Summary Title: Library RFID Implementation

Title: Approval of Contract with Bibliotheca, Inc. for Provision of a Radio Frequency Identification System (RFID) for the Palo Alto City Library - Capital Improvement Program Project TE-06001

From: City Manager

Lead Department: Library

Recommendation
Staff recommends that Council authorize the City Manager or his designee to execute a contract with Bibliotheca, Inc. for the purchase of a Radio Frequency Identification (RFID) system for the Palo Alto City Library. This contract would be executed for fiscal year 2011 in an amount not to exceed $100,000 with further purchases to be made in fiscal year 2012 not to exceed $100,000.

Background
A feasibility study and implementation plan for RFID and Automated Materials Handling (AMH) systems was completed in 2006. The Palo Alto City Library Technology Plan, 2009-2013, included a detailed analysis, evaluation and recommendation for materials handling and RFID systems for the Palo Alto City Library. The most recent report from 2009 recommends implementation of such systems in conjunction with the upcoming building projects. Specifically, the report recommends that RFID be implemented at all five locations and AMH be implemented at the three busiest branches in a phased approach to coincide with construction and renovations. The Library issued a request for proposal (RFP) in August 2010 to solicit bids from vendors for RFID & AMH systems and, after a lengthy evaluation process of the six respondents, selected Bibliotheca for the RFID portion of the project. The AMH portion of the project was evaluated.
separately since the purchase of AMH systems for Mitchell Park Library and Main Library come under the building construction contracts.

The Library plans to implement RFID & AMH systems primarily to achieve the following goals:

- Achieve capacity for high levels of customer service;
- Free up staff from current repetitive and routine tasks;
- Reduce the risk of potential repetitive motion injuries;
- Reduce material losses;
- Improve circulation efficiency and shelf accuracy; and,
- Manage an increasing circulation workload without additional staffing

**Discussion**

A request for proposal (RFP) for the provision of RFID and AMH systems was issued in August 2010. An evaluation team of staff from the Library Department evaluated six proposals. The criteria used were cost considerations; company viability and references; support and maintenance agreements; and expertise in providing the required service. Staff checked references from other libraries that currently use the respondents’ services and found that when taking into consideration all criteria, Bibliotheca was found to have the best products to meet the needs of the Library for the RFID portion of the project. Evaluation and award of the AMH portion of the project will proceed as part of the construction contract using another vendor.

**RESOURCE IMPACT**

Funds for this contract have been identified in the Capital Improvement Program (CIP) budget CIP Project TE-06001 which has an existing appropriation of $427,414 in FY 2011. The RFID aspect of the project is expected to be completed with the opening of the new Mitchell Park Library in the summer of 2012 (FY 2013), when all items in the collection will be equipped with RFID tags and the self-check machines upgraded to use these tags instead of barcodes for circulation. Maintenance costs incurred after the CIP budget is closed, approximately $2700 per year, will become part of the ongoing operational costs for the Library, included in the City’s IT budget. Installation of RFID and security gates will greatly decrease the amount of stolen materials, estimated at
$7400 annually for Downtown library. The annual cost for RFID tags for new library materials is estimated at $21,000, which will be absorbed in the Collection Development budget, as are other processing costs. The Library expects reduced repetitive stress injuries resulting from check-in using RFID and will be analyzing staff resources for possible savings.

POLICY IMPLICATIONS
An implementation of an RFID system specifically responds to City Council direction to employ technology solutions in the Library and the City Auditor’s recommendation in the July 2007 Audit of Library Operations to expedite an RFID implementation.

ENVIRONMENTAL REVIEW
This project is categorically exempt from CEQA.

ATTACHMENTS

PREPARED BY: _______________________________
MARTHA WALTERS
Business Analyst, Library

APPROVED BY: _______________________________
NED HIMMEL
Interim Library Director

CITY MANAGER APPROVAL: _______________________________
JAMES KEENE
City Manager
Attachments:

- Biblioteca System Sales Contract (PDF)

Prepared By: Evelyn Cheng, Administrative Assistant

Department Head: Ned Himmel,

City Manager Approval: James Keene, City Manager
Bibliotheca System Sales Contract

THIS CONTRACT is made by the Parties, Bibliotheca, Inc., a Pennsylvania Corporation with principal offices at 8207 Stephanie Drive – Huntsville, Alabama 35802 (referenced herein as “BIBLIOTHECA”) and the City of Palo Alto Library, with offices at 1213 Newell Road – Palo Alto, California 94303 (referenced herein as “LIBRARY”), to establish the terms and conditions governing the sale of the automated BIBLIOTHECA “BiblioChip RFID” system and the “BiblioReturn AMH” system(s) to LIBRARY.

Definitions

(a) “Contract”, this “Contract”, “herein”, hereunder and similar expressions mean: this Contract document and its attached Exhibits, Appendices, Schedules, etc.

(b) “Deliverables” means: all Equipment, Software, Professional Services, and Incidental Services comprising the BIBLIOTHECA-provided Solution

(c) “Documentation” means: Software-related, supportive instructional/reference materials such as manuals, training materials, on-screen tutorials and other relevant materials whether on paper or computer readable media provided by BIBLIOTHECA.

(d) “Equipment” means: collectively Hardware (as defined in this Clause 1. (f) below) and non-computer related mechanical and electronic components/devices supplied by BIBLIOTHECA (e.g. specialized RFID, AMH equipment, etc.) as a part of its solution for the LIBRARY’s requirements (but excluding Internet access, networking and communication equipment as required for operating the BIBLIOTHECA-provided system which shall be provided by LIBRARY).

(e) “Error or Software Error” means: any Software function that does not conform to the specifications in the Contract Documents which results in incorrect data or failure of the Software to provide the correct response.

(f) “Hardware” means: a computer or server consisting of a central processing unit and its peripherals (e.g. screens, keyboards, printers, scanners, etc.).

(g) “Software” means: collectively BIBLIOTHECA-provided computer programs consisting of a set of instructions or statements either loaded in a computer (or a device which incorporates a computer) or recorded on a computer readable medium for loading in a computer and its Documentation as defined in Clause 1. (c) above.

(h) “System” means: BIBLIOTHECA-provided Equipment and Software.

(i) “Professional Services” means: system training, installation services, conversion services, project management/consulting, etc.

(j) Incidental Services means: miscellaneous services such as shipping and handling, storage, etc.
2. **Contract Documents**

The Parties agree that each of the following documents incorporated herein by this reference shall constitute a part of this executed “BIBLIOTHECA System Sales Contract” (“Contract”). In the event of any conflict in the grant of rights, limitations, specifications, or obligations established by these documents, the order of governing precedence shall be determined in the order of priority in which they are listed and enumerated below:

1\(^{st}\) - This “Bibliotheca System Sales Contract” including its attached “Exhibits A through F” (the “Contract”);

2\(^{nd}\) - BIBLIOTHECA’s proposal response to the RFP (the “Proposal”); and

3\(^{rd}\) - The requirements specifications in LIBRARYS request for Proposal (the “RFP”)

3. **Term of Contract and Surviving Clauses**

The Parties, by their execution of this Contract, agree that this Contract shall commence from the effective date established upon execution of this Contract and shall continue in its entirety from such date until expiration of the Warranty Period at which time all Clauses not listed below shall be terminated.

