

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO	CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY)
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TO: CITY COUNCIL	FROM (ORIGINATING DEPARTMENT): Public Works - Publishing	DATE: 06/16/2011
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SUBJECT: Rental Convenience and Production Copier Contract

PRIMARY CONTACT (NAME, PHONE): Tony Heinrichs,(619) 236-6953	SECONDARY CONTACT (NAME, PHONE): Mike Frattali, (619) 533-6111
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COMPLETE FOR ACCOUNTING PURPOSES

FUND	720041	720041			
DEPT / FUNCTIONAL AREA	OTHR-00000000-GG	OTHR-00000000-GG			
ORG / COST CENTER	2113130012	2113130014			
OBJECT / GENERAL LEDGER ACCT	512036	512036			
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	\$107,000.00	\$1,020,000.00	0.00	0.00	0.00

FUND					
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER					
OBJECT / GENERAL LEDGER ACCT					
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

COST SUMMARY (IF APPLICABLE): \$1,127,000.00 per year for five years.

ROUTING AND APPROVALS

CONTRIBUTORS/REVIEWERS:	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
Environmental Analysis	ORIG DEPT.	Heinrichs, Tony	9/13/2011
Financial Management	CFO		
Equal Opportunity Contracting	DEPUTY CHIEF		
	COO		
	CITY ATTORNEY		
	COUNCIL PRESIDENTS OFFICE		

PREPARATION OF: RESOLUTIONS ORDINANCE(S) AGREEMENT(S) DEED(S)

Authorize the Mayor or his designee to execute the Rental Convenience and Production Copier Contract with Sharp Business Systems to provide multi-function devices to the City.

STAFF RECOMMENDATIONS: Approve the agreement	
SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)	
COUNCIL DISTRICT(S):	All
COMMUNITY AREA(S):	All
ENVIRONMENTAL IMPACT:	This activity is not subject to CEQA as provided in the Guidelines section 15060(c)(3) because the purchase is a continuing administrative or maintenance activity, and therefore not a project pursuant to Guidelines section 15378(b)(2).
CITY CLERK INSTRUCTIONS:	

COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE: 06/16/2011

ORIGINATING DEPARTMENT: Public Works - Publishing

SUBJECT: Rental Convenience and Production Copier Contract

COUNCIL DISTRICT(S): All

CONTACT/PHONE NUMBER: Tony Heinrichs/(619) 236-6953

DESCRIPTIVE SUMMARY OF ITEM:

A request to approve a rental agreement with Sharp Business Systems (Sharp) to provide multi-function devices (MFDs) to the Convenience Copier Program and production copiers to the Publishing Services Quick Copy Center.

STAFF RECOMMENDATION:

Approve the agreement

EXECUTIVE SUMMARY OF ITEM BACKGROUND: The contract is based on Request for Proposal 10015368A-12-A Rental of Convenience and Production Copiers, issued on July 8, 2011. The RFP solicited proposals to provide all City Departments with new MFDs and the associated maintenance, supplies, training and customer service. The RFP included detailed technical specifications for nine different segments of MFDs, ranging from small desktop copiers to large high volume production machines. The MFDs will be rented to the City for a five-year term.

Sharp, Xerox Corporation, Toshiba Business Solutions, Ikon Office Solutions, and Konica Minolta Business Solutions (KMBS) submitted proposals by the July 29, 2011 RFP deadline. Purchasing & Contracting completed multiple reference checks of each proposer. The City evaluation team rated the proposals for responsiveness to the RFP, capacity to fulfill the specified requirements, and the vendors' qualifications and experience. Purchasing & Contracting and Publishing Services determined that the Sharp proposal had the lowest adjusted cost as defined in the RFP and offered the best value to the City. Purchasing & Contracting issued a letter recommending award to Sharp on September 16, 2011.

An important feature of the RFP is the price schedule. The City will pay a fixed charge for each copy made by City staff using a MFD. The exact charge per impression is fixed over the five year term of contract and determined by the MFD model. Price per copy ranges for \$0.0318 for small office MFDs to \$0.006 for high volume production printers. The cost per copy under the new contract will be substantially less than the current contract. There are no other lease or rental expenses and the City will not be charged for toner, maintenance, scans or outgoing faxes. Individual Departments will be responsible for purchasing copier paper.

Convenience Copier Program

The Publishing Services section of the Public Works Department administers the citywide Convenience Copier Program. The Convenience Copier Program provides approximately 570 MFDs for general City copying, printing, scanning and faxing tasks. The existing contract with KMBS to manage the Convenience Copier Program will expire on December 31, 2011.

Under the proposed contract, Sharp will replace all existing KMBS copiers with new equipment. The Convenience Copier Program will work with Sharp to analyze the requirements of each Department to ensure that every workspace receives an MFD optimized to its workflow. Sharp will analyze copier and printer usage by City staff and increase or decrease the number of MFDs over the term of the contract as the requirements change.

