STATE OF ARKANSAS

Term Contract

Vendor No. 100178399
Contact Zach Kenyon @ 303-785-7877
Your reference 00212

ALCOHOL MONITORING SYSTEMS INC
1241 W MINERAL AVE STE 200
LITTLETON CO 80120

Contract No. 4600029655
Date 06/12/2013

Contact Julia Shackelford
Telephone 501-371-6079
Fax 501-324-9311

Our ref. ST
Incoterms FOB
DESTINATION

Send Invoice To:
As Specified on Agency
Purchase Order

Ship To:
STATEWIDE DELIVERY
LITTLE ROCK AR 72201

Valid from: 06/04/2013
Valid to: 12/31/2016

WSCA-NASPO Award No: 00212
COMMODITY:Electronic Monitoring of Offenders

THIS IS A WSCA-NASPO TERM CONTRACT ISSUED BY THE STATE OF WASHINGTON. THIS DOES NOT REPRESENT YOUR AUTHORITY TO SHIP. THE ORDERING AGENCY WILL ISSUE A PURCHASE ORDER TO AUTHORIZE SHIPMENT.

Vendor Contact: Zach Kenyon @ 303-785-7877
Fax: 303-791-4262
Email: zkenyon@alcoholmonitoring.com

Regional Sales Manager: David Martin @ 816-728-3244

Contract Period: June 4, 2013 through December 31, 2016.

Award by Catergory:

Category 2 Alcohol Electronic Monitoring (Transdermal)

3rd Award: Alcohol Monitoring Systems, Inc.

GENERAL CONDITIONS AND INSTRUCTIONS TO VENDOR:
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_____ _____
Purchasing Official/Fiscal Officer **Date**

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Item	Material/Description	Target Qty	UM	Unit Price	Amount
0001	10124160 SERVICE,ALARM.MONITORING	25,000	each	1.00	$ 25,000.00

Estimated Net Value **25,000.00**

SCOPE: This is a WSCA-NASPO contract for Electronic Monitoring of Offenders products and/or services led by the State of Washington for use by state agencies and other entities located in the State of Arkansas as authorized by that state's statutes to utilize cooperative contracts.

PARTICIPATION: All eligible purchasers within the State of Arkansas including local political subdivisions and other entities (including cooperatives) are authorized to purchase products and services under the terms and conditions of this contract.

INDIVIDUAL CUSTOMER: Each State agency and political subdivision, as a Participating Entity, that purchases products and/or services will be treated as if they were Individual Customers. Except to the extent modified by the State of Arkansas Participating Addendum, each agency and political subdivision will be responsible to follow the terms and conditions of the Master Agreement; and they will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement. Each agency and political subdivision will be responsible for their own charges, fees, and liabilities. Each agency and political subdivision will have the same rights to any indemnity or to recover any costs allowed in the contract for their purchases.

Payments and Invoice Provisions: All invoices should be forwarded to:

Agency Name
Attention: Accounts Payable
Address
City, Arkansas Zip Code

Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance by the Agency. The State may not be invoiced in advance of delivery and acceptance of any products or services. Payment will be made only after the contractor has successfully satisfied the ordering agency as to the goods and/or services purchased or rented. Vendors should invoice the ordering agency by an itemized list of charges. Purchase Order Number and/or Contract Number should be referenced on each invoice.

Payments shall be submitted to the contractor at the address shown on the invoice. Payment shall be tendered to the contractor within thirty (30) days of the date of invoice. After the sixtieth (60th) day from the date of the invoice, unless mutually agreed to, interest shall be paid on the unpaid balance due to the contractor at the rate of one half of one percent per month in accordance with Arkansas Code Annotated §19-11-224. The procuring agency shall make a good-faith effort to pay within thirty (30) days after date of invoice. Payments may also be made via a Purchasing Entity's "Purchasing Card."

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Purchase Order Instructions: All Purchase Entities issuing valid Purchase Orders will be bound by the terms and conditions of the WSCA-NASPO Master Agreement including, without limitation, the obligation to pay Contractor for products and/or services provided. The parties acknowledge and agree that orders submitted to Contractor from a Purchasing Entity through the Purchasing Entity's Business Procurement Card are authorized Purchase Orders under the WSCA-NASPO Master Agreement.

Price Agreement Number: All Purchase Orders issued by Purchasing Entities within the jurisdiction of this contract shall include the WSCA-NASPO Contract #00212, agency name, address, name of contact person and phone number.

Reporting: Vendor agrees to provide a quarterly report to the Arkansas Primary Contact within thirty (30) days following the quarter being reported. Reports will include the following data: agency name and address, product description, quantity, Purchase Order number, unit and extended prices.

Record Retention: The Contractor shall be required to maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Arkansas. Access will be granted upon request, to State or Federal Government entities or any of their duly authorized representatives.

Financial and accounting records shall be made available, upon request, to the State of Arkansas' designee at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the contract or extension thereof.

Delivery: Free On Board Destination

Taxes: Personal Property tax will not be charged to Arkansas state agencies.

