

AGENDA ITEM 1 I
Consent Item

MEMORANDUM

DATE: August 1, 2019

TO: El Dorado County Transit Authority

FROM: Brian James, Planning and Marketing Manager

SUBJECT: Connect Card equipment installation for eleven (11) demand response buses and vans

REQUESTED ACTION:
BY MOTION,

- 1. Approve the revised Capital Improvement Plan Project #19-04 Budget to include the installation of Connect Card equipment**
- 2. Approve Purchase Order No. 25209 in the amount of \$91,880 issued to Init for purchase and installation of Connect Card equipment on eleven (11) demand response buses and vans**
- 3. Authorize the Executive Director to execute all documents, including change order authority, necessary to complete the revised Capital Improvement Plan Project #19-04 provided that the project does not exceed the revised Capital Improvement Plan project budget.**

BACKGROUND

On February 12, 2018 El Dorado Transit was awarded a Federal Transit Administration (FTA) grant for the acquisition of five (5) Cut-A-Way buses and five (5) Dial-A-Ride minivans for demand response service. The local match portion of funds for these purchases is budgeted as State Transit Assistance (STA) funds.

Board action related to Capital Improvement Plan (CIP) Project #19-04:

- April 5, 2018 – The El Dorado County Transit Authority (El Dorado Transit) Board adopted the addition of CIP Project #19-04 to the overall CIP. At that time costs were estimated based on past purchase prices.
- September 6, 2018 – The El Dorado Transit Board adopted a revision to CIP Project #19-04 and Purchase Order #24205 in the amount of \$547,579.62.
- February 7, 2019 – The El Dorado Transit Board adopted a revision to CIP Project #19-04 and Purchase Order #24205 in the amount of \$548,566.85.

DISCUSSION

The proposed revision to CIP Project #19-04 provides for the transfer of existing equipment and installation of new Connect Card regional fare card equipment by Init. The equipment for the five (5) vans will be transferred from the vans that are being replaced. The equipment for the five (5) buses plus one (1) bus that will replace bus 1606 that was in an accident rendering the bus inoperable will be new.

The revised CIP Project #19-04 and Purchase Order No. 25209 are included on the following pages as Attachment A and B, respectively. Staff recommends the Board approve the revised CIP Project Budget #19-04 to include the installation of Connect Card equipment, approve the purchase order for Connect Card equipment and installation, and authorize the Executive Director to execute all documents related to this purchase within the revised CIP.

FISCAL IMPACT

The proposed revision increases the budget for CIP Project #19-04 in the amount of \$91,880 to purchase and install Connect Card equipment on eleven (11) demand response buses and vans.

<i>COST SUMMARY (ESTIMATE)</i>	Adopted <u>Budget</u>	Proposed <u>Budget</u>
Five (5) Minivans	\$335,000	\$ 335,000
Five (5) Cut-A-Way Buses	\$548,000	\$ 548,000
Equipment Installation	- 0 -	\$ 91,880
Contingency 5%	<u>\$ 44,150</u>	<u>\$ 44,150</u>
<i>Total Project Cost</i>	<u>\$927,150</u>	<u>\$1,019,030</u>

FUNDING SOURCES

Federal Transit Administration (FTA) 5310 Enhanced Mobility of Seniors and Individuals with Disabilities	\$610,000	\$ 610,000
State Transit Assistance	<u>\$317,150</u>	<u>\$ 409,030</u>
<i>Total Revenue</i>	<u>\$927,150</u>	<u>\$1,019,030</u>

Vehicle Replacement – Demand Response

Services: Local Bus Route
Dial-A-Ride

Project No. 19-04 (3)

The El Dorado County Transit Authority (El Dorado Transit) was awarded a Federal Transit Administration (FTA) grant to replace five (5) local fixed route cutaway buses and five (5) Dial-A-Ride minivans that are beyond useful life. All vehicles will be moved into back-up status.