Quick Copy

The contract also includes upgraded production copiers for use by the Quick Copy Center. Quick Copy provides high speed black & white and color copy and finishing services for large, complex or specialized printing or scanning projects. Upgrading the production copiers was a part of the Publishing Services Managed Competition proposal. The Quick Copy center will receive two high volume black & white copiers, one high volume color copier, and one large format scanner/plotter. Existing production copiers are maintained under multiple contracts with Xerox Corporation and Océ North America, Inc.

Copier Assessment

Copies of the San Diego Printer Assessment and a cover memo discussing the results are attached, as requested by the Council during the first extension of the existing convenience copier contract. The assessment identifies opportunities to reduce copier-related costs and improve efficiencies across all City Departments. KMBS conducted the assessment at no charge to the City. The Convenience Copier program and KMBS have been working towards implementing the measures identified in the assessment over the past year. Since the study was completed, five convenience copiers and approximately 400 printers have been eliminated.

The Sharp team has experience deploying large numbers of MFDs to government clients. They will prepare a transition plan, train City personnel and coordinate the installation with staff. The Convenience Copier program will use the deployment as an opportunity to replace any unnecessary copiers, printers or fax machines with more efficient equipment.

FISCAL CONSIDERATIONS: The agreement for Rental of Convenience and Production Copiers provides compensation to the vendor in accordance with an established price schedule. Based on usage statistics of the past three years, the estimated annual city-wide cost will total \$1,127,000 per year (\$1,020,000 for the Convenience Copier Program and \$107,000 for Quick Copy). The actual cost of the contract will be determined by the number of copies made per year by City staff. The amount paid to Sharp by the City under the minimum usage level in the agreement is \$593,850 per year, and will only be reached if actual copies are less than what is projected. Replacing existing MFDs with newer more efficient equipment will result in an estimated \$300,000 in savings per year by the City; the actual amount will be determined by the number of copies made. All expenses associated with this contract will be recovered by the Publishing Services Internal Service Fund based on MFD utilization by the Departments.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE): This action is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee): Not applicable.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: Not applicable.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: Sharp Business Systems. All City Departments utilizing office copiers for administrative functions, including printing, copying, fax, and scanning.

Heinrichs, Tony
Originating Department

Deputy Chief/Chief Operating Officer



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: September 26, 2011

TO: Honorable Council President Anthony Young and Members of the City Council

FROM: Tony Heinrichs, Director, Public Works Department

SUBJECT: City Copier Assessment

This memorandum is provided in response to Council's direction to provide a City copier needs assessment prior to the approval of a follow-on convenience copier contract. The incumbent vendor, Konica Minolta Business Solutions (KMBS) prepared the Assessment Methodology Proposal, Phase 1 Needs Assessment, and City of San Diego Printer Assessment. These documents are found in Attachment 1-3.

Existing Convenience Copier Contract

Publishing Services and KMBS have been managing the existing convenience copier fleet to minimize cost to the City and provide optimized levels of service in a manner consistent with the recommendations of the Copier Assessment. The Convenience Copier Program (CCP) and KMBS have held monthly meetings since the current contract was approved. A sample meeting agenda is included as Attachment 4. Measures to optimize the number and type of copiers in the fleet are a regular action item. Optimization involves deploying the most efficient type of copier based on an office's usage statistics, layout, and other specific requirements. The Convenience Copier Program will continue monthly optimization meetings with the new contractor.

Follow On Convenience Copier Contract

Purchasing and Contracting has issued Request for Proposal No. 10015368A-12-A to provide a follow on to the existing Convenience Copier Program contract. The RFP does not specify an absolute number of copiers or a pre-determined copier/user ratio. Vendors will supply a sufficient number of copiers to satisfy estimated City usage and adjust the fleet based on changing customer requirements.

Pricing under the new contract is determined by the number of copier impressions made. The ratio of copiers to employees is not a relevant measure of the effectiveness of the new contract

Honorable Council President Anthony Young and Members of the City Council
September 26, 2011

since the overall cost is independent of the number of deployed copiers. The City will rent the copiers for five years under the terms of the contract. The selected vendor assumes any risk associated with purchasing more copiers than what is required.

Convenience copier impressions have been declining over the past three fiscal years due to budget cuts and increased reliance on electronic publishing:

	Impressions
FY 2009:	41,900,161
FY 2010:	38,533,895
FY 2011:	35,652,919

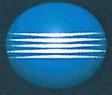
The Convenience Copier Program will continue to monitor and review copier usage on a monthly basis under the new contract. The anticipated continued decline in impressions may be partially offset over the term of the contract as desk jet printers are replaced and digital copying becomes more competitive compared to offset printing.