The following Clauses and their referenced Exhibits shall survive and remain in effect for such time as LIBRARY uses the Software and/or retains possession of the Equipment.

1. “Definitions”,

3. “Term of Contract and Surviving Clauses”,

4. “Software License”,

7. “Payment Terms”,

8. “Taxes”,

10. “Maintenance Support”

11. “Limitation of Liability”,

12. “Infringement”,

15. “Insurance”, and

17. “Governing Law”.

4. **Software License**

LIBRARY agrees to execute an applicable “BIBLIOTHECA Software License Agreement” for software furnished by BIBLIOTHECA. LIBRARY understands title to all Software (including its
5. **System Installation and Training**

The BIBLIOTHECA-provided Software and applicable computer and related equipment for the BIBLIOTHECA system solution shall be installed at the LIBRARY’s site by BIBLIOTHECA in accordance with the mutually agreed upon timetable specified in Exhibit “D System Installation Schedule”.

System training may be accomplished with BIBLIOTHECA personnel at LIBRARY’s site and/or through use of electronic (two-way) communication between LIBRARY and BIBLIOTHECA trainers as described in Exhibit “C Training”.

LIBRARY acknowledges that the project milestones of equipment availability and site access are critical to completing the installation as scheduled. LIBRARY agrees that if LIBRARY delays such milestones, BIBLIOTHECA at its option may bill LIBRARY on the scheduled milestone date.

5. **Acceptance**

BIBLIOTHECA shall notify LIBRARY when BIBLIOTHECA-provided Equipment and Software Deliverables (of each delivery phase if multi-phased) have been installed and are ready for review and/or testing by LIBRARY to confirm substantial compliance with the specifications set forth in the Exhibits. It is agreed that LIBRARY shall within fifteen (15) working days from receipt of such Deliverables notify BIBLIOTHECA in writing that: (a) the System has met the acceptance criteria and acceptance (“Acceptance”) has occurred or (b) the System has not been accepted, detailing the particular Equipment and/or Software functions that are not in conformance with the mutually agreed upon specifications.

Upon receipt of notification from LIBRARY of any BIBLIOTHECA-provided Equipment and/or Software Deliverables not functioning in substantial conformance with the agreed upon specifications, BIBLIOTHECA shall within thirty (30) working days demonstrate that such Deliverable(s) have met the appropriate specifications and do properly function or shall at BIBLIOTHECA’s option effect the necessary remedy(s) (i.e. repair, revising or replacement) at its own expense. The terms of this Clause 6. Acceptance shall govern the retest upon completion of such corrective action by BIBLIOTHECA.

If notice of Acceptance or non Acceptance has not been provided by LIBRARY to BIBLIOTHECA in accordance with this Clause 6. Acceptance or if Deliverables have been placed in use in a library’s normal operational environment, then system Acceptance shall for all purposes of this Contract be considered to have been successfully accomplished.

If after the initial and subsequent acceptance tests, BIBLIOTHECA is unable to correct the BIBLIOTHECA-provided Equipment and Software Deliverables to function in compliance with their specifications, either Party may terminate this Contract by serving the other Party written notice to such effect. Upon such termination, BIBLIOTHECA, as its sole liability, shall refund payments received for the malfunctioning Equipment and Software within thirty (30) days after
the LIBRARY has returned the Equipment and relinquished the licensed rights and returned the Software being terminated.

7. **Payment Terms**

Payment Terms for the Deliverables are net thirty (30) days from invoicing.

BIBLIOTHECA shall invoice LIBRARY for all Deliverables for the prices agreed upon in Exhibits “A – Deliverables & Charges” and “B – Payment Schedules and Cost Summaries” in accordance with the payment schedule(s) set forth therein.

An interest charge of one and one half percent (1½%) per month, prorated on the basis of a thirty (30) day month, may be assessed at BIBLIOTHECA’s option on delinquent payments.

8. **Taxes**

BIBLIOTHECA Prices quoted are exclusive of all taxes based upon amounts payable to BIBLIOTHECA pursuant to this Contract.

LIBRARY agrees to accept all responsibility for timely computation, reporting the sale and payment of any applicable taxes or, as appropriate, filing/submittal of proof of a tax exemption to the appropriate government entity’s taxing agency. LIBRARY agrees to pay all sales, use, value-added and similar taxes directly to the appropriate government entity(s) and shall indemnify and hold BIBLIOTHECA harmless from any loss or damages whatsoever resulting from any penalties and/or fees for any delayed payment, failure to make payment or payment of incorrect amounts by LIBRARY.

9. **Warranty**

BIBLIOTHECA warrants that Equipment and Software furnished LIBRARY by BIBLIOTHECA under this Contract shall be free from significant manufacturing errors, programming errors or defects in workmanship and materials and shall operate in substantial conformity with the performance capabilities and functions set forth in the appropriate BIBLIOTHECA specifications for the System provided under this Contract. This Warranty commences upon Acceptance of the System and shall remain in effect for three (3) months (“Warranty Period”). During the Warranty Period, BIBLIOTHECA shall correct any Errors by repairing, revising or replacing, at BIBLIOTHECA’s option, the defective Equipment and/or Software. If BIBLIOTHECA is unable to correct Errors which substantially affect System performance, the LIBRARY may, as its sole remedy, return the defective Equipment and Software components and related components (i.e. other Equipment and/or Software directly dependant on the defective components for their operation) for a refund of the amount paid for such returned Deliverables.

THE WARRANTIES STATED ABOVE ARE BIBLIOTHECA’S ENTIRE OBLIGATION FOR WARRANTING BIBLIOTHECA-PROVIDED DELIVERABLES. BIBLIOTHECA DISCLAIMS ALL OTHER WARRANTIES EXPRESS OR IMPLIED INCLUDING BUT NOT LIMITED TO ALL WARRANTIES OF MERCHANTABILITY AND FITNESS OF PURPOSE. CERTAIN LIMITATIONS SET FORTH IN THIS DISCLAIMER MAY NOT APPLY IN SOME JURISDICTIONS.
10. **Maintenance Support**

Immediately subsequent to completion of the three (3)-month Warranty Period, an initial nine (9)-month maintenance period (the "Initial Support Services Period") has been included for no additional fees/charges to those established for the Equipment and Software in Exhibit "A - Deliverables and Charges". The terms and conditions governing the initial maintenance support services ("Initial Support Services") provided during the Initial Support Services Period and any continuing renewal period(s) shall be as set forth in Exhibit "F – System Support Contract".

Upon expiration of the Initial Support Services Period, the protection of continuing Equipment and Software support services is strongly recommended by BIBLIOTHECA for system maintenance beyond the applicable contiguous total one (1)-year support period, i.e. a combined (three (3)-month) Warranty Period and (nine (9)-month) Initial Support Services Period. BIBLIOTHECA will notify LIBRARY prior to expiration of the Initial Support Services Period of BIBLIOTHECA’s then current charges and, if changed from those set forth in Exhibit "F", the then current terms and conditions to continue such services for an additional twelve (12)-month period.

