SINGLE SOURCE AWARD **BID # SS-0343-20**

Subject: VeroVision Mail Screening Imaging System

Department: Sheriff's Office

Description of Purchase:

Recommend approval of a single source award to ChemImage Corporation for one (1) VeroVision Mail Screener, the Extended Comprehensive Service Agreement (additional four years beyond the one year included with purchase) and VeroVision Drug Presumptive Identification. The period of service is five (5) years from date of award. Total not to exceed expenditure in the amount of $168,360.00.

Funding Source: SHCO64AIW-06429-TRSH09 To be executed by Purchase Order

Single Source Award To: ChemImage Corporation

Price Justification: See attachment

Total Award: $168,360.00 **Requisition #:** N/A

Attachments: Single Source Form, Vendor Letter and Quote

Certification as to Single Source: Tammy Morris, Director of Corrections

THE ABOVE PURCHASE IS RECOMMENDED FOR AWARD IN ACCORDANCE WITH CHAPTER 126.206.

Analyst: Taryn Manser

Gregory Pease, Chief
Procurement Division

APPROVAL OF GENERAL GOVERNMENT AWARDS COMMITTEE

"ALL AWARD ACTIONS SUBJECT TO LAWFULLY APPROPRIATED FUNDS"

CHAIRMAN ***DATE***

ACTION OF AWARDING AUTHORITY DATE: _____

APPROVED_____ DISAPPROVED _____

OTHER _____

SIGNATURE OF AUTHENTICATION _____

Jacksonville Sheriff's Office

Duval County, Florida

Mike Williams, Sheriff

501 E. Bay Street
Jacksonville, FL 32202

To: Gregory Pease
Chief of Procurement

Thru: Bill Clement, CPA
Chief of Budget

From: Tammy Morris
Director of Corrections

Subject: Single Source Award Request – ChemImage Corporation

Date: November 5, 2019

We are requesting a Single Source award with ChemImage Corporation for VeroVision Mail Screening Imaging System, Extended Comprehensive Service Agreement (Four Years) and VeroVision Drug Presumptive Identification. The not to exceed expenditure amount is $168,360.00. The funding source is SHCO64AIW-06429 – TRSH09. Attached are the signed single source request, memo, vendor quote and the single source documents from the company. A purchase order will be issued.

Please let me know if you require any additional information. Thank you for your assistance.

SINGLE SOURCE REQUEST

Pursuant to the City of Jacksonville Procurement Code § 126.206 & § 126.312, when requesting a purchase from a vendor subject to the referenced sections, please complete this form to justify your request and submit to Procurement with applicable attachments.

REQUESTING AGENCY (DEPT./DIVISION): Jacksonville Sheriff's Office

FUNDING SOURCE: SHCO64AIW-06429 - TRSH09

BRIEF DESCRIPTION OF GOODS/SERVICES:

ChemImage Crop VeroVision Mail Screener Detection System. SWIP Hyperspectral Unit (SHU). Mail Lighting Stand for Document Scanning (Reflectance and Transmittance Modes), Workstation Operator Control Unit with 23" Touch Screen Display. Ethernet and Sensor Head Cables, Installation and Training, Operator Manual and Limited Warranty

AMOUNT OF PROJECT (attach quote): $168,360.00

PROVIDE A SUMMARY OF THE SCOPE OF GOODS/SERVICES TO BE PROVIDED; IDENTIFY EACH ITEM, COMPONENT OR SERVICE BEING PROCURED (ATTACH QUOTE/PROPOSAL):

ChemImage Corp VeroVision Mail Screener Detection System. SWIP Hyperspectral Unit (SHU). Mail Lighting Stand for Document Scanning (Reflectance and Transmittance Modes), Workstation Operator Control Unit with 23" Touch Screen Display. Ethernet and Sensor Head Cables, Installation and Training, Operator Manual and Limited Warranty - See Attached Quote for Details

PROVIDE A DETAILED JUSTIFICATION AS TO WHY THE REQUESTED GOODS/SERVICES CAN ONLY BE EFFICIENTLY AND EFFECTIVELY PROCURED THROUGH THE RECOMMENDED SINGLE SOURCE PROVIDER:

The VeroVision Mail Scanner is the only wide-field of view, hyperspectral imaging-based device designed specifically for detecting concealed illicit chemical compounds and cutting agents within postal mail. No other similar products that provide the same purpose or function as the VeroVision Mail Scanner are available for purchase.

ASSERT THAT YOU HAVE RESEARCHED THE AVAILABILITY OF THE REQUESTED GOODS/SERVICES FROM OTHER SOURCES IN APPLICABLE MARKETS AND HAVE DISCUSSED AND EVALUATED THE SAME WITH COJ'S PROCUREMENT AND EBO DIVISIONS:

We have researched the industry and the VeroVision Mail Screener Detection System is the only product on the market that provides the ability to detect illicit chemical compounds and cutting agents inside packages. ChemImage Corp. is the only company who manufacturers and distributes the screener.

Submitted by: John Verwey — Asst. Chief

(Name) **(Title)**

Date:

Requesting Agency's Director's Signature: 835

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Suite 200
Pittsburgh, PA 15208
Tel : 412.241.7335
Fax: 412.241.7311

Assistant Chief John Verwey
Jacksonville Sheriff's Office
500 East Adams Street
Jacksonville, FL 32065
(904) 630-7470
John.Verwey@jaxsheriff.org

Dear Assistant Chief Verwey,

Furthermore, to your request I have attached our quote for the VeroVision Mail Screener. This quote provides optional extended warranty period to cover the instrument for a total of (5) five years as well as the optional presumptive identification.

ChemImage understands the threat of illicit drugs smuggled into facilities through postal mail. Our customers also benefit from added security and intelligence data the Mail Screener provides.