Cancellation: The State may cancel this contract by giving the contractor and WSCA-NASPO written notice of such cancellation thirty (30) days prior to the date of cancellation.

Applicable Law, Venue and Jurisdiction: Under Arkansas law, state agencies (the "State") may not enter into a covenant or agreement to hold a party harmless or to indemnify a party from prospective damages. However, without waiving any sovereign immunities, with respect to loss, expense, damage, liability, claims or demands, either at law or in equity, for actual or alleged injuries to persons or property arising out of any negligent act or omission by the State or its employees or agents in the performance of this agreement, the State agrees with the vendor that: (a) it will reasonably cooperate with the vendor in the defense of any action or claim brought against the vendor seeking the foregoing damages or relief; (b) it will in good faith address with the vendor should the vendor present any claims of the foregoing nature against the State to the Claims Commission of the State of Arkansas; however, the State reserves its right to assert in good faith all claims and defenses available to it in any proceedings in said Claims Commission or other appropriate forum. The obligations of this paragraph shall survive the expiration or termination of this agreement.

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OUTLINE AGREEMENT AWARD TERMS AND CONDITIONS

1. GENERAL: All terms and conditions stated in the invitation for bid govern this contract.

2. PRICES: Prices are firm and not subject to escalation, unless otherwise specified in the invitation for bid.

3. DISCOUNTS: All cash discounts offered will be taken if earned.

4. TAXES: Most state agencies must pay state sales tax. Before billing, the contractor should contact the ordering agency to find out if that agency must pay sales tax. Itemize state sales tax when applicable on invoices.

5. BRAND NAME REFERENCES: The contractor guarantees that the commodity delivered is the same as specified in the bid.

6. GUARANTY: All items delivered are to be newly manufactured, in first- class condition, latest model and design, including, where applicable, containers suitable for shipment and storage unless otherwise indicated in the bid invitation. The contractor guarantees that everything furnished hereunder will be free from defects in design, workmanship, and material; that if sold by drawing, sample or specification, it will conform thereto and will serve the function for which furnished. The contractor further guarantees that if the items furnished hereunder are to be installed by the contractor, such items will function properly when installed. The contractor also guarantees that all applicable laws have been complied with relating to construction, packaging, labeling, and registration. The contractor's obligations under this paragraph shall survive for a period of one year from the date of delivery, unless otherwise specified in the invitation for bid.

7. AWARD: This contract award does not authorize shipment. Shipment against this contract is authorized by the receipt of a purchase order from the ordering agency. A written purchase order mailed or otherwise furnished to the contractor results in a binding obligation without further action by either party.

8. DELIVERY: The term of the contract is shown on the face of the contract award. The contractor is required to supply the state's needs during this term. The number of days required to place the commodity in the receiving agency's designated location under normal conditions is also shown. Consistent failure to meet delivery without a valid reason may cause removal from the bidders' list or suspension of eligibility for award.

9. BACK ORDERS OR DELAY IN DELIVERY: Back orders or failure to deliver within the time required may be default of the contract. The contractor must give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. If the reason is not acceptable, the contractor is in default. The Office of State Procurement has the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere.

10.DELIVERY REQUIREMENTS: No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery shall be made during agency work hours only, 8:00 a.m. to 4:30 p.m., unless prior approval for other delivery has been obtained from the agency. Packing memoranda shall be enclosed with each shipment.

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11.STORAGE: The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.

12.DEFAULT: All commodities furnished will be subject to inspection and acceptance of the ordering agency after delivery. Default in promised delivery or failure to meet specifications authorizes the Office of State Procurement to cancel this contract or any portion of same and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor.

13.VARIATION IN QUANTITY: The state assumes no liability for commodities produced, processed or shipped in excess of the amount specified herein.

14.INVOICING: The contractor shall submit an original and two copies of an itemized invoice showing the bid number and purchase request number when itemized in the invitation for bid. Invoices must be sent to "Invoice to" point shown on the purchase order.

15.STATE PROPERTY: Any specifications, drawing, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for the use hereunder shall remain property of the state, be kept confidential, be used only as expressly authorized, and be returned at the contractor's expense to the F.O.B. point, properly identifying what is being returned.

16.ASSIGNMENT: This contract is not assignable nor the duties hereunder delegable by either party without the written consent of the other party to the contract.

17.OTHER REMEDIES: In addition to the remedies outlined herein, the contractor and the state have the right to pursue any other remedy permitted by law or in equity.

18.LACK OF FUNDS: The state may cancel this contract to the extent funds are no longer legally available for expenditures under this contract. Any delivered but unpaid for goods will be returned in normal condition to the contractor by the state. If the state is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the contractor may file a claim with the Arkansas Claims Commission. If the contractor has provided services and there are no longer funds legally available to pay for the services, the contractor may file a claim.

19.QUANTITIES: The state may order more or less than the estimated quantity in the invitation for bid.

20.DISCLOSURE: Failure to make any disclosure required by the Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

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