11. **Limitation of Liability**

The entire liability of BIBLIOTHECA and its affiliates and subcontractors (and the Directors, Officers, Employees, agents and representatives of all of them) and LIBRARY’s exclusive remedies for damages are limited to those which may arise solely as the direct legal and natural consequences of the performance of BIBLIOTHECA’s responsibility under this Contract.

BIBLIOTHECA’s liability for infringement is set forth below in Clause 12. Infringement. In no event will BIBLIOTHECA be liable to LIBRARY for any consequential, special, incidental or indirect damages arising out of or in connection with LIBRARY’s use of or inability to use the Deliverables. LIBRARY’s sole remedy for direct damages to real or tangible personal property or bodily injury or death to any person for which BIBLIOTHECA’s performance, actions or negligence was the proximate cause shall be the right to proven damages to property or person. For claims other than as described in this paragraph, BIBLIOTHECA’s liability shall be limited to the amount paid to BIBLIOTHECA by LIBRARY.

The entire liability of LIBRARY and its affiliates and subcontractors (and the Directors, Officers, Employees, agents and representatives of all of them) for violation of any of the provisions of the Software License Agreement between the Parties shall be the amount of any damages, penalties, loss expense, judgment, or settlement finally adjudicated by a court of competent jurisdiction to be paid BIBLIOTHECA by the LIBRARY. BIBLIOTHECA’s sole remedy for direct damages to real or tangible personal property or, bodily injury or death to any person for which LIBRARY’s actions or negligence was the proximate cause, shall be the right to proven damages to property or person.

Except as otherwise provided by applicable law, no claim, regardless of form, arising out of or in connection with this Contract may be brought by BIBLIOTHECA or LIBRARY more than two (2) years after the cause of action has occurred.
12. **Infringement**

In the event of any proceeding (suit, claim or action) against LIBRARY arising from allegations that the Deliverable(s), or a portion thereof, furnished by BIBLIOTHECA infringes a U.S.A. patent, copyright, trade secret, or other proprietary right of any third party, BIBLIOTHECA will indemnify, hold harmless and defend LIBRARY at BIBLIOTHECA’s expense if LIBRARY has promptly notified BIBLIOTHECA in writing of such allegation and/or proceeding and:

(a) Such allegation does not result from alterations/modifications made to the Deliverable(s) by LIBRARY and,

(b) LIBRARY has not used other than an unaltered current release of the Deliverable(s), if the alleged infringement would have been avoided by use of such current release.

If it is adjudicated that any Deliverable(s) infringes a patent, copyright, trade secret or other proprietary right of any third party, BIBLIOTHECA shall at its own option, modify the Deliverable(s) to remove the infringement, procure the right for the LIBRARY to continue using the Deliverable(s) or refund payments received for the infringing Deliverable(s) within thirty (30) days after the LIBRARY has returned all such Deliverable(s) and relinquished the licensed rights for any Software being terminated.

13. **Termination for Cause**

Either Party may terminate this Contract for cause upon thirty (30) days written notice if the other Party has committed a material breach of any of the terms and conditions of this Contract. If LIBRARY has breached any of the terms and conditions of the “BIBLIOTHECA Software License Agreement”, BIBLIOTHECA shall have the right without affecting any other available rights and remedies to immediately terminate this Contract and the granted Software licensed rights to hold and operate the Software. LIBRARY acknowledges termination of this Contract does not release LIBRARY from its obligations to fulfill payments due and to protect the Software copyrights and confidential information.

14. **Unavoidable Delays**

Unavoidable delays in BIBLIOTHECA’s prosecution of its responsibilities hereunder shall include delays from any causes beyond the reasonable control of BIBLIOTHECA which could not have been avoided by the exercise of due care, foresight and diligence. Delay caused by LIBRARY or persons other than BIBLIOTHECA, its subcontractors or its employees will be considered unavoidable delays insofar as they interfere with BIBLIOTHECA’s completion of the work. Such unavoidable delays shall not be considered a breach or default by BIBLIOTHECA of this Contract. BIBLIOTHECA shall give prompt notice to LIBRARY of such unavoidable delay and inform LIBRARY of its anticipated impact on the contracted delivery schedule.

15. **Insurance**

During such time as BIBLIOTHECA has personnel or agents working on LIBRARY’s premises, the following insurance coverage will be maintained by BIBLIOTHECA:

(a) Full worker’s Compensation in compliance with applicable state statutes and
(b) General Liability insurance policy of not less than one million dollars single limit per occurrence to include General Liability and Personal Injury Liability.

A certificate of Insurance will be provided by BIBLIOTHECA within thirty (30) days from receipt of written notice requesting such from LIBRARY.

16. **Subcontractors**

Hardware and Software Deliverables and Professional Services required to fulfill BIBLIOTHECA’s responsibilities under this Contract may be supplied by a subcontractor or third-party vendor to BIBLIOTHECA. BIBLIOTHECA agrees that such Deliverables shall not substantially modify either the specifications established in the Exhibits attached to this Contract or BIBLIOTHECA’s obligations as set forth herein.

17. **Governing Law**

This Contract shall be governed by the laws of the State of Alabama.

18. **Entire Contract**

The Parties acknowledge that the specific Documents referenced in Clause 2, Contract Documents of this executed Contract document, the referenced “BIBLIOTHECA Software License Agreement” and the attached Exhibits, Appendices and Schedules, all of which by this reference are made as parts hereof, constitute the entire Contract between the Parties with respect to the subject matter hereof; all prior agreements, representations, statements, negotiations and understanding are hereby replaced and superseded.

IN WITNESS WHEREOF, the Parties have executed this Contract effective on the date last written below:

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CITY OF PALO ALTO

By: __________________________
    City Manager

Name: ________________________

Date: _________________________

Approved as to form:

_________________________________
    City Attorney

BIBLIOTHECA

By: __________________________
    Officer

Name: Steve R. Mackey, Vice-President

Date: 31 March 2011
## EXHIBIT A – Deliverables & Charges

### Costs

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**Sub-total Products:**  

132,425.00

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**Sub-total Professional Services:**  

20,095.00

**Sub-total Palo Alto RFID Project:**  

152,520.00

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**Total:**  

164,769.32

Note: in the event of product unavailability or model changes, BIBLIOTHECA may elect to add or substitute equivalent products for any third party items quoted.

### Functional Requirements

1. All system components are UL, CE, and FCC Part 15-Certified; SIP2, RS-232, TCP/IP Ethernet 10/100, 802.11b (wireless) compliant; and meet the EU RoHS and WEEE Directives.

2. The proposed system is able to connect through the Library’s Ethernet network via an RJ-45 connector and/or secured wireless network.

3. The proposed system is ISO 18000-3 Mode 1 Compliant (all mandatory elements) and compatible with the ISO 28560 standard currently being finalized.