This solution greatly increases facility security by empowering your officers with technology that will help them identify drugs hidden in the mail . We are committed to continually develop our technology with our customers to address the latest threats.

We look forward to earning your business.

Best Regards,

Peter Safran
Director of Sales

RECEIVED
2019 OCT 14 P 3:16
OFFICE OF THE SHERIFF
BUDGET & MGMT. DIV.

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Price Quotation Quote Number 10000607R1
VeroVision Mail Screener System

Date: **October 19, 2019**	
To: Jacksonville Sheriff's Office	ChemImage Contact: Peter Safran
Address: 500 East Adams Street	Phone: 412-901-5305
Phone: (904) 630-7470	Fax: 412-241-7311
Fax: 904.630.5838	Email: safranp@chemimage.com
Email: John.Verwey@jaxsheriff.org	Quote Expires: **10/31/2019**

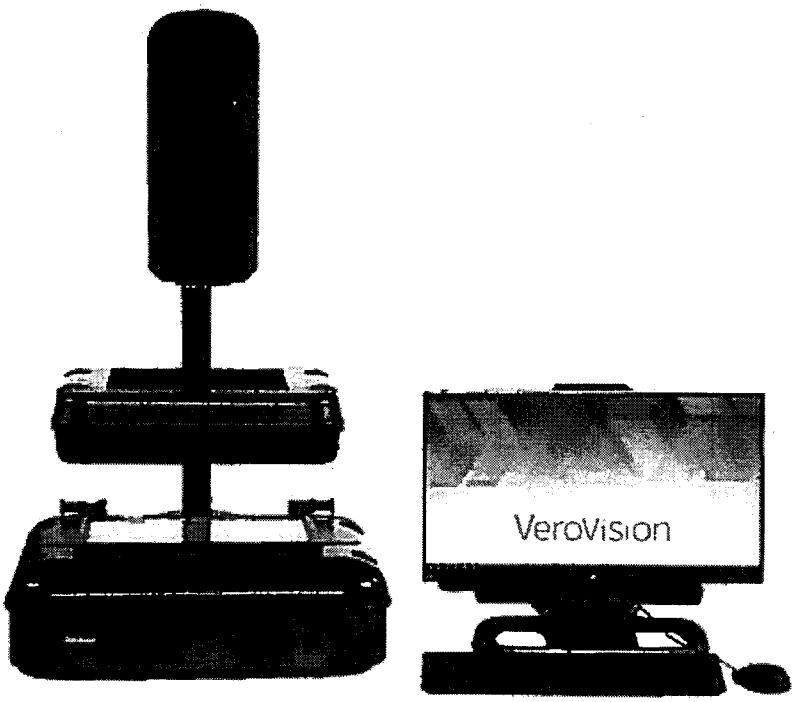

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Table of Conten

Price Quotation Quote Number 10000607 VeroVision Mail Screener System

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Total Solution Package Price

Qty	Product	Sales Price / EA	Total Price
1	VeroVision Mail Screener	$124,900.00	$124,900.00
4	Extended Comprehensive Service Agreement	$12,900.00	$51,600.00
1	VeroVision Drug Presumptive Identification	$9,900.00	$9,900.00
		Total Price	**$186,400.00**
		Reference Customer Discount (10%)	**-$18,640.00**
		Shipping and Handling	**$600.00**
		Grand Total	**$168,360.00**

Special Terms and Conditions: See Below

State and local taxes not included
Reference customer discount includes Jacksonville Sheriff's Office (JAX) agrees to host a Mail Screener demonstrations in coordination with ChemImage in which ChemImage will work toward setting up meetings/demonstrations with surrounding counties.
☐ Jacksonville County Sheriff's Office and ChemImage Corporation agree to work together to evaluate real-world samples; ChemImage will have access to the data collected from the Mail Screener to assist with future drug recipe development
☐ All pre-release software and recipe enhancements will be provided at no additional costs during the duration of the extended service contract
☐ ChemImage Corporation and Jacksonville County Sheriff's Office will work together to enhance detection and identifications within the VeroVision platform

Shipping: 90-120 days ARO
See additional Terms and Conditions below

Remittance address

ChemImage Corporation
7325 Penn Avenue
Suite 200
Pittsburgh, PA 15208

Make checks payable to: ChemImage Corporation
accountsreceivable@chemimage.com
Federal E.I.N. #542081245

Customer Service:

7325 Penn Avenue
Suite 200
Pittsburgh, PA 15208
Tel : 412.241.7335
Fax. 412.241.7311

If you have any questions, or if you require further information, please do not hesitate to contact the originator of this quotation.

A summary of the key specifications and performance characteristics of the product are included below.

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VeroVision™ Mail Screener System

Mail Screening Imaging System	• Interdiction of narcotics with a simple scan • Non-destructive and Non-contact detecting • Mail Screening Lighting Stand for Document Scanning (Reflectance and Transmittance Modes) • Sample Platform • Transmitted and reflected lights • NIR Hyperspectral Imaging (800 to 1800 nm range) • 9 inch x 12 inch field of view • Workstation Operator Control Unit with 23" Touch Screen Display • Ethernet and sensor head cables
Materials in Contraband Library (materials list is continuously being updated)	• Cocaine • *Heroin* • Ketamine • Methamphetamine • Methadone • Phencyclidine (PCP) • *Suboxone®* • Fentanyl • D-amphetamine *Suboxone® is a registered trademark of ReckittBenckiser Pharma. Inc.*
VeroVision™ Mail Screener Application	• Detect through 3-layers of paper • 5 mg/cm2 limit of detection minimum on all drugs of interest (see table below for current materials within contraband library) • Audit trail tracking of the detections and printed on reports
Image Export	• Reports are saved via a PDF format for easy export via flash drive or local network as an ancillary document to an inmate folder

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VeroVision™ Mail Screener Computer System

VeroVision™ Mail Screener Computer System	• Intel I 7 6700/3.4 Ghz with Intel HD Graphics 530 • 8GByte RAM • 1 Tb Hard Drive • SuperMulti DVD-RW Drive • Gigabit Ethernet • Windows 10 Pro • 23 inch High Resolution Touch Screen Monitor • ChemImage's™ Spectral Kitchen™ and VeroVision™ MailScreener Software

*ChemImage will endeavor to procure the best price/performance computer hardware available when system assembly commences. As such these specifications are subject to change without notice but in any event replacement equipment will exceed current specifications.