This project includes the installation of Connect Card equipment from Init. The equipment for the five (5) replacement vans will be transferred from the vans that are being replaced. The equipment for the five (5) buses plus one (1) bus that will replace bus 1606 that was in an accident rendering the bus inoperable will be new.

This project replaces:

EDCTA #	Vehicle Type	Mileage 07/12/2019
1013	2010 Chevy Minivan	128,381
1101	2011 Chevy Minivan	169,340
1301	2013 Chevy Minivan	174,178
1302	2013 Chevy Minivan	185,947
1303	2013 Chevy Minivan	179,702
0703	2007 Chevy 26- passenger bus	327,303
0704	2007 Chevy 26- passenger bus	374,901
0901	2009 Chevy 26- passenger bus	276,989
0902	2009 Chevy 26- passenger bus	276,130
0903	2009 Chevy 26- passenger bus	256,727

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EL DORADO COUNTY TRANSIT AUTHORITY
6565 COMMERCE WAY
DIAMOND SPRINGS, CA 95619-9454
(530) 642-5383

Attachment B

PURCHASE ORDER NO. 25209

THIS NUMBER MUST APPEAR ON ALL INVOICES,
 PACKING LISTS, PACKAGES, AND BILLS OF LADING.

DATE: 08/01/19

ACCOUNT: 9910.09 CLASS: 125

TO: INIT INC
 424 NETWORK STATION
 CHESAPEAKE, VA 23320

SHIP & INVOICE TO:
EL DORADO COUNTY TRANSIT AUTHORITY
6565 COMMERCE WAY
DIAMOND SPRINGS, CA 95619-9454

Contact: Allison Swanson
 Vendor Phone No: (757) 413-9100

Fax No:

PROMISED DELIVERY DATE		TERMS: NET 30		
		F.O.B. DESTINATION		
QTY	UNIT	DESCRIPTION	UNIT PRICE	EXTENDED TOTAL
		Equipment and Installation of Connect Card on Five (5) Minivans and Six (6) Cutaway Type Buses		
5		Minivans (see attached quote for detailed information on quantities, part numbers, and individual cost)	\$2,422.82	\$12,114.10
6		Cutaways (see attached quote for detailed information on quantities, part numbers, and individual cost)	\$9,367.82	\$56,206.92
1		11 Vehicle Software Licensing	\$13,559.00	\$13,559.00
1		Project Management	\$10,000.00	\$10,000.00
I hereby certify that this purchase order is in accordance with procedures in the purchase manual governing of such items for El Dorado County Transit Authority.			SUBTOTAL	\$91,880.02
			SHIPPING	
			SALES TAX	
			TOTAL	\$91,880.02
PURCHASING AGENT				

PLEASE NOTE CONDITIONS ON REVERSE SIDE

"This Purchase Order expressly limits acceptance to the terms and conditions stated herein, set forth on the reverse side and any supplementary or additional terms and conditions annexed hereto or incorporated herein by reference. Any additional or different terms and conditions proposed by seller are objected to and hereby rejected."



El Dorado - Connect Card Kits

Customer:	El Dorado	Warranty:	1 year after delivery
Prepared by:	Allison Swanson	Delivery:	17 weeks after receipt of an approved PO
Proposal:	2019-376-01	Invoicing	
Date:	10-Jul-19	Milestones:	35% upon notice to proceed 65% upon delivery or partial delivery
Validity:	90 days		

Description:

El Dorado would like to order eFare equipment including cables, wires, and antennas for 5 replacement vehicles (Dodge Caravan Minivans). El Dorado also requires complete eFare Connect Card kits for 6 expansion vehicles (Starcraft Cutaway Buses). The equipment included in this quote is listed in the price table below and includes installation services for all 11 vehicles including decommissioning, mobilization, and travel.

Project Management, System Engineering, and Vehicle Planning Support is also included with this proposal for scheduling, parts delivery, remote support, and coordination for this order.