4. Tags must be the forthcoming ISO 28560 STANDARD and ISO 18000-3 Mode 1 Compliant (all mandatory elements).

5. Tags are 13.56 MHz.

6. Most of the data on the tag must be fully rewriteable.

7. The system tags enable the AFI security status to be stored directly on the tag and must trigger an immediate alarm if an item not charged is read by the detection systems.

8. Tags are available in blank, generic library or library- customized versions.

9. Tags provide both security and inventory control functionality.

10. Tags use an anti-collision algorithm that does not limit the number of tags which can be simultaneously identified and read.

11. Tags are adhesive-backed and one piece (tag and label integrated into one piece) to adhere to library materials without addition of an adhesive cover label.
12. Tags can be easily applied in one step, with no need for mouse clicks, keyboard input, or touch screen entries for most item conversions.

13. The proposed system tags use a low acid, or neutral pH, adhesive.

14. Provider guarantees that tags will be compliant and rewriteable within one year of the balloting and adoption of a NISO US Data Model Profile.

15. Provider provides RFID tags that work with all material types including books, periodicals, DVDs, CDs, books on CD, board books, DVD-ROMS, Books with CDs, & MP3 discs.

16. Provider provides recommendations and instructions for tagging media and multi-part sets. Provide recommendations for how best to secure items with media (e.g. CDs, DVDs) and multi-part sets (e.g. Books on CD, TV series DVDs) in a way that is the least time-consuming for staff while providing required security.

17. Tags are performance-tested before shipment by a third party and defective tags are marked. Performance test results average less than 1 defective tag per 10,000.

18. Tags can be deactivated by a means other than cutting the tag.

19. Provider has experience providing RFID tags to material Providers including Baker & Taylor, BWI, Crimson and other vendors who then provide preprocessed material (including Providers encoded tags) to their library customers.

20. Provider tags protect patron privacy. Data is prevented from being read by unauthorized readers.

21. Staff workstation can function in offline mode.

22. Staff workstation equipment is capable of processing RFID tags or bar codes in the same circulation transaction.

23. Staff stations can easily read library cards and material barcodes in a variety of formats (codabar and non-codabar) and locations on the item.

24. Staff stations are designed ergonomically.

25. The proposed system has a reader pad that provides easy installation.

26. Staff workstation equipment is compatible with Library’s standard circulation desk computers, barcode scanners, and receipt printers.

27. Staff workstation equipment can be mounted in, on, or under the work surface of a circulation station.

28. Staff workstation equipment can function when positioned under existing Library slate, granite, wooden or laminate-topped desks.

29. Staff workstation equipment has an RFID read range of 8 inches minimum for book tags.

30. Staff workstation equipment provides a displayed count of the number of items processed simultaneously to ensure complete check-in/out transaction processing.

31. Staff workstation equipment has the ability to read, program, and reprogram RFID tags during a standard circulation transaction (on-the-fly).

32. Staff workstation equipment does not require mouse activations to process most items. (Exceptions made for configuration changes, error handling, or tag reprogramming situations.)

33. The proposed system allows configuration of item identifier parameters to automatically prevent programming of partially scanned or incorrectly scanned barcodes.

34. Circulation transactions will be noticeably faster using the proposed RFID system than the current barcode-based system.

35. All staff equipment provides clean and efficient cable management options.

36. All staff station equipment comes with a minimum one (1) year warranty.

37. Staff workstations are equipped to modify tags from one data model to another during normal check-in operations (on-the-fly).

38. Staff workstations are equipped to read RFID tags from other libraries as long as the tags are 18000-3, Mode 1 compliant and conform to a data model addressed in the forthcoming 28560-2 or 28560-3 standards (e.g. Danish, Finnish, French, or ISO 15962).

39. Existing staff workstations require no or minimal modifications to incorporate RFID capability.

40. Provider conversion equipment is capable of encoding new items at the rate of 300 items per hour.

41. Provider provides schedule for tagging of the entire collection (approximately 290,000 items) within the designated project duration.

42. RFID conversion can be done in offline mode (with no connection to Horizon).

43. Conversion equipment is compact, easy to move around, and equipped with efficient cable management options and/or battery operated.

44. Conversion equipment performs automatic verification of tags (read-back of tag) when they are written to or modified and provides option of audible and/or visual alerts when the read-back fails.

45. Provider provides a minimum one (1) year warranty for all purchased conversion equipment.

46. Provider offers an inventory device and/or handheld reader which has been successfully used by other libraries using Horizon to locate lost items or items marked missing which were misshelved.
47. Any handheld device recommended by Provider is less than 28 ounces.
48. Inventory and handheld equipment can read multiple tags at once.
49. The inventory and handheld equipment comes with efficient cable management options (or operates wirelessly).
50. Inventory and handheld equipment comes with a minimum one (1) year warranty.
51. Provider offers a portable handheld reader that accommodates data collection simultaneously with other functions including shelf reading (identifying misshelved items), identifying items on search lists, and identifying items with incorrect security.
52. The battery life of Provider’s handheld unit allows the user to work for at least 4 hours before charging or changing batteries.
53. Provider provides live phone support Monday through Friday, 9-5 PST.
54. Provider provides on-call support services 24/7 with a guaranteed response time of two hours.
55. Provider provides 24 hour or better turnaround for onsite support calls during business hours and 48 hour turnaround on the weekends.
56. Provider has support offices within 50 miles of Library.
57. Provider provides a yearly maintenance or service contract for all equipment provided with an option to purchase multi-year maintenance at the time of purchase.
58. Maintenance/service agreement must be renewable on an annual basis.
59. Provider offers a 12-month 100% money-back performance guarantee on all equipment purchased and covered by 12-month warranty or service agreement.
60. All units will be delivered, installed and fully functional based upon the Library’s implementation schedule as agreed upon with Provider.
61. Provider will accommodate the Library’s RFID implementation schedule as described above.
62. Provider will detail site requirements for all equipment no later than 90 days before delivery is scheduled.
63. Provider provides a detailed project timetable for the RFID tag, staff workstation, security system.
EXHIBIT B
Payment Schedule and Costs Summaries

Summary of Costs:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFID Tags</td>
<td>$ 81,280.00</td>
</tr>
<tr>
<td>Software/Equipment/Hardware</td>
<td>$ 51,145.00</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$ 20,095.00</td>
</tr>
<tr>
<td>California Sales Tax</td>
<td>$ 12,249.32</td>
</tr>
<tr>
<td><strong>Total Contract Value:</strong></td>
<td><strong>$ 164,769.32</strong></td>
</tr>
</tbody>
</table>

Payment Schedule:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount of charges due</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% of RFID Tags when delivered and invoiced:</td>
<td>$ 81,280.00</td>
</tr>
<tr>
<td>100% of Software/Equipment/Hardware as each increment is completed and invoiced:</td>
<td>$ 51,145.00</td>
</tr>
<tr>
<td>100% of Professional Services as each increment is completed and invoiced:</td>
<td>$ 20,095.00</td>
</tr>
<tr>
<td>100% of California Sales Tax as invoiced:</td>
<td>$ 12,205.84</td>
</tr>
<tr>
<td><strong>Total Contract Value:</strong></td>
<td><strong>$164,769.32</strong></td>
</tr>
</tbody>
</table>
EXHIBIT C
Description of Professional Services

Bibliotheca shall provide the system training, installation services, conversion services, project management/consulting, etc. described below for the prices stated in Exhibit “A”:

I. Project Management services for the Palo Alto City Library RFID conversion project.

Bibliotheca will work with the Library to prepare the plan to successfully install new RFID equipment and convert the Library’s collection with the application of an RFID tag. Bibliotheca will work with the Library to develop a comprehensive statement of work and detailed project implementation timeline to support the Library’s RFID project.