VeroVision™ Mail Screener Software

Powered by custom ChemImage™ Software Platform	• Mail Screener Software system • Powered by ChemImage's™ Spectral Kitchen™ Suite
Other Software Features: *Powerful spectral mixture resolution capabilities via chemometrics*	• One-button scan functionality • Image and spectral information collected simultaneously • Each pixel in the image has an associated spectrum • Substrate signal or background patterns removed • Detection results presented in user-friendly image format • User has the ability to enter facility specific information with each detection • Detection database maintained for post-detection review • Detection reports generated from detection database with embedded audit trail information.

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VeroVision™Mail Screener System System Requirements

Power Requirements	• Voltage: 115V/220V • Frequency: 50/60 Hz • Required Power: 1500 VA
Environmental Requirements	• Indoor use only • Attitude up to 2,000 meters • Temperature 5°C (41°F) to 40°C (104°F) • Maximum relative humidity 80% for temperatures up to 31°C

VeroVision™Mail Screener System Tool kit

Documentation	• VeroVision™ Mail Screener User Manual
Quick Reference Card	• Shows user normal operation on one card
Control positive and negative sample	• Verification of normal operation

VeroVision™Mail Screener System Warranty

System Warranty	• One-year unlimited software, parts and labor • Software upgrades included • Warranty period commences when installation is complete • One preventative maintenance visit included

VeroVision™Mail Screener System Training

System Training	• Installation manual provided along with laminated quick reference card • Professional installation by ChemImage Staff • Up to two days on on-site training including train the trainer at no additional cost

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Optional VeroVision™Mail Screener System Extended Comprehensive Service Agreement

Program Details	• One-year unlimited software updates, parts and labor • Software drug library updates included • Warranty period commences when installation is complete • One preventative maintenance visit included

Optional VeroVision™Mail Screener System Presumptive Identification

Software Features	• One button presumptive identification of illicit contraband contained in the mail • Provides presumptive identification results in 2 minutes • Drug library updates included

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TERMS & CONDITIONS

These Terms and Conditions constitute a material part of the agreement between ChemImage Biothreat LLC, d/b/a ChemImage Sensor Systems (Seller) and Customer. ChemImage objects to, and does not agree to be bound by, any changes to these terms and conditions. These terms and conditions supersede any inconsistent terms and conditions in any documentation submitted by Customer to Seller. ChemImage agrees to sell the Products to Customer provided that (i) the Products are available at the time of the order, (ii) ChemImage accepts the order, and (iii) Customer is in full compliance with the terms and conditions of this Agreement. Customer agrees to purchase the Products for use within the United States.

1. Prices. Prices are based on the products and quantity described in the quote. Any changes or deletions to the product, quantity, or specifications may alter the price. Seller reserves the right to alter the product and prices in the quote, subject to Customer's confirmation.
2. Payment. Payment Terms. Payment terms are net thirty (30) days from date of invoice ("Due Date"). ChemImage must receive payment at the "Remit To" address listed on the invoice on or before the Due Date to be considered as received on time. Customer shall pay ChemImage a service charge of 1-1/2% per month (18% per year) or the highest amount allowed by law, if lower, on all past due amounts. In the event Customer is delinquent in payment of any amounts to ChemImage, whether or not related to this Agreement, ChemImage may, at its option declare all amounts owed to it under all agreements as due and payable immediately, and terminate this Agreement.
3. Seller offers eCommerce solutions giving customers flexible invoice and payment options.
   a. Invoice Options. Customer may choose to receive invoices
      i. Electronically via email
      ii. by mail
      iii. or by email and mail
   b. (b) Payment Options. Payment to ChemImage may be made either electronically (preferred method) or by check. In the event that an electronic payment is made, Customer must include a remittance or invoice number with each transaction.
4. Delivery. Freight terms are FOB Seller's shipping point unless otherwise specified. Notwithstanding anything in the foregoing to the contrary, Seller also charges a shipping charge for any of the Products. Additional charges for emergency or overnight deliveries will be the responsibility of Customer and will be added to the invoice.
   (a) Damage or Shortage in Shipment. Seller exercises care in packing shipments. To minimize the possibility of error, all orders should be inspected upon receipt. ANY DAMAGE, SHORTAGE OR OVERAGE DUE TO SHIPPING SHOULD BE REPORTED TO SELLER'S CUSTOMER SERVICE DEPARTMENT AT 412.241.7335 or 1-877-241-3550 WITHIN TWO (2) BUSINESS DAYS OF RECEIPT. Seller may reject requests for return authorization received later than two (2) business days from Customer's receipt of the Products. Customer's cooperation in providing this information will enable Seller to expedite the necessary adjustments. Customer agrees to purchase any and all insurance necessary to indemnify it against any loss in shipping. Seller will pre-pay and add shipping charges to the initial invoice.