Assumptions:

- INIT assumes that El Dorado will notify INIT at least 4 weeks ahead of the required onsite dates for installation & commissioning.
- INIT assumes that both installation & commissioning services will be completed in the same mobilization.
- INIT assumes that our service technicians performing the installation services will have access to a minimum of (3) buses per day during typical daytime working hours.
- Installation efforts are based on having all equipment, installation materials and vehicles ready at the time the technician arrives onsite. Additional travel expenses will be billed in the event of a delay once the technician has been dispatched.

Price:

Item	Description	Qty	Price per unit USD	Price total USD
5 Dodge Caravan Minivans				
1	Antennas		\$216.67	\$1,083.35
	Antenna Tri-band Mobile Mark (Part #PCH000000955-001)	5		
2	Mechanical Parts		\$1,446.69	\$7,233.45
	Bracket PROXmobil2 for 35mm Pole Mounting (Part #PRXMOB002HLT002-0000)	5		
	Clamp for 32mm Pole Mounting (Part #MC00PRMOMP05-03A-0000)	10		
	TOUCHit Bracket with Cable Pigtail (Part #CAB000003220-003-0050)	5		
	Bracket COPILOTpc2 (Part #COP0PC000HLT-001)	5		
	Bracket GPSgo2 Flush (Part #MC00GPSGO2VE-2A0)	5		



Item	Description	Qty	Price per unit USD	Price total USD
	Housing COPILOTpc (only vehicle w/o any mounting space) (Part #MC0COPPCHAZU4A0)	5		
	Spacers to mount housing (Part #PCH100000269032)	20		
3	Cables/Single Wires/Misc.		\$759.46	\$3,797.30
	Cable Power PROXmobil2 LiHH 5x0,5 (Part #CAB0000033140010800)	5		
	Cable Ethernet PROXmobil2 with DSUB (Part #CAB000003315001-0800)	5		
	Cable Antenna GPSgo2 (Part #CAB000003138102-0400)	5		
	Cable Antenna WLAN (Part #CAB000003137100-0400)	5		
	Cable Power/Crit COPILOTpc (Part #CAB000003070088-0100)	5		
	Cable Extension TOUCHit3 (Part #CAB000003071001-0600)	5		
	GPSgo2 RS232 cable (Part #CAB000003064014-0050)	5		
	Cable Power PROXmobil2 LiHH 5x0,5 (Part #CAB0000033140010800)	5		
	Single Wire Ignition (Part #CAB000000526003-0000)	5		
	Single Wire PWR_GND1 (Part #CAB000000531005-0000)	5		
	Single Wire PWR_+ 24V1 (Part #CAB000000530004-0000)	5		
	Single Wire PWR_+ 12V1(12V vehicles only) (Part #CAB000000530005)	5		
	Signal Wire ODO (Part #CAB000000524003)	5		
	Signal Wire REVGR (Part #CAB000000524004)	5		
	Signal Wire DOOR (Part #CAB000000524007)	5		
	WAGO Fuseblock Combined with Power Distribution Terminals (Part #CON000003185008-0000)	5		
6 Starcraft Cutaways				
4	Devices		\$5,360.31	\$32,161.86
	PROXmobil2 (Part #PRXMOB200000-002)	6		
	COPILOTpc2 with J1708 (Part #COP0PC000000-069)	6		
	GPSgo2 (Part #GPSGO0002000-13)	6		
	TOUCHit3 (Part #TCH0IT000000-008)	6		
5	Antennas		\$216.67	\$1,300.02
	Antenna Tri-band Mobile Mark (Part #PCH000001560-001)	6		
6	Mechanical Parts		\$1,092.78	\$6,556.68
	Bracket PROXmobil2 for 35mm Pole Mounting (Part #PRXMOB002HLT002-0000)	6		
	Clamp for 32mm Pole Mounting (Part #MC00PRMOMP05-3A0-0000)	12		