Bibliotheca’s Lead Project Manager will provide overall guidance of the project in concert with the designated Library contact and will be primarily responsible for:

a. Document the project plan
b. Ensure that all required resources are assigned to the project and clearly tasked
c. Make adjustments to the plan as necessary, in order to provide a complete picture of the progress of the project, at any time
d. Manage assigned resources according to the defined scope of the project
e. Manage day-to-day issues
f. Monitor actual progress against the project plan
g. Perform a periodic review of the risk and issues logs in conjunction with the Project Review Group
h. Provide input to the project review group as necessary
i. Report and escalate project risks and issues as appropriate
j. Report project status and performance
k. Manage equipment shipping and installation by the Bibliotheca Installation Team

The Lead Project Manager will be available as soon as the contract has been awarded to meet with the Library’s Project Manager, Information Technology, Facilities personnel, and any other personnel as needed to finalize planning for the roll out of the project in the various locations. Installation of site-specific hardware and equipment will be synchronized to correspond to the conversion completion.

II. Installation of all equipment listed in Exhibit A and as performed in Exhibit D of this Contract.

III. Training for Bibli Conversion and Circulation Integration.

All initial training is conducted on-site during normal working hours. There will be separate training sessions for library staff, system administrators, and technical support staff. We recommend that no more than twelve staff members attend each on-site training session. The following table shows the session names recommended to the Library.
<table>
<thead>
<tr>
<th>Session Name</th>
<th>Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>BiblioChip™ RFID Overview</td>
<td>Library staff</td>
</tr>
<tr>
<td></td>
<td>System administrators</td>
</tr>
<tr>
<td></td>
<td>Technical support</td>
</tr>
<tr>
<td>BiblioChip™ RFID Administration</td>
<td>System administrators</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>BiblioChip™ RFID Support</td>
<td>System administrators</td>
</tr>
<tr>
<td></td>
<td>Technical support</td>
</tr>
</tbody>
</table>

In addition to the recommended training, Bibliotheca can provide additional follow-up training services (on-site, web-based, or at another Library-designated location) for an additional cost per day plus travel and expenses (as needed).

**Power users / Library staff / Conversion processors**

End-users of the BiblioChip™ solution shall be provided an overview of the solution and shall be trained on the basic operation of the system. In addition to this session, Bibliotheca shall provide follow-up training at each Library outlet after the equipment has been installed and configured and is ready to come on-line.

**Recommended Training Curriculum**

<table>
<thead>
<tr>
<th>Course Title</th>
<th>Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>BiblioChip™ RFID Solution Overview</td>
<td>Library staff, particularly technical services and circulation staff</td>
</tr>
<tr>
<td>Audience: Library staff, particularly technical services and circulation staff</td>
<td></td>
</tr>
<tr>
<td>Prerequisites: Understanding of Integrated Library System Client</td>
<td></td>
</tr>
<tr>
<td>Location: Bibliotheca-configured training location</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Topic Name</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training Process and Objectives</td>
<td>Ensure trainees are familiar with logistics, their role and the instructor’s role, the material that will be covered, and the desired training outcomes</td>
</tr>
<tr>
<td>BiblioChip™ System Structure</td>
<td>Ensure trainees have an overall understanding of the components of the BiblioChip™ System (tags, self-service, security, staff workstations, etc.) as it will be implemented at the Library outlets</td>
</tr>
<tr>
<td>RFID Tag Placement</td>
<td>Ensure trainees have an understanding of tag placement on different types of media</td>
</tr>
<tr>
<td>RFID Conversion</td>
<td>Ensure trainees understand the process of converting the Library’s collection to RFID and understand the different options in the conversion application</td>
</tr>
<tr>
<td>RFID Circulation</td>
<td>Ensure trainees understand how the BiblioStaff™ station integrates with the Horizon Client for circulation</td>
</tr>
<tr>
<td>RFID Security with GateTracker™ and PeopleCounter™</td>
<td>Ensure trainees understand the function of the GateTracker™ and the imbedded PeopleCounter™</td>
</tr>
</tbody>
</table>
Technical administrators

The technical administrators of the proposed BiblioChip™ solution will be provided with additional training to understand the installation and configuration process.

**Recommended Training Curriculum**

<table>
<thead>
<tr>
<th>Course Title</th>
<th>Audience</th>
<th>Prerequisites</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>BiblioChip™ RFID Administration</td>
<td>System administrators</td>
<td>Knowledge of HTML, Knowledge of text editing files, Knowledge of Microsoft® Windows® On</td>
<td>Bibliotheca-configured training location</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Topic Name</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training Process and Objectives</td>
<td>Ensure trainees are familiar with logistics, their role and the instructor’s role, the material that will be covered, and the desired training outcomes</td>
</tr>
<tr>
<td>BiblioHash™ Application</td>
<td>Discuss and demonstrate the process by which licenses are generated and applied to the equipment operating a BiblioChip™ application (self-service, conversion, circulation, etc.)</td>
</tr>
<tr>
<td>Installation procedures</td>
<td>Review installation process for different applications including necessary drivers for successful implementation</td>
</tr>
<tr>
<td>Program file schema</td>
<td>Ensure trainees understand the file structure of the BiblioChip™ applications.</td>
</tr>
<tr>
<td>BiblioGate™ Configuration</td>
<td>Ensure trainees understand the setup and configuration of the security gates, GateTracker™ and PeopleCounter™</td>
</tr>
<tr>
<td>BiblioStaffStation™ Shielded</td>
<td>Ensure trainees understand the components of the RFID components, integration of this equipment with existing staff workstations, and the drivers required for successful implementation.</td>
</tr>
</tbody>
</table>
Technical operations staff and support staff

Bibliotheca will deliver a training session for technical support staff to assist them in basic troubleshooting of the BiblioChip™ system.