   Delivery dates are not guaranteed, but are estimated on the basis of immediate receipt by Seller of all information and approvals to be furnished by Customer and the absence of delays which are excused under Section 8 (Force Majeure). Seller shall endeavor in good faith to meet estimated delivery dates
5. Warranties. Seller warrants to the Customer that for a period of 1 year from the date of installation, equipment manufactured by us shall be free from defects in materials and workmanship for a period of one (1) year from the date of installation of such equipment. Services performed by Seller in connection with such equipment, such as site training and installation services relating to the equipment, shall be free from defects for a period of one year from the date of shipment. Customer agrees that the Seller must perform an annual maintenance and preventative diagnostic on the product to maintain this warranty or any extended warranty purchased by the Customer, and Customer agrees to provide Seller all requested or relevant data related to the product covered by this warranty. Warranty repair or replacement within this one-year period may cover system assemblies and subassemblies, including the system sensor head unit (SHU), cables, switches, optical train, and power module If defects in materials or workmanship are discovered within the applicable warranty period as set forth above, Seller shall, at its sole option a) in the case of equipment, either repair or replace the equipment or b) in the case of defective services, re-perform such services. Seller may, at its sole discretion, issue a temporary system (a "loaner system") to Customer while Customer's warrantied unit is undergoing repair. Seller shall repair units within a commercially reasonable time frame subject to Seller's internal processes and availability of applicable system components and service personnel. Seller shall have the option of replacing equipment with substitute products or new, used, or refurbished replacement parts, and Customer acknowledges that parts used to repair or replace the system may be new, used, refurbished, or non-original manufacturer parts that perform to the factory specifications of the purchased system. Updates to software and libraries are available at no charge to Customer

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as long as customer is under warranty or has purchased an extended service warranty. This warranty does NOT included replacement glass for lamps, glass cleaner, light bulbs, sample analysis and investigation, or recipe development support. Such services and supplies may be purchased by Buyer from Seller, at Seller's discretion.

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6. Return Goods Policy. Seller can accept for credit only those Products that (a) do not perform pursuant to Seller's specifications for the Products, (b) may have been damaged during transportation to the Customer by the Seller, or (c) Customer may have received in error. Return of the Products must be authorized before any returns will be accepted. In cases of Products damaged during shipments, Customer must contact Seller according to the procedures in Section 4(a) of these Terms and Conditions, and must do so within the time period specified. Customer shall contact Seller Customer Service for instructions on the return procedure to be followed.
7. Warranty shall be void due to any of the following. a) If the product has been opened, modified, altered, or repaired, except by Seller or its authorized agents, b) if the product has not been installed or maintained or used in accordance with instructions provided by Seller, including Customer's operational errors or requirements related to product placement, temperature, and environment, c) if the product has been subject to misuse, abuse, intentional physical/mechanical/electronic damage, malicious mischief, reckless handling, animal or insect infestation, accident, thermal or electrical irregularity, theft, vandalism, fire, liquid, or other peril, including, but not limited to, damages caused by war, nuclear incident, terrorism, or unexplained or mysterious disappearance, d) if the product has been damaged due to storage, containment, and/or operation outside the environmental specification of the product, e) if the product has been subject to a connection of the product to other systems, equipment, or devices or use with other software (other than software specifically provided by Seller), f) if product identification labels have been removed or altered on any part of the product or its constituent parts and accessories, or g) if the product's software has been damaged by computer viruses or other malware.

   EXCEPT AS SET FORTH HEREIN, NO OTHER WARRANTIES OR REMEDIES, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESSED, IMPLIED (INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) OR OTHERWISE, SHALL NOT APPLY. IN NO EVENT SHALL SELLER HAVE ANY LIABILITY FOR ANY SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT OR CONSEQUENTIAL LOSSES OR DAMAGES OF ANY NATURE WHATSOEVER, WHETHER AS A RESULT OF BREACH OF CONTRACT, TORT LIABILITY (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. REPAIR OR REPLACEMENT OF THE EQUIPMENT DURING THE APPLICABLE WARRANTY PERIOD IS YOUR SOLE AND EXCLUSIVE REMEDY UNDER THIS WARRANTY.

   IN NO EVENT SHALL SELLER OR ITS SUBCONTRACTORS HAVE ANY LIABILITY TO CUSTOMER, WHETHER AS A RESULT OF BREACH OF CONTRACT, TORT LIABILITY (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, AND WHETHER ARISING BEFORE OR AFTER DELIVERY OF THE GOODS AND/OR PERFORMANCE OF THE SERVICES FURNISHED UNDER THE SALES CONTRACT, FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PENAL LOSS OR DAMAGE OF ANY NATURE WHATSOEVER, INCLUDING WITHOUT LIMITATION, DAMAGE TO OR LOSS OF USE OF PLANT OR EQUIPMENT, EXPENSES INVOLVING INTEREST CHARGES OR COST OF CAPITAL, LOSS OF PROFITS OR REVENUES, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, OR CLAIMS OF CUSTOMER.
8. Termination. Seller may terminate the performance of the work under the agreement in whole at any time, or from time to time in part, by written notice to Customer.
9. Default - Cancellation. Customer may not cancel this order, or any portion thereof, except upon written notice to Seller and upon payment to Seller of the cancellation charges specified below. Customer acknowledges that such charges have been agreed upon, not as a penalty, but as a result of the difficulty of computing actual damages and the inconvenience and non-feasibility of Seller otherwise obtaining an adequate remedy.

Cancellation Notice Received Prior to Scheduled Delivery	Cancellation Charges (Percentage of Sales Price of Goods)
Less than 30 Days	50%
45 Days or More	25%

   Customer may not cancel any order, or portion thereof, after shipment. Buyer may not reschedule or change any order, or portion thereof, without Seller's prior written consent.
10. Bankruptcy/Insolvency - In the event of Customer's bankruptcy or insolvency, or in the event any proceeding is brought against Customer, voluntarily or involuntarily, under the bankruptcy or insolvency laws, Seller may cancel any order then outstanding at

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any time during the period allowed for filing claims against the estate, and shall be paid the cancellation charges specified in Section 6 (Default—Cancellation).