Item	Description	Qty	Price per unit USD	Price total USD
	TOUCHit Bracket with Cable Pigtail (Part #CAB000003220-003-0050)	6		
	Bracket COPILOTpc2 (Part #COP0PC000HLT-001)	6		
	Bracket GPSgo2 Flush (Part #MC00GPSGO2VE-2A0)	6		
7	Cables/Single Wires/Misc.		\$803.56	\$4,821.36
	Cable Power PROXmobil2 LiHH 5x0,5 (Part #CAB0000033140010800)	6		
	Cable Ethernet PROXmobil2 with DSUB (Part #CAB000003315001-0800)	6		
	Cable Antenna GPSgo2 (Part #CAB000003138102-0400)	6		
	Cable Antenna WLAN (Part #CAB000003137100-0400)	6		
	Cable Power/Crit COPILOTpc (Part #CAB000003070088-0100)	6		
	Cable Extension TOUCHit (Part #CAB000003071-001-0600)	6		
	GPSgo2 RS232 Cable (Part #CAB000003064-014-0050)	6		
	Single Wire Ignition (Part #CAB000000526003-0000)	6		
	Single Wire PWR_GND1 (Part #CAB000000531005-0000)	6		
	Single Wire PWR_+ 24V1 (Part #CAB000000530004-0000)	6		
	Single Wire PWR_+ 12V1(12V vehicles only) (Part #CAB000000530005)	6		
	Signal Wire ODO (Part #CAB000000524003)	6		
	Signal Wire REVGR (Part #CAB000000524004)	6		
	Signal Wire DOOR (Part #CAB000000524007)	6		
	WAGO Fuseblock Combined with Power Distribution Terminals (Part #CON000003185008-0000)	6		
8	Vehicle Software Licensing	6	\$1,894.50	\$11,367.00
9	Installation Services	1	\$13,559.00	\$13,559.00
	Installation of 5 Dodge Caravan Minivans			
	Installation of 6 Starcraft Cutaway Buses			
	Decommissioning of 5 Dodge Caravan Minivans			
	Mobilization			
	Travel (including 6 days on-site + 2 travel days)			
10	Project Management / System Engineering / Vehicle Planning and Support Service	1	\$10,000.00	\$10,000.00
Grand Total excl. Tax				\$91,880.02
11	Annual Extended Hardware and Software Warranty Fee (applies after one year warranty)	1	\$2,556.57	\$2,556.57

INIT contact:


Name: Allison Swanson

Position: Account Manager

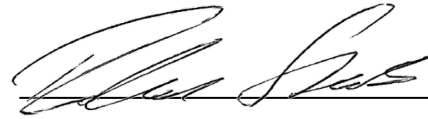
Phone: (206) 491-8933

Email: aswanson@initusa.com

Signature:



Carl Commons
Executive Director, Sales



Roland Staib
President & CEO



Terms of Delivery and Payment

All sales, delivery and other services rendered by INIT Inc. are performed exclusively according to the following terms and conditions unless otherwise agreed in writing by both parties.

I. Terms of Payment

INIT's offer is based upon the following terms of payment:
35% upon notice to proceed
65% upon delivery or partial delivery

Part deliveries are permissible and require corresponding part acceptances and part payments by customer. Payment is due within 20 days after an invoice is issued, payable without discount or set-off. All prices are net without tax.

In the event of a payment default by customer or an extension of time for payment, INIT will charge interest at a rate equal to the highest interest rate permitted by law.

Payment terms remain binding regardless of any delay in shipment, delivery or acceptance of services for reasons beyond INIT's control.

If failure to pay according to the terms of this Agreement causes this account to be assigned or referred to an attorney for collection, customer agrees to pay INIT's reasonable collection and/or attorney fees and all court costs.