### Recommended Training Curriculum

<table>
<thead>
<tr>
<th>Course Title</th>
<th>Audience</th>
<th>Prerequisites</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>BiblioChip™ RFID Technical Support</td>
<td>System Administrators, Technical Support</td>
<td>Knowledge of text-editing files,</td>
<td>Bibliotheca-configured training location</td>
</tr>
<tr>
<td>BiblioChip™ RFID Solution Overview</td>
<td></td>
<td>Knowledge of Microsoft® Windows OS</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>General PC troubleshooting skills</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Topic Name</strong></th>
<th><strong>Objectives</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Training Process and Objectives</td>
<td>Ensure trainees are familiar with logistics, their role and the instructor’s role, the material that will be covered, and the desired training outcomes</td>
</tr>
<tr>
<td>BiblioGate™ V</td>
<td>Ensure trainees understand the configuration of the gates and basic troubleshooting tasks</td>
</tr>
<tr>
<td>BiblioCockpit™</td>
<td>Ensure trainees understand the use of BiblioCockpit™ for remote diagnostics and troubleshooting of the BiblioChip™ solution</td>
</tr>
</tbody>
</table>
EXHIBIT D

Draft/Preliminary Installation Schedule

A mutually agreeable, detailed Project and Installation Schedule will be delivered to the library within ten working days of contract signing. A draft schedule is as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Tasks to be Performed</th>
<th>Responsibility (Provider or Library)</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2011</td>
<td>Deliver RFID tags to Library</td>
<td>Provider</td>
</tr>
<tr>
<td>April 2011</td>
<td>Plan for tagging new material</td>
<td>Library, Provider and Materials Vendors</td>
</tr>
<tr>
<td>May 2011</td>
<td>Plan for tagging library collection</td>
<td>Library and Provider</td>
</tr>
<tr>
<td>May 2011</td>
<td>Plan staff equipment installations</td>
<td>Library and Provider</td>
</tr>
<tr>
<td>May 2011</td>
<td>Purchase conversion equipment</td>
<td>Library</td>
</tr>
<tr>
<td>May 2011</td>
<td>Begin getting new material pre-tagged with Provider tags</td>
<td></td>
</tr>
<tr>
<td>May 2011</td>
<td>Begin RFID conversion of collections, starting with Downtown collection currently in storage</td>
<td>Library</td>
</tr>
<tr>
<td>July 2011</td>
<td>Downtown Collection tagging completed</td>
<td>Library</td>
</tr>
<tr>
<td>Fall 2011-Fall 2012</td>
<td>Purchase staff equipment and tag collections at Children’s, College Terrace, Main and Mitchell Park Libraries.</td>
<td>Library</td>
</tr>
<tr>
<td>Fall 2012</td>
<td>Entire collection tagged and security system [and self check] in place at all outlets; RFID operational at all libraries.</td>
<td>Library and Provider</td>
</tr>
<tr>
<td>Fall 2013</td>
<td>Main Library re-opens fully operational with RFID</td>
<td>Library and Provider</td>
</tr>
</tbody>
</table>
EXHIBIT E

Addresses for Notices

LIBRARY:

City of Palo Alto Library
Attn: Martha Walters
1213 Newell Road
Palo Alto, CA 94303-2999

Phone: 650-329-2308
Email: martha.walters@cityofpaloalto.org

BIBLIOTHECA:

Bibliotheca, Inc.
Attn: Lamar Jackson
8207 Stephanie Drive
Huntsville, AL 35802

Phone: 256-270-8641
Email: lamar.jackson@bibliotheca-rfid.com
Exhibit F –

System Support Agreement

THIS SYSTEM SUPPORT AGREEMENT (“Support Agreement”) is made by the Parties, Bibliotheca, Inc., a Pennsylvania Corporation with principal offices at 8207 Stephanie Drive – Huntsville, Alabama 35802 (referred herein as “BIBLIOTHECA”) and the City of Palo Alto Library, with offices at 1213 Newell Road – Palo Alto, California 94303 (referred herein as “LIBRARY”) to establish the terms and conditions governing Equipment and Software maintenance support (“System Support Services”) provided LIBRARY by BIBLIOTHECA for the automated BIBLIOTHECA “BiblioChip RFID” and “BiblioReturn AMH” system solutions.

1. Purpose

The purpose of the services provided by this Support Agreement is to maintain the BIBLIOTHECA-provided Equipment and Software in good operating condition as more fully described in this EXHIBIT F, Appendices “A – Software Support Services”, “B – Equipment Support Services” and “C - Support Charges and Fees”.

2. Initial Support Services Period

The Initial Support Services Period (“Initial Support Services Period”) shall commence immediately subsequent to completion of the three (3)-month “Warranty Period” as set forth in Clause 10. Maintenance Support of the “BIBLIOTHECA System Sales Contract” and shall continue for nine (9) months under the terms and conditions set forth herein.

3. Continuing Annual Support Services Period

Upon expiration of the Initial Support Services Period, this Support Agreement may continue by mutual agreement of the Parties and be extended for one (1)-year renewal period(s) thereafter (“Annual Support Services Period”). BIBLIOTHECA shall submit to LIBRARY at least sixty (60) days prior to the end of the Initial Support Services Period, and subsequent Annual Support Services Period(s), a Renewal Quotation to continue coverage for an additional one (1)-year period at the then current support charges under the then current terms and conditions (which may be modified from those set forth herein) for the BIBLIOTHECA-provided system Equipment and Software receiving maintenance support.

Upon receipt of the Renewal Quotation, but no less than thirty (30) days prior to the end of the then current Support Period, LIBRARY may: (a) indicate its full acceptance of BIBLIOTHECA’s renewal quotation by paying the renewal support charges; (b) accept in writing BIBLIOTHECA’s then current quoted charges and terms and conditions; or (c) serve BIBLIOTHECA written notice of its intent to terminate this Support Agreement.
If upon termination of the prior Initial or Annual Support Services Period LIBRARY has not submitted payment of renewal charges, provided written notice of acceptance of the Renewal Quotation or provided written notice of termination, then BIBLIOTHECA at its option may either: (a) consider the Support Agreement for all purposes renewed under its quoted then current Support Agreement terms and conditions at the then current charges and expect payment of such from LIBRARY or (b) serve immediate termination notice to LIBRARY and demand payment in full of outstanding charges (if any) due.

4. Excluded Services

The support to be provided by BIBLIOTHECA under the terms and conditions of this Support Agreement shall not include and BIBLIOTHECA shall not be responsible for the following:

BIBLIOTHECA is not obligated to remedy or correct any Equipment malfunction or Software Error if: (a) the Equipment (including computer hardware and its operating system software) and/or the Software is improperly operated, misused or maintained; (b) the Software or the Equipment is modified or maintenance is attempted by other than BIBLIOTHECA-provided personnel; (c) LIBRARY has not allowed BIBLIOTHECA to install Software Releases as recommended by BIBLIOTHECA; or (d) LIBRARY has not notified BIBLIOTHECA promptly upon discovery of a Software Error and/or Equipment malfunction, defect or irregularity.

LIBRARY accepts all responsibility including costs for maintaining the computer Hardware’s installed operating system software at the then most current revision level as available and recommended by the operating system provider. In the event an operating system upgrade or update causes an Error in the BIBLIOTHECA-provided Software, BIBLIOTHECA assumes responsibility to correct the BIBLIOTHECA-provided Software.

5. Charges

Annual renewal charges as specified in “Appendix C - Support Charges and Fees” are due and payable no later than ten (10) days prior to the first day of the renewed Annual Support Services Period. All other charges and fees are due net thirty (30) days from invoicing.