11. Force Majeure. Neither party shall be liable for defaults or delays due to Acts of God or the public enemy, acts or demands of any Government or any Governmental agency, strikes, fires, floods, accidents, or other unforeseeable causes beyond its control and not due to its fault or negligence. Each party shall notify the other in writing of the cause of such delay within five (5) days after the beginning thereof
12. Indemnification. Customer will defend, hold harmless, and indemnify Seller from and against any liability and expenses (including, without limitation, attorney and other professional fees and disbursements) arising from or in connection with any damages, injuries, or third party claims of demands to recover for personal injury, death, or property damage caused by or arising out of any of the goods or services supplied the Seller (regardless of whether such claim or demand arises under tort, negligence, contract, warranty, strict liability or other legal theories), except to the extent such injury, damage, or loss results from Seller's negligent actions.
13. Assignment. Neither this order nor any rights or obligations herein may be assigned by Customer nor may Customer delegate the performance of any of its duties hereunder without Seller's prior written consent.
14. Intellectual Property. Seller warrants that products furnished under the Sales Contract, and any part thereof, shall be delivered free of any rightful claim of any third party for infringement of any United States patent. Customer acknowledges and agrees that all intellectual property rights in the Products and Software and in any Seller technology, intellectual property, and know-how used to make or useful for the manufacture or use of the products will at all times remain vested in the Seller. Customer shall not use Seller's trademark, tradename, or other indication in relation to the Product unless in accordance with Seller's instructions or prior written approval and solely for the purposes expressly specified by Seller in writing. Customer shall not have nor obtain any right, title, or interest in or to any Seller's owned trademarks, tradenames, or other indications. Customer acknowledges all rights, title, and interest of Seller in respect of and to Seller's owned trademarks, tradenames, and other indications.
15. Attorneys' Fees. In the event there is any dispute concerning the terms of this agreement or the performance of any party, and any party retains counsel of the purpose of enforcing any of the provisions of this agreement or asserting the terms of this agreement in defense of any suit filed against said party, each party shall be solely responsible for its own costs and attorneys' fees incurred in connection with the dispute irrespective of whether or not a lawsuit is actually commenced or prosecuted to conclusion.
16. Invoices and Notices. All correspondence covering this quote must be addressed to ChemImage Biothreat LLC, d/b/a ChemImage Sensor Systems, 7301 Penn Ave., Pittsburgh, PA 15208. The parties agree that for any transactions subject to this quote, facsimile signatures shall be accepted as original signatures, orders may be transmitted electronically and any document created pursuant to this order may be maintained in an electronic document storage and retrieval system, a copy of which shall be considered an original. Neither party shall raise any objection to the authenticity of this quote or any document created hereunder, based on the use of a facsimile signature, electronic order or the use of a copy retrieved from an electronic storage system.
17. Severability. In case any one or more provisions contained in this quote shall be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby
18. Notice. Any notice given under this quote shall be in writing and will be effective: (i) when delivered if delivered in person; or, (ii) three (3) days after deposited in the United States mail to the address provided on the first page of this quote. Email communications are solely for the convenience of the parties and will not constitute valid or effective legal notice for purposes of this quote.
19. Taxes Prices do not include any municipal, provincial, state or federal sales, use, excise, value added or similar taxes. Consequently, in addition to prices specified, the amount of any present or future taxes, duties and/or tariffs that may be imposed shall be paid by Customer, or in lieu thereof, Customer will provide Seller with a tax exemption certificate acceptable to the taxing authorities. International sales are subject to applicable transportation and import duties, licenses, and fees, or as agreed to by the purchase order.
20. Export Laws Customer agrees to comply with all applicable export laws, assurances, codes, and license requirements and controls of the United States and other applicable jurisdictions in connection with the use and resale of products including Customer's acceptance of responsibility for the payment of any relevant taxes or duties, etc.
21. ITAR Compliance. Customer is advised that this purchase order may involve goods or services subject to the International Traffic in Arms Regulations (ITAR) ITAR 22 CFR, Chapter 1, Sub-Chapter M, §120-§130, the Export Administration Regulations, and other applicable U.S. export laws and regulations, as may be amended from time to time. Sale of goods may be subject to

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licensing requirements by the U.S. Government, and may not be resold, diverted, transferred, or otherwise be disposed of, to any other country or to any person other than the authorized end-user or consignee(s), either in their original form or after being incorporated into other end-items, without first obtaining approval from the U.S. Department of State or use of an applicable exemption. If Customer is a U.S. company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services, the Customer herby certifies that it has registered with the U.S. Department of State, Directorate of Defense Trade Controls and understands its obligations to comply with the International Traffic in Arms Regulations (ITAR) and the Department of Commerce, Export Administration Regulations (EAR). Customer shall indemnify and hold Seller harmless from and against any liability claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Customer's non-compliance with U.S. export laws.

22. Applicable Law This Agreement is governed by the laws of the Commonwealth of Pennsylvania, excluding the United Nations Convention on Contracts for the International Sale of Goods ('CISG') and excluding its conflict of laws rules. Customer submits to the jurisdiction of the state and federal courts located with the County of Allegheny within the Commonwealth of Pennsylvania

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23. Entire Agreement; Additional or Different Provisions Rejected; Modifications; Amendment.This quote constitutes the entire agreement between Customer and Supplier, unless superseded by a Distribution Agreement signed by both parties.Any additional or different provisions proposed by Customer are rejected and will not be effective unless agreed to in writing by Seller.The parties may agree to amend provision(s) contained in these Terms and Conditions if such amendment (1) specifically references the provision(s) in these Terms and Conditions to be amended; (2) specifically provides how such provision(s) is amended, and (3) is executed by the President of Seller.Otherwise, this Quote may be amended or renewed only by written agreement of both parties.