II. Delivery Period

The delivery deadlines begin once the parties have agreed upon all of the technical requirements and specifications in writing. The delivery period will be reasonably extended in the following circumstances:

- if INIT has not timely received from customer the information and specifications required for performance of INIT's obligations, or customer requests modifications that cause the provision of services to be delayed.
- to the extent and during any event (a "Force Majeure Event") which is beyond the control of INIT and reasonably prevents INIT from fulfilling its obligations hereunder, including without limitation, fire, explosion, storm damage, flood, labor troubles including strikes, lockouts or slowdowns, government intervention, shortages of raw materials, labor or transportation, war, sabotage, riot or civil disturbances, or governmental regulation or statute; or
- if customer defaults in the performance of any of its obligations hereunder, including payment defaults.

The customer is not entitled to claim damages or cancel its purchase order upon delay in delivery where the delivery has been reasonably extended due to the foregoing reasons. Furthermore, INIT shall not be held liable for delay or failure in performance due to the occurrence of a contingency, including, without limitation, failure to deliver because of a Force Majeure Event.

III. Acceptances

Services or part services shall be deemed accepted upon delivery, unless customer contests acceptance specifying its reasons therefor in writing to INIT. If acceptance tests are agreed, minor deficiencies will not affect acceptance. Minor discrepancies or a lack of cooperation by the customer (i.e. missing or delayed delivery of required material, data provision, etc.) do not justify refusal of acceptance. Use of the delivered system, or sub-system, or components of it, constitutes customer acceptance.

IV. Risk of Loss

Title and risk of loss pass to customer upon dispatch of the services "ex works from INIT's facility" (or, at INIT's sole option, from its contractor's facility), it being understood that INIT's only responsibility is to make the goods and/or services available at the applicable facility, and customer shall have all other responsibilities, including without limitation, loading the goods. To the extent of any delay because of a Force Majeure Event, any goods and necessary equipment will be stored and insured at the risk and at the expense of customer.

V. Prices

Prices exclude packing, freight and insurance. Payment will be made in United States dollars without any deductions whatsoever. The customer shall be liable for all taxes, dues, fees and customs duties.

INIT reserves the right to adjust prices in the event of any changes in wage rates or costs of raw materials (to the extent applicable) subsequent to quotations and prior to performance of orders.

VI. Installation Costs

Costs for installation are not included when not otherwise stated in the offer. Likewise, the matching of INIT's equipment to non-standard interfaces and mounting conditions is not included in the offer.

The costs for installation are included in a price quote to the extent the installation of devices is offered and a location or vehicle inspection has been conducted. Because all mounting conditions cannot be completely clarified in an inspection, changes and alterations in the scope of delivery may occur after the detailed planning phase of the installation has been carried out. The costs for these alterations shall be verified, substantiated and charged in an additional invoice.

As a prerequisite to the installation of software systems, customer shall supply a cost-free modem before the initial installation and make available to INIT the computer systems required for matching works at INIT's offices free of charge. All installation as well as connection costs shall be borne by the customer. In case ISDN or Datex P connection is not available in time the additional costs incurred will be charged to the customer's account.

VII. Customer Cooperation

The customer is responsible for supplying qualified personnel for project supervision.

VIII. Travel Expenses/ Hourly Wages

Travel expenses shall be charged additionally as far as not otherwise stated. Travel expenses consist of travel costs, accommodation costs, daily expenses and any other such costs that may arise hereunder. Travel time is valid as working time and shall be charged according to the valid hourly wage at the time period in question. The calculation of additional services is at present:

• Senior Project Manager / Senior Engineer	US-\$/hr	230.00
• Project manager / Software and Hardware Engineer	US-\$/hr	190.00
• Service technician / Repair/Production	US-\$/hr	135.00

Working hours during 07:00 p.m. and 07:00 a.m. and extra work shall be deemed overtime and shall be charged at 150% of the applicable rate. Work on Saturdays, Sundays and Public Holidays shall be charged at twice the applicable rate.

IX. Terms of Delivery

The Virginia Uniform Commercial Code and the "General Delivery Terms and Conditions for Products and Services of the Electric Industry," are hereby incorporated herein and are also applicable to the extent not inconsistent with the terms and conditions set forth herein. Deliveries are made "ex works from INIT's facility" (or, at INIT's sole option, from its contractor's facility), excluding packing, freight and insurance. Re-usable package material can be returned to INIT.

