unit	1	$429,154.13	$386,238.72
AYX	Ultrasort™ 11 Bin Sorter External Drop	Unit	1	$440,343.63	$396,309.27
AYX	Ultrasort™ 13 Bin Sorter Internal Drop	Unit	1	$472,716.13	$425,444.52
AYX	Ultrasort™ 13 Bin Sorter External Drop	Unit	1	$483,905.03	$435,514.53
AYX	Smart Bin 124 Qty 1-25	Unit	1- 25	$3,895.00	$3,778.15
AYX	Smart Bin 125 Qty. 26-100	Unit	26 -100	$3,895.00	$3,778.15
AYX	Samrt Bin 125 Qty. 101+	Unit	101+	$3,895.00	$3,739.20
AYX	Print & Apply Label	Pack	2000	$80.00	$80.00
AYX	Multi Bin Software Control Software	Unit	1	$14,600.00	$14,600.00
AYX	One Year Full Service Program (FSP) & Supplemental Service Program (SSP)	Yearly	1	$228,200.00	$228,200.00

tech logic
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Oakdale, MN 55128
800.494.9330
www.tech-logic.com

March 1, 2017

Chicago Public Library

Automated Material Handling

Manuf. Part #	Product Description	Unit of Measure (pack, case, unit)	Units per UOM	Published List Price	CPL Price
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AYX	Samrt Bin 125 Qty. 101+	Unit	101+	$3,895.00	$3,739.20
AYX	Print & Apply Label	Pack	2000	$80.00	$80.00
AYX	Multi Bin Software Control Software	Unit	1 .	$14,600.00	$14,600.00
AYX	One Year Full Service Program (FSP) & Supplemental Service Program (SSP)	Yearly	1	$228,200.00	$228,200.00

AMH COSTS ESTIMATES

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
			4%	4%	4%	4%	4%	
Maintenance	$228,200	$228,200	$ 237,328	$246,821.12	$256,693.96	$ 266,961.72	$277,640.19	$ 1,741,845
Labels							$ 10,000	$ 100,000
SmartBins							1,908,550	$ 1,908,550
								$ 3,750,395

January 17, 2017

Jamie L. Rhee
Chief Procurement Officer
Harold Washington Library Center
Chicago Public Library
400 S. State Street – 10N
Chicago IL 60605

Ref: Request for MBE/WBE full waiver

Dear Jamie,

This letter certifies that the Automated Material Handling (AMH) system at the Harold Washington Library Center was manufactured and installed by Tech Logic and that its Software, related designs, programs, components, and operating systems contain proprietary and/or trade secret information owned by Tech Logic. The system is exclusively maintained by Tech Logic technicians who possess the training, specialized skills, and expertise. If the on-site technician is absent for an illness or a personal reason, Tech Logic will utilize local technicians from its service provider, BancTec, to fill in for emergency work.

Bantec is the sole, trained and certified world-wide service partner for Tech Logic AMH systems. Based in Irving, TX with certified technicians around the world, Bantec has provided outstanding service to Tech Logic customers since 2009.

Tech Logic "SmartBins" TM are designed specifically to work with AMH machine and are an integral part of the functionality of the system. Likewise, the "Print and Apply" labeling system utilizes a proprietary and exclusive type of label that is only available from Tech Logic.

Due to these proprietary components and nationally contracted exclusive vendors, Tech Logic is unable to fulfill a MBE/WBE compliance plan and therefore requests a full waiver.

Sincerely,

Gary W. Kirk
President
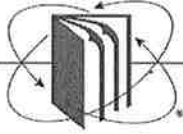
techlogic

May 20, 2016

To Whom It May Concern:
Subject: Banctec Service Partner

This statement affirms that Banctec is the sole, trained and certified world-wide service partner for Tech Logic AMH systems. Based in Irving, TX with certified technicians around the world, Banctec has provided outstanding service to Tech Logic customers since 2009.

Tech Logic works closely with Banctec to ensure that their staff is properly trained and working under the direction of Tech Logic. We are proud of this service relationship and of the high level of service we are able to provide to customers as a result of Banctec's efforts.

Sincerely,

Gary W. Kirk

NO STATED GOAL REPLY MEMORANDUM

TO: Maria Kellner Ligammari
Director of Procurement
Chicago Public Library

FROM: Rich Butler
First Deputy Procurement Officer

DATE: NOV 0 9 2016

RE: Automated Material Handling and Purchase of Additional Products
Specification No. 315679 Requisition No. 140118

After further review and consideration, the Department of Procurement Services approves the No Stated Goal request for the Automated Material Handling and Purchase of Additional Products project for the Chicago Public Library.

If you have any questions, please contact Monica Jimenez, Deputy Procurement Officer at (312) 744-0845.

JLR:gs