Regarding: Sole Source Justification

This letter is to confirm that the VeroVision Mail Screener is a sole source product, manufactured, sold and distributed exclusively by ChemImage Corporation. No division of ChemImage, nor any other company, makes a similar or competing product. This product must be purchased directly from ChemImage at the address listed above.

The VeroVision Mail Screener is the only wide-field of view, hyperspectral imaging-based device designed specifically for detecting concealed illicit chemical compounds and cutting agents within postal mail. No other like products, that would serve the same purpose or function as the VeroVision Mail Screener, are available for purchase. Because of our investment in the Mail Screener innovation, ChemImage has created a portfolio of intellectual property rights that include:

- Patents
- Trademarks
- Copyrights
- Proprietary Software

Attached, you will find additional specifications unique to the VeroVision Mail Screener System.

If you desire additional information, do not hesitate to contact me at (412) 901-5305 at any time. Thank you for your interest in our products.

Regards,

Peter Safran
Director of Sales

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Introduction

Drugs entering correctional facilities through the mail is a known problem within the corrections community, therefore, correctional facilities have instituted various policies and procedures for inspecting incoming mail. Human inspection, the most common form of mail inspection, is naturally prone to inconsistency, especially when multiple individuals inspect the mail. In most facilities, mail screening is a tedious and repetitive process, therefore, the human inspectors are often subject to the effects of boredom that can occur during the inspection process. To further complicate matters, offenders are becoming more creative with their drug concealment methods, making the task of finding drugs in the mail all the more challenging.

In an effort to reduce the likelihood of drugs entering the facility through the mail as well as to combat especially creative concealment methods, many institutions have placed stringent restrictions on the types of items that can be sent to the inmates. Because of these tight restrictions, many inmates are suing the institutions over their mail screening policies and practices. The Vero Vision™ Mail Screener was introduced to address the various challenges associated with preventing drugs from entering the corrections facilities through the mail.

The Vero Vision Mail Screener utilizes near-infrared light to reveal what cannot be seen with the human eye. This light penetrates stamps, paper, crayons and other confusants used to hide contraband in the mail. VeroVision acquires key infrared color/wavelength datasets of the entire article of mail. Using sophisticated processing methods, contraband materials are targeted and isolated from complex backgrounds or other innocuous materials that may be added to try to hide the contraband.

The VeroVision Mail Screening system capitalizes on its ability to rapidly scan a wide area and detect contraband materials, allowing the vast majority of the "clean" mail to be scanned and distributed to inmates within policy guidelines.

When a positive detection has occurred, the Vero Vision Mail Screener collects and processes high-resolution chemical signatures of the material that has been detected and matches that to library of known materials to provide a presumptive identification -all within the same instrument. This system is powered by a software package that was designed specifically with the corrections mail inspection process in mind. This easy-to-use interface enables mail inspectors to utilize state-of-the-art technology without being overwhelmed by this new technology. Mail screening is completed with a single button push, and user friendly images are used to display contraband detection so the user knows exactly where the contraband is located within the article of mail.

Attachment 1: Specifications

The unique system specifications for the VeroVision Mail Screener system are as follows:

The system comes equipped with a sample platform, light sources, an imaging detector and a dedicated computer running ChemImage's Mail Screener user-application.

The lighting and imaging optics are configured to enable wide-field of view imaging (9" x 12"), large enough to completely scan full-size envelopes or standard sheets of paper, with sufficient spatial resolution to detect small amounts of drugs embedded within the mail.

This mail screening system uses reflected or transmitted light from each point in the sample image to create chemical-based contrast within the image. Images are collected as a function of wavelength; therefore, each pixel within the dataset is evaluated for the presence of illicit materials. By evaluating both spatial and spectral information, contraband materials can be distinguished from background materials, colors or patterns, or substances used to conceal the contraband to the human inspector. Proprietary software and algorithms were specifically developed for unique chemical signature detection of illicit drugs and common cutting agents. This combination of components and software provide a method of contraband detection that is unique only to the ChemImage VeroVision Mail Screener.

VeroVision Mail Screener Specifications

Equipment Specifications

- **Mail Screening Lighting Stand for Document Scanning (Reflectance and Transmittance Modes)**
  - **Sample platform**
  - **Transmitted and reflected lights**
  - **NIR Hyperspectral Imaging (800 to 1800 nm range)**
  - **9 inch x 12 inch field of view**
- **Workstation Operator Control Unit with 23" Touch Screen Display**
- **Ethernet and sensor head cables**
- **VeroVision Mail Screener software application**
  - **Single button scan function**
  - **< 10 second time to detect**
  - **Detect through 3-layers of paper**
  - **5 mg limit of detection minimum on all drugs of interest (see table below for current materials within contraband library)**
  - **Audit trail tracking of the detections and printed on reports**
- **Operator Manual**
- **Installation and Training**
- **Power Requirements: Voltage: 100V/240V; Frequency: 50/60 Hz; Required Power: 1500 VA**
- **Environmental Requirements: Indoor use only; Attitude up to 2,000 meters; Temperature 5°C (41°F) to 40°C (104°F); Maximum relative humidity 80% for temperatures up to 31°C**
- **Instrument Dimensions: 22.5" (W) × 23" inch (D) × 48" (H)**
- **Weight: 90 LBS (not including Workstation)**

Software Capabilities

7301 Penn Ave. Pittsburgh, PA 15208 | Tel: 412-241-7335 |Fax: 412-241-7311 | www.chemimage.com

- Easy to use software developed with the correctional facility mail inspector in mind.
- One-button scan functionality
- Image and spectral information collected simultaneously
- Each pixel in the image has an associated spectrum
- Substrate signal or background patterns removed
- Powerful spectral mixture resolution capabilities via chemometrics
  - Detection results presented in user-friendly image format
  - User has the ability to enter facility specific information with each detection
  - Detection database maintained for post-detection review
  - Detection reports generated from detection database with embedded audit trail information.