X. Shipment and Insurance

INIT shall be notified promptly of any special requirements regarding shipment and insurance. The customer will arrange for shipment at customer's sole cost and risk. The customer shall notify the carrier making delivery of any complaint arising out of shipment immediately upon receipt of the services or any shipping documents. Until the purchase price has been paid in full, customer shall procure, at its sole cost and expense, insurance meeting INIT's reasonable approval covering any goods or necessary equipment against all risk, naming INIT as a beneficiary and loss payee.

XI. Limited Warranty

All services, software and hardware sold or delivered to customer are expressly subject to the terms and conditions of INIT's limited warranty set forth herein. No contrary terms in any customer letter, purchase order or accompanying payment shall have any effect.

THE WARRANTIES SET FORTH HEREIN ARE MADE IN LIEU OF ALL OTHER WARRANTIES NOW OR HEREINAFTER MADE OR IMPLIED. INIT DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT AND UNDER NO THEORY WHATSOEVER SHALL INIT BE LIABLE FOR ANY HARM OR DAMAGE, WHETHER INDIRECT, CONSEQUENTIAL OR

Terms of Delivery and Payment

All sales, delivery and other services rendered by INIT Inc. are performed exclusively according to the following terms and conditions unless otherwise agreed in writing by both parties.



SPECIAL, SUFFERED BY CUSTOMER. CUSTOMER'S SOLE REMEDY SHALL BE REPAIR OR REPLACEMENT OF THE DEFECTIVE PRODUCT OR PART, AT INIT'S OPTION.

In the event that customer makes a claim under this warranty, such claim must be submitted in writing, and customer will follow all warranty reimbursement procedures, will promptly and diligently execute all refit, recall and other similar programs instituted by INIT with respect to the services sold hereunder. Any software or hardware claimed to be defective shall, at INIT's option, be returned to INIT or held by customer for inspection. The customer's right to repair or replacement is subject to the express condition that such parts were correctly installed and maintained.

The limited warranty period for the delivered software is one year after delivery of services or part services. Elimination of possible faults during the warranty period is guaranteed under the following terms:

- The customer has correctly filled out and sent back to INIT the software performance report (SPR) which is included in the delivery.
- The fault is reproducible or can be understood and re-enacted.
- The customer has a modem connection (ISDN or Datax P – Connection costs are carried by customer) and makes it possible for INIT to carry out remote diagnosis during operation.

The warranty conditions of the third party apply for third party hardware deliveries.

The limited warranty set forth herein shall also apply for one year from delivery with respect to hardware.

XII. Technical Documentation

In connection with providing customer with sales quotations, INIT may communicate to customer certain proprietary and confidential information to enable customer to decide whether to purchase services from INIT. Customer will hold and will cause its employees, representatives, consultants, and advisors to hold such information in strict confidence, and will not release or disclose such information to any other person. Proprietary information shall include all documents belonging to INIT to which customer may have access in the course of preparing and negotiating, signing, and implementing a purchase order, including without limitation, pictures, diagrams, color samples and swatches, capacities, dimensions, and weights data. INIT's technical know-how is embodied in such proprietary information, which remains INIT's exclusive intellectual property and shall not be copied or reproduced or communicated to third parties. The proprietary information shall be returned to INIT immediately if quotations do not result in an order, or at any time upon INIT's request. INIT reserves the right to make a charge for any preparatory project work which exceeds projected costs customary in the industry and does not result in an order.

XIII. Integration of Systems and Equipment

If customer places an order for the integration of systems and equipment that have not been supplied exclusively by INIT, prices will be based on the information available before the order was placed. i.e.:

- general information available on these systems and equipment;
- information made available by customer; and
- an inspection of the equipment if applicable.