Shipping charges for Deliverables returned (when authorized by BIBLIOTHECA) to BIBLIOTHECA for repair/replacement shall be by ground f.o.b. destination paid by BIBLIOTHECA. BIBLIOTHECA shall also pay shipping charges f.o.b. destination for shipping by ground the replacement Deliverable(s) to LIBRARY. LIBRARY agrees to accept all responsibility for timely computation, reporting and payment applicable sales, use, services, etc. taxes if any. LIBRARY shall indemnify and hold BIBLIOTHECA harmless and shall, if not tax exempt, pay taxes directly to the appropriate government entity(s), including all penalties and fees for delayed payment, non-payment or payment of incorrect amounts.

An interest charge of one and one half percent (1½%) per month, prorated on the basis of a thirty (30)-day month, may be assessed at BIBLIOTHECA’s option on delinquent payments.
6. **Travel Expenses**

If Equipment not practically serviceable by “return to depot” maintenance (e.g. unusually heavy and/or fragile/easily damaged Equipment and listed as such in “Appendix C - Support Charges and Fees”) requires on-site maintenance, BIBLIOTHECA will provide such services on-site at BIBLIOTHECA’s own expense for travel and travel-related expenses.

If LIBRARY requests that a BIBLIOTHECA-provided technician provide preventative or diagnostic and remedial services on-site, when on-site services would normally not be done, LIBRARY agrees to reimburse BIBLIOTHECA for travel and travel-related expenses to LIBRARY’s facility (e.g. local transportation, car rentals, lodging, meals, etc.) at cost incurred by BIBLIOTHECA. Such costs will be substantiated by copies of invoices and shall not exceed BIBLIOTHECA’s then current allowable rate for such expenses. BIBLIOTHECA will submit an invoice for such travel costs within forty five (45) days from the date each travel increment was completed.

7. **Termination**

This Support Agreement shall continue in full force until: (a) LIBRARY or BIBLIOTHECA provides written notice of termination to the other Party as described in Clause 3. **Continued Annual Support Services Period** above; (b) a replacement agreement between BIBLIOTHECA and LIBRARY is established and signed into effect for similar services; (c) LIBRARY fails to pay BIBLIOTHECA any amount in arrears ninety (90) or more days after it is properly due hereunder; or (d) LIBRARY has breached any of these terms and conditions or the “BIBLIOTHECA Software License Agreement”.

8. **Disclaimer of Warranties**

THE LIBRARY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS SUPPORT AGREEMENT, THE CORRECTIVE MEASURES DESCRIBED HEREIN ARE IN LIEU OF ALL OBLIGATIONS AND LIABILITIES ON THE PART OF BIBLIOTHECA FOR DAMAGES INCLUDING, BUT NOT LIMITED TO, CONSEQUENTIAL, SPECIAL, INDIRECT AND INCIDENTAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE USE, INABILITY TO USE, OR PERFORMANCE OF THE DELIVERABLES MAINTAINED UNDER THIS SUPPORT AGREEMENT. BIBLIOTHECA DISCLAIMS, TO THE EXTENT PERMITTED BY LAW, ALL WARRANTIES EXPRESS OR IMPLIED INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS OF PURPOSE.

9. **Subcontractors**

Remedial and preventative maintenance services, required to fulfill BIBLIOTHECA’s responsibilities under this Support Agreement, may be provided by a subcontractor or third-party vendor to BIBLIOTHECA. BIBLIOTHECA and LIBRARY agree that such services shall in no way modify the specifications or BIBLIOTHECA’s obligations hereunder.
10. **Governing Law**

This Support Agreement and all work undertaken subject to the terms and conditions herein will for all purposes be governed by the laws of the State of Alabama.

11. **Assignment**

LIBRARY may not assign or transfer this Support Agreement in whole or in part, or the rights established herein, without the prior written consent of BIBLIOTHECA.

12. **Entire Agreement**

The Parties acknowledge that this Exhibit “F – System Support Agreement” in conjunction with its referenced Appendices and the surviving Clauses from the “BIBLIOTHECA System Sales Contract” constitute the entire agreement between the Parties concerning System Support Services by BIBLIOTHECA of the BIBLIOTHECA System as if separately executed by the Parties for such purpose. All other prior agreements, warranties, representations, statements, negotiations and understandings related to such System Support Services are hereby superseded.
Appendix A – Software Support Services

1. **Scope of Work**

During the term of this Support Agreement upon payment in full of the fee(s) listed in EXHIBIT F, “Appendix C – Support Charges and Fees” attached, BIBLIOTHECA will provide the following Software Support Services to maintain the BIBLIOTHECA-provided Software (other than computer operating system software) in good operating condition.

On-call telephone Software support will be provided from BIBLIOTHECA’s Huntsville, Alabama office between 8:00 a.m. and 6:00 p.m. LIBRARY’s Local Standard Time, Monday through Friday (except holidays) (the Support “Service Hours”).

LIBRARY, at its own expense, agrees to make available and provide BIBLIOTHECA access to the BIBLIOTHECA-provided Software via Internet linkage to the LIBRARY’s System during the Service Hours to enable on-line problem diagnostics and resolution by downloading, as appropriate, temporary by-passes, temporary error corrections or, when available, a current update/upgrade release.

If after review of a reported Software Error BIBLIOTHECA determines the Software to be defective, the following remedial services will be implemented: (a) the BIBLIOTHECA Software is completely inoperable or is unable to perform one or more of its major functions (“Major Error”), a temporary correction or partial or total manual Error by-pass will be developed or (b) if the Software is operable but is not working properly or has been made operable by the implementation of the response in part (a) of this paragraph (“Minor Error”), a program correction will be developed by BIBLIOTHECA’s technicians and downloaded to LIBRARY as an update (i.e. an on-line insertion by BIBLIOTHECA of a segment of code containing temporary or final modified lines of code to correct the Error) or an upgrade (i.e. a complete reissue by BIBLIOTHECA of the Software containing enhancements and/or corrections sent as updates since the last upgrade).

BIBLIOTHECA will periodically provide (approximately two to three times per year) the then current unaltered update and/or upgrade releases (“Releases”) of the Software supported under the terms and conditions of this Support Agreement to enable operation in substantial conformity with its performance capabilities and functions as set forth in the appropriate BIBLIOTHECA-provided specifications. Such releases may contain: (a) enhanced features that have been incorporated in the Software after original installation at the LIBRARY’s site of the then current version and/or (b) corrections of programming errors or defects encountered since the most recent prior release.

LIBRARY’s exclusive remedy for any defect in the Software for which BIBLIOTHECA is responsible shall be to correct or replace the Software as described above. Services subject to this Support Agreement will be performed only for the BIBLIOTHECA-provided Software operating on the BIBLIOTHECA-provided or BIBLIOTHECA-approved Hardware at the LIBRARY Location listed in Exhibit F, “Appendix C Support Charges and Fees”.