Materials in Contraband Library (materials list is continuously being updated)

- Cocaine
- D-Amphetamine
- Fentanyl
- Heroin
- Ketamine
- Methamphetamine HCL
- Methadone
- Phencyclidine (PCP)
- Suboxone® (and generic versions)

Suboxone® is a registered trademark of ReckittBenckiser Pharmaceuticals Inc.

ChemImage has designed and developed its mail screener with integrated proprietary software to interdict drugs hidden in the mail. It has based this system architecture around the following list of patents.

Item	Status	Patent Number	Patent Description	
1	Issued	7,046,359	System and method for dynamic chemical imaging	Primary
2	Issued	7,317,516	Near Infrared Chemical Imaging Microscope	Primary
3	Issued	7,436,500	Near Infrared Chemical Imaging Microscope	Primary
4	Issued	7,548,310	Method and Apparatus for Compact Spectrometer for Multipoint Sampling of an Object	Primary
5	Issued	8,269,174	Method and apparatus for compact spectrometer for multipoint sampling of an object	Primary
6	Issued	8,289,513	System and method for component discrimination enhancement based on multispectral addition imaging	Primary

7	Issued	8,368,880	Chemical imaging explosives (chimed) optical sensor using SWIR	Primary
8	Issued	USRE39977 E1	Near Infrared Chemical Imaging Microscope	Primary
9	Issued	8,094,294	Multipoint method for identifying hazardous agents	Primary
10	Issued	9,103,714	System and methods for explosives detection using SWIR	Primary
11	Issued	6,992,809	Multi-conjugate liquid crystal tunable filter	Secondary
12	Issued	7,072,770	Method for identifying components of a mixture via spectral analysis	Secondary
13	Issued	7,362,489	Multi-conjugate liquid crystal tunable filter	Secondary
14	Issued	7,409,299	Method for identifying components of a mixture via spectral analysis	Secondary
15	Issued	7,933,430	Method and apparatus for spectral mixture resolution	Secondary
16	Issued	7,956,991	Method and apparatus for interactive hyperspectral image subtraction	Secondary
17	Issued	8,400,574	Short wave infrared multi-conjugate liquid crystal tunable filter	Secondary
18	Issued	8,537,354	System and method for instrument response correction based on independent measurement of the sample	Secondary
19	Issued	8,736,777	VIS-SNIR multi-conjugate liquid crystal tunable filter	Secondary
20	Issued	8,525,987	Method for operating an optical filter in multiple modes	Secondary
21	Issued	9,464,934	System and Method for Correcting Spectral Response Using a Radiometric Correction Filter	Secondary
22	Issued	7,990,532	Method and apparatus for multimodal detection	Tertiary
23	Issued	8,582,089	System and method for combined Raman, SWIR and LIBS detection	Tertiary

24	Issued	8,553,210	System and method for combined Raman and libs detection with targeting	Tertiary
25	Issued	8,547,540	System and method for combined Raman and LIBS detection with targeting	Tertiary
26	Issued	8,743,358	System and method for safer detection of unknown materials using dual polarized hyperspectral imaging and Raman spectroscopy	Tertiary
27	Issued	7,679,740 B2	Method and apparatus for multimodal detection	Tertiary
28	Issued	8,379,193 B2	SWIR targeted agile Raman (STAR) system for on-the-move detection of emplace explosives	Tertiary
29	Issued	8,994,934 B1	System and method for eye safe detection of unknown targets	Tertiary

Contrast to Other Technologies

Human Inspection

The most common mail inspection technique is human inspection. Humans can only see in the visible light region, and there are many techniques (such as the use of colors, layers, stickers, crayons, etc.) that conceal the contraband from the human inspector. Inspecting hundreds of articles of mail can become a mundane task; as a result, human inspector's attention can drift and they can miss even obvious indicators of contraband placement. Human detection is also inherently subjective and can therefore vary from inspector to inspector.

VeroVision utilizes infrared light to see through the common hiding methods, and is a computer imaging and processing tool that objectively and consistently scans the mail.

Drug Detection Dogs

Canines are routinely used for drug interdiction efforts. Dogs have a limited working period since they, like humans, get bored of the task at hand. It also takes significant time to train canines on new drugs -the key components must be identified that can be used to train the dog on that particular drug. Should a canine identify a mail bin containing drugs that bin can be compromised and tainted with a residual scent requiring additional human screening that miss contraband that is not visible to the naked eye.

VeroVision operates continuously and can be easily upgraded with new drugs once they are identified as an issue within the corrections community.

Dye Kits

Several commercial dye kits are available to identify drugs. These kits require the user to know the location of the potential drug in order sample the correct area. The dye kit technique is destructive and in many cases requires multiple samples and a series of colorimetric tests to fully identify the material of interest.

VeroVision scans the entire sample and detects the location of the contraband, without requiring any prior knowledge of its location. VeroVision is also non-destructive and preserves the material for later presentation or analysis.

Forensics Spectrometry Methods

Traditional forensics laboratory instruments, such as mass spectrometry, Raman spectrometry, FTIR spectrometry, etc., can be utilized to identify the contraband, but all these systems require prior knowledge of the location of the contraband. Many of these instruments are destructive and many require the contraband to be exposed to test. The high-accuracy of these spectrometer systems also require a longer period of time to acquire the accurate spectral data to match to their library.

VeroVision rapidly detects the location of the contraband, and then completes the higher resolution acquisition required to identify the contraband -all without moving or destroying the sample.

OFFICE OF THE SHERIFF
ORDER REQUEST FORM

Request For: Pretrial Detention Facility (Work Unit) | Jails (Division) | Corrections (Dept.)