If this basis of information changes during the project additional expenditure may arise. INIT shall be entitled to charge for such additional services rendered.

If there is no information available on the third-party systems at the beginning of a project or if this information is incomplete, the quotation submitted by INIT shall be subject to change upon receipt of the information and of the facilities necessary to integrate this third-party system being supplied to INIT free of charge, comprehensively and on time. INIT will not bear any costs involved in procuring this information. If information is incomplete or not available on time, INIT will not bear the responsibility for any ensuing delays in meeting schedules or pay any extra costs incurred.

If INIT is not appointed as the main contractor or system supplier, INIT can only accept technical responsibility for the creation and proper functioning of the components supplied by INIT for the interfaces to the third-party systems. Technical responsibility comprises the technical specifications and the test on the interfaces on the basis of the information and facilities

made available. It does not include responsibility for third-party systems' interfaces functioning on schedule and correctly.

XIV. Limitation of Liability

NEITHER INIT NOR ITS AFFILIATES, EMPLOYEES OR AGENTS SHALL BE LIABLE TO CUSTOMER, OR ITS AFFILIATES, EMPLOYEES OR AGENTS FOR ANY LOSSES OR CLAIMS ARISING OUT OF OR CONNECTED WITH ANY ACT OR OMISSION OF INIT UNLESS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF INIT, ITS AFFILIATES, EMPLOYEES OR SUBCONTRACTORS. UNDER NO CIRCUMSTANCES SHALL INIT BE LIABLE TO CUSTOMER FOR CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES, INCLUDING WITHOUT LIMITATION, PRODUCTION FAILURE, LOSS OF UTILIZATION, LOSS OF ORDERS, LOSS OF PROFIT, AND ALL OTHER SUCH INDIRECT DAMAGES. ALL CLAIMS BY CUSTOMER, OTHER THAN AS SET FORTH HEREIN ARE EXCLUDED.

XV. Protection Rights

All intellectual property rights and commercialization rights of the software and other intellectual property remain with INIT. Upon payment, customer purchases user rights for the delivered software. The right of use allows the use of the software only by customer. The customer does not have the right to allow others to use the software. The customer purchases a number of workplace licenses and has the right to install the software on the same number of computers. Backup-copies of the software may be made only for customer's own use to secure data. Statements concerning protection rights remain on the copies. Specific manufacturer's terms of licenses apply for third party hardware and software.

XVI. Applicable Law

In the event of a conflict between customer and INIT regarding the purchase of services hereunder, customer and INIT agree that (a) any actions or claims brought shall be governed by the laws of the **Commonwealth of Virginia**, without regard to its choice of law rules, and (b) such action or claim shall be brought exclusively in the **Commonwealth of Virginia before the courts in the City of Chesapeake or the United States District Court for the Eastern District of Virginia, Norfolk Division**.

XVII. Compliance with Laws

INIT bears no responsibility or liability for the services' compliance with any laws, statutes, ordinances or regulations that may be applicable to customer or customer's use of the services. The customer is responsible for ensuring that the services and their use comply with any and all applicable regulations in the country or state concerned.

XVIII. Validity

The terms and conditions set forth herein shall be applicable to every purchase of INIT's Products made by customer, whether under INIT's or customer's purchase orders, or otherwise. In the event of any term or condition herein being or becoming invalid or non-effective, the validity and effectiveness of the remainder of these terms and conditions will remain completely intact. Any conditions contrary to the terms and conditions set forth herein imposed by customer shall be valid only if expressly acknowledged in writing by INIT.

XIX. Conclusion of Contract

All offers are subject to confirmation. The contract will be valid only by INIT's written order confirmation or by execution of the order if no other agreement is made.

Verbal information and statements, literature and advertisements, especially descriptions, drawings, pictures, samples, details on quality, nature, consistence, services, consumption and usability as well as measures and weights of the goods are for informational purposes only, unless they are expressly identified as binding. Such representations imply no warranty or guarantee.