Bibliotheca, Inc.
RFID Library Systems
System Sales Contract

System Sales Contract

Page 22 of 26
Appendix A – Software Support Services

2. **Response Times**

When LIBRARY reports by telephone or e-mail a Major Software Error, BIBLIOTHECA will initiate a responding contact with LIBRARY within two (2) Service Hours from BIBLIOTHECA’s receipt of such report.

When LIBRARY reports by telephone or e-mail a Minor Software Error, BIBLIOTHECA will initiate a responding contact with LIBRARY within twelve (12) Service Hours from BIBLIOTHECA’s receipt of such report.

3. **BIBLIOTHECA Access**

BIBLIOTHECA will provide Software Support Services through telephone person-to-person communication, e-mail and Internet System-to-System communication for error analysis and upgrade/update transmittal. BIBLIOTHECA will not provide a BIBLIOTHECA technician on-site for remedial services for Software unless determined as necessary by BIBLIOTHECA.

BIBLIOTHECA shall have full and free access via the Internet to the Software for Software Support Services, subject to LIBRARY’s reasonable security requirements. LIBRARY shall provide a LIBRARY staff person (with knowledge of system operations) to assist the responding BIBLIOTHECA technician in replicating/examining the reported Software Error through the Internet connection. The LIBRARY staff person will also assist on-site in conducting tests and loading temporary patches, Updates and Upgrades. BIBLIOTHECA shall not be responsible for any problems which result from failure to have such access and on-site assistance.

4. **Additional Limitation of Liability**

LIBRARY acknowledges that BIBLIOTHECA cannot guarantee that Software errors will not occur or that all programming or database errors can be corrected. BIBLIOTHECA shall not in any event be liable for any loss of profits, costs of doing business, incidental, special, exemplary or consequential damages to the LIBRARY, or claims or demands against the LIBRARY by any other party, even if BIBLIOTHECA has been advised of the possibility of such loss or damage.
Appendix B – Equipment Support Services

1. Scope of Work

During the term of this Support Agreement and upon payment in full of the fee(s) due which are listed in EXHIBIT “F, Appendix C – Support Charges and Fees” attached, BIBLIOTHECA will provide the following Equipment Support Services to maintain the BIBLIOTHECA provided Software in good operating condition.

BIBLIOTHECA reserves the right to terminate continuing Equipment Support Services without further obligation after a period of five (5) years from the end of the Initial Support Period if individual items of Equipment can no longer be properly or economically repaired due to lack availability of replacement parts and components for the model installed, excess wear and deterioration, or if the then current version of the Software requires capabilities not available in the original Hardware.

On-call telephone support will be provided from BIBLIOTHECA’s Huntsville, Alabama office between 8:00 a.m. and 6:00 p.m. LIBRARY’s local Standard Time, Monday through Friday (except holidays) (the Support “Business Hours”).

2. Method of Providing Service

If after review by BIBLIOTHECA of a reported Equipment malfunction report the Equipment is determined to be defective, the method of providing remedial repair services will be implemented for the items listed in the attached EXHIBIT F, “Appendix C – Support Charges and Fees” as follows.

Equipment items or parts that are designated as requiring:

“Depot Maintenance Repair” shall be affected by BIBLIOTHECA shipping to LIBRARY a temporary replacement for the defective Equipment component or subcomponent, if the malfunctioning Equipment represents a critical element of the LIBRARY’s systems operation. Such replacement may be either new or refurbished. Upon receipt of the temporary replacement component, LIBRARY shall send the defective Equipment item to BIBLIOTHECA in the same shipping container the temporary replacement was shipped. Upon receipt of the defective Equipment item, BIBLIOTHECA will repair or replace (at BIBLIOTHECA’s option) the defective item and return it to LIBRARY who shall then return the temporary replacement within five (5) days in the same shipping container the repaired/replaced Equipment was shipped. If the malfunctioning Equipment is not critical, LIBRARY will ship it to BIBLIOTHECA, in an appropriate container, for BIBLIOTHECA’s repair/replacement and return to LIBRARY.

“On-Site Maintenance Repair” shall be affected by a BIBLIOTHECA-provided technician repairing the defective Equipment component at the LIBRARY’s location where the equipment is installed at BIBLIOTHECA’s own expense for travel and travel-related expenses.
Appendix B – Equipment Support Services

3. **Response Times**

When LIBRARY reports by telephone or e-mail an Equipment malfunction, BIBLIOTHECA will initiate a responding contact with LIBRARY within two (2) Business Hours from BIBLIOTHECA’s receipt of such report, if during the response contact the malfunctioning Equipment is determined to be a “Depot Maintenance Repair” component, return/replacement arrangements can be made during such communication; if the malfunctioning Equipment is determined to be an “On-Site Repair” component, BIBLIOTHECA will contact LIBRARY again within one (1) business day to arrange technician’s site visit.

4. **BIBLIOTHECA Access**

BIBLIOTHECA shall have full and free access, subject to LIBRARY’s reasonable security requirements, for its Equipment maintenance technician to provide services. BIBLIOTHECA shall not be responsible for any problems which result from failure to have such access.

LIBRARY shall provide a LIBRARY staff person (with knowledge of system operations) to assist the responding BIBLIOTHECA technician in replicating/examining the reported Equipment malfunction. The LIBRARY staff person will also assist on-site in conducting tests. BIBLIOTHECA shall not be responsible for any problems which result from failure to have such on-site assistance.

5. **System Supplies Not Provided**

LIBRARY acknowledges that BIBLIOTHECA does not provide consumables (e.g. labels, RFID tags, printer ribbons, ink, toner, paper, etc.) as a part of this Support Agreement.

6. **Preventative Maintenance**

LIBRARY may be required to provide limited preventative maintenance on specific pieces of Equipment in accordance with instructions to be provided with the Equipment.

7. **Limitation of Liability**

LIBRARY acknowledges that BIBLIOTHECA cannot guarantee that Equipment malfunctions will not occur. LIBRARY agrees that in the event of an Equipment malfunction, BIBLIOTHECA shall not in any event be liable for any loss of profits, costs of doing business, indirect, incidental, special, exemplary or consequential damages to the LIBRARY or claims or demands against the LIBRARY by any other party even if BIBLIOTHECA has been advised of the possibility of such loss or damage.
Appendix C - Support Charges and Fees

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Ext Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>BiblioStaffStation with Shielded Antenna</td>
<td>25</td>
<td>EA</td>
<td>1,595</td>
<td>39,875.00</td>
</tr>
<tr>
<td>BiblioWand Wi-Fi - includes PDA, software and RFID wand reader</td>
<td>2</td>
<td>EA</td>
<td>5,400</td>
<td>10,800.00</td>
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<tr>
<td>Sub-total Products:</td>
<td></td>
<td></td>
<td></td>
<td>50,675.00</td>
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<tr>
<td>2nd Year Maintenance:</td>
<td></td>
<td></td>
<td></td>
<td>4,055.00</td>
</tr>
</tbody>
</table>

Note: Library will add security gate equipment purchased through construction funds to the aforementioned support charges and fees so that the Library has a single contract for service and maintenance with Bibliotheca. Bibliotheca will pro-rate service and maintenance charges so that the Library will receive a single annual invoice.