Requestor: Assistant Chief John Verwey (Name) | 7895 (ID #) | 630-7470 (Phone) | 14-Oct-19 (Date)

Deliver To Location: 500 East Adams Street, Jacksonville, Florida 32202

Item No.	Description and Model No.	JSO Stock No.	QTY.	Unit Cost	Total
1	VeroVision Mail Screener		1	$124,900.00	$ 124,900.00
2	Extended comprehensive service agreement (5 year package)		4	12,900.00	51,600.00
3	VeroVision Drug Presumptive Identification		1	9,900.00	9,900.00
4	Shipping		1	600.00	600.00
5	Reference customer discount (10% discount)		1	(18,640.00)	(18,640.00)
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
				TOTAL REQUEST	$ 168,360.00

Suggested Vendor: Chemimage Sensor Systems Vendor Phone: 1-412-261-7335

Vendor Address / E-mail: 7301 Penn Avenue, Pittsburg, PA 15208

RECEIVED
2019 OCT 14 P 3:16
OFFICE OF THE SHERIFF
BUDGET & MGMT. DIV.

☐ Proprietary
☐ Sole Source If Proprietary / Sole Source, attach appropriate form and letter from vendor.

Special funding to be used for this purchase?
☐ Loan Pool / Banking Fund
☐ Grant * Inmate Welfair Fund
☑ Trust Fund * * Enter name and # of Grant or Trust Fund

Justification / Repetitive Request Authorization / Notes:

Mail scanner that is a non-intrusive, non-destructive technology that detects and identifies analytes of interest through envelopes and paper without the need to come in contact with the analytes of interest. The analytes of interest could be present either as a powder, or mixed into other materials. The system will be able to detect concealed analyets attempting to be smuggled into the corrections settings through the mail including up to, but not limited to: cocaine, heroin, ketamine, methadone, methamphetamine, phencyclidine (PCP), suboxone, fentanyl, acetaminophen, aspirin, caffeine, cornstarch, dimethyl sulfoxide (DMSO), lidocaine, and procaine. This quote includes a 5 year warranty/maintenance agreement.

Approvals:

1. Assistant Chief J. Verwey (Signature) | 7895 (ID #) | 14-Oct-19 (Date)
2. Signature | ID # | Date
3. Signature | ID # | Date
4. Signature | ID # | Date

Required approval level (per General Order 54):
$0 to $2,500 - Assistant Chief or higher
$2,501 to $5,000 - Chief or higher
$5,001 or more - Director or higher

Budget Office Use Only
Index ____ Subobject ____
Analyst ____ Date ____

P-1532 Rev 12/2011

Approved to Advertise

Manser, Taryn

From: Pease, Gregory
Sent: Thursday, November 21, 2019 11:10 AM
To: Manser, Taryn
Subject: RE: Single Source ChemImage Request

Approved.

Gregory W. Pease
Chief of Procurement
Finance and Administration Department
Procurement Division
City of Jacksonville
214 N. Hogan St
Jacksonville, FL 32202
Ph. 904.255.8801
Fax 904.255.8838

CITY OF JACKSONVILLE

****** Please note that under Florida's very broad public records law, email communications to and from city officials are subject to public disclosure. ******

From: Manser, Taryn
Sent: Thursday, November 21, 2019 10:45 AM
To: Pease, Gregory
Subject: FW: Single Source ChemImage Request

Hi Greg,

Please see the attached request for a single source award and let me know if you approve of this for advertising.

Thank you,

Taryn Manser
Purchasing Analyst
City of Jacksonville, Procurement Division
214 N. Hogan St., Suite 800
Jacksonville, FL 32202
904-255-8806
tmanser@coj.net

CITY OF JACKSONVILLE

From: Baines, Deidra B. [mailto:Deidra.Baines@jaxsheriff.org]
Sent: Thursday, November 21, 2019 10:40 AM
To: Manser, Taryn
Subject: Single Source ChemImage Request

EXTERNAL EMAIL: This email originated from a non-COJ email address. Do not click any links or open any attachments unless you trust the sender and know the content is safe.

Taryn,

Attached is a single source request for ChemImage.

Thanks,

Deidra Baines, #69081
Procurement Manager
Jacksonville Sheriff's Office | Budget Division
Office: 904.630.2217 | Desk: 904.630.5970| Fax: 904.630.2772
Deidra.Baines@jaxsheriff.org

Connect with us: jaxsheriff.org or on social media
The Mission of the Jacksonville Sheriff's Office: "To Serve and Protect in Partnership with Our Community"

QWS3270X 11/21/2019 2:13 PM
FAML6350 V5.1 ** NW COJ FAMIS PRODUCTION ** 11/21/2019
LINK TO: ACCOUNT SUMMARY INQUIRY 2:11 PM

FISCAL MO/YEAR : 02 2020 CURRENCY CODE :
INDEX CODE : SHCO64AIW INMATE WELFARE TRUST FUND
SUBOBJECT : 06429 SPECIALIZED EQUIPMENT
PROJECT :
PROJECT DETAIL :
GRANT : TRSH09 SHERIFF'S TRUSTS (CF/CA)
GRANT DETAIL :
USER CODE :

S	NOV 2019	ANNUAL BALANCE	ALL YEARS BALANCE
ESTIMATED REVENUES	.00	.00	.00
REVENUES	.00	.00	.00
UNREALIZED REVENUES	.00	.00	.00
BUDGET	.00	421,689.08	4,548,561.14
EXPENDITURES	5,907.54	120,272.30	3,800,429.55
ENCUMBRANCES	-290.19	-110,654.95	72,783.89
PRE-ENCUMBRANCES	5,335.36	5,335.36	5,335.36
REMAINING BALANCE	-10,952.71	406,736.37	670,012.34

F1-HELP F2-SELECT F4-PRIOR F5-NEXT
F9-LINK F10-PRIOR-MO F11-NEXT-MO

G014 - RECORD FOUND