Tony Heinrichs
Director
Public Works Department

MF/mf

- Attachments:
1. Assessment Proposal and Project Timeline, April 21, 2010
 2. Phase 1 Needs Assessment, July 14, 2010
 3. City of San Diego Printer Assessment, August 23, 2010
 4. Agenda Month End Review, June 10, 2011



KONICA MINOLTA

Optimized Print Services

conserve_control_compete_



Assessment Proposal and Project Timeline



April 21, 2010

Executive Overview

Optimized Print Services Goal

The key to right-sizing printer and multifunction copier fleets is a thorough assessment of the current installed base. As the CITY OF SAN DIEGO fleet has grown in variety and quantity, the ability of the CITY OF SAN DIEGO IT organization to manage it efficiently is challenged. Accurate measurement of the current print operations using the suite of Konica Minolta *opt*™ tools, as well as on-site consultations, will allow Konica Minolta Business Solutions to create a realistic picture of the current situation at CITY OF SAN DIEGO. Interviews and device mapping will help illustrate current and projected solutions to achieve device reduction.

As part of the existing relationship with CITY OF SAN DIEGO, KMBS has right-sized the current MFD fleet upon our agreement and over the past few years. **Today, CITY OF SAN DIEGO has an average printer / copier population of over 2.8 employees to 1 printing device. The current National Average is 7:1 (BLI).** With an opportunity to manage the printer fleet as well as the MFP's, we can leverage the assets of our Business Intelligence Services Group to drive this number beyond the target goals of the Statement of Work.

Our Optimized Print Service program will drive out structural inefficiencies in your organizations. Simple everyday tasks such as supply ordering and service notifications are automated, reducing costs. We look forward to continuing our partnership with CITY OF SAN DIEGO by leveraging the long experience we have with your current operations, to a more efficient future.

Process Methodology's and Procedures

Konica Minolta Business Solutions will conduct a print assessment of overall fleet in the selected locations, utilizing a combination of comprehensive software tools and manual walk-thru of the location. The data collected during this phase will be used to determine right-sizing recommendations and will also be used to calculate a final pricing proposal which will be validated as per the data collected from actual printer activity.

Konica Minolta uses a methodology similar to Six Sigma (DMAIC - Define, Measure, Analyze, Improve, Control) Konica Minolta Assessment process includes: **Defining** the scope of the assessment (entire fleet, multiple locations, etc), next **Measuring** the print environment through data capturing of total devices, average print volumes, and supply usage, **Analyzing** the data to calculate a total cost of ownership for the current and proposed price scenarios, **Improving** the performance of the fleet through print optimization recommendations, and **Controlling** the fleet through ongoing assessment, analysis, and print optimization (such as rightsizing, redeployment, and incorporating rules based solutions).

Konica Minolta's Business Intelligence Services team would be engaged to conduct a comprehensive assessment that would require detailed on-site interviews with management, IT, end-users, and others with the organization to determine printing related workflows and the appropriate print optimization recommendations.

The Konica Minolta Business Solutions Team for CITY OF SAN DIEGO

Our Local National Account Team manages the overall relationship with the CITY OF SAN DIEGO. The Business Intelligence Services team provides the tools and assets to manage the primary aspects of the CITY OF SAN DIEGO print operations. For everyday service and repair, our local Branch operations are conveniently located near all current CITY OF SAN DIEGO facilities in the United States.

Assessment Deliverables

Assessment deliverables will include:

1. Existing device inventory report detailing number of devices and print volumes
2. a current TCO analysis report which includes current and proposed CPP analysis
3. print optimization plan detailing areas of inefficiencies and opportunities for fleet right-sizing based on actual data collected
4. device floor plan with current devices mapped out as per physical location. This will serve as a go-forward road map to optimize CITY OF SAN DIEGO print operations.

Assessment Milestones

Fleet Optimization Process Phases & Timelines

Upon authorization from the CITY OF SAN DIEGO, KMBS will start the Fleet Optimization process. Each phase will have a determined time budget with defined targets for optimization progress. While this process may be concentrated at the beginning of the agreement, optimization will remain an ongoing effort for the complete term of the agreement. Please note the outline below is a 60 day timeline based KMBS receiving authorization or before April 30, 2010:

- **May 3, 2010: Kick-Off Meeting**
 - o KMBS & CITY OF SAN DIEGO Team Meeting for Project Design
 - Server Access
 - DCA Installation/ Local Printer Discovery Tool
 - Data Collection Sheet Completed
 - Begin Managing fleet
- **May 4, 2010: Start of Process Considerations**
 - o KMBS & CITY OF SAN DIEGO Team Meeting for Project Design
 - Reinforce Mutual Requirements
 - Network & Facility Access
 - Validate Lines of Communications
 - o Operational Setup Items
 - Help Desk Integration
 - o Infrastructure
 - o Network Topology
 - o Communication Requirements
 - Integration
- **Ongoing**
 - o Physical Walk Throughs
 - Match Network Data to Physical Location
 - Identify Non-connected Devices
 - Mapping to OPT-Visualize
 - o Interviews
 - Establish Departmental Needs
 - Gauge User Sentiment
 - Potential for all user Survey via Zoomerang
- **June 4, 2010: Capture 30 Day Assessment Meter Readings**
 - o Deal with Potentially Erroneous Findings
 - o Define Potential Areas of Focus
- **June 8, 2010: Mid-Assessment Meeting**
 - o Share Base Findings
 - o Compare to Data from SOW
 - o Mid Assessment Adjustments

Initial Assessment Close

- **July 8, 2010: Assessment Presentation**
 - Presentation of Findings, Recommendations and Action Plan
- **TBD Presentation to City Council**
 - Presentation of Findings by City Staff
 - KMBS will be present in a support role

Add Reduction Strategy Approach here after final assessment meeting

City Resources

KMBS will require the following resources from the CITY OF SAN DIEGO:

1. One-to-one escort, minimum of 5 escorts for the project.
2. Meeting with IT to deploy Data Collection Agent (DCA).
3. Current contract pricing for consumables.
4. Current maintenance pricing for printers.
5. Floor Plans for all City Offices and locations

Initiation of Assessment

Team Meeting

At the inception of the assessment, KMBS and CITY OF SAN DIEGO will have a planning meeting to review the requirements of the SOW. KMBS will bring all principal individuals responsible for the management of the account and conduct of the assessment. We request that CITY OF SAN DIEGO identify various members from the disciplines needed to assist with access to CITY OF SAN DIEGO facilities.

Primary information from the Fleet requires access to the CITY OF SAN DIEGO Intranet to collect accurate data. The overhead used by our DCA Tool is minimal. Security will be a paramount consideration.

All lines of communications will be confirmed to assure rapid interaction between the CITY OF SAN DIEGO team and KMBS. Consideration of the requested deliverable as per the Statement of work will include:

- **Project Design**
- **Help Desk Integration**
- **Site Validation**
- **KMBS Tool Initial Installation**
- **Operations Infrastructure**
- **Device Certification Consumables Management**
- **KMBS Transition**

Process Methodologies and Procedures – DCA Installation

Konica Minolta requires the installation of a Data Collection Agent "DCA" which is a software application that is installed on a non-dedicated networked server at each location where imaging device metrics are to be collected. Konica Minolta would require the assistance of CITY OF SAN DIEGO's IT department to help identify the proper IP address ranges for data collection. A "Pre-Site and Assessment Approval Form & Assessment Installation Agreement" is required to be signed by the customer prior to conducting any Assessments. A sample is included.

The Konica Minolta software assessment tool, the Data Collection Agent, or "DCA", will search the network for all attached printing devices through a simple SMTP application.

The application files send this information to a database, and the process is repeated again at a later date or at regular intervals. The data will be used to generate assessment reports containing details on device usage, consumables usage, costs and potential areas of consolidation, management and savings.

Konica Minolta’s DCA Assessment Process:

- Konica Minolta will complete pre-assessment meeting with CITY OF SAN DIEGO’s IT department to schedule a DCA installation.
- DCA installation agreement must be signed by CITY OF SAN DIEGO.
- DCA resides on a CITY OF SAN DIEGO non-dedicated server (determined by IT) not workstation - IT to provide all necessary IP address ranges.
- DCA is downloaded from Konica Minolta’s Optimized Print Services (OPS) server.
- Installation of DCA performed by Konica Minolta.
- DCA Installation time is approximately 1 hour per DCA (potentially 2 DCA’s would be required to monitor devices in all locations on CITY OF SAN DIEGO’s WAN).
- The DCA will reside on the CITY OF SAN DIEGO network and monitor devices.
- Konica Minolta will concurrently schedule a physical inventory walk-through of the facilities.
- Detailed interviews with end users will be conducted to determine workflow and usage patterns.
- Upon DCA assessment completion, all data will be analyzed & reports generated
- A map of the facility showing current and recommended deployment can be created.
- Start to finish complete assessment process will depend on the number of devices, optimization services requested, and # of interviews conducted.

Technical View							
[A B C D E F G H I J K L M N O P Q R S T U V W X Y Z All]							
Customer Name	Supplies	Status	Count		Last Active		
Konica Minolta USA	✖	✖	10,125		9/12/2008		
Device Name	Supplies	Status	Count	Serial Number	IP Address	Location	Last Active
KONICA MINOLTA Di2010f 33	●	●	1,373		10.15.51.221		9/12/2008
Fiery X3eTY 35C-KM 0646	●	⚠	1,046		10.15.6.70	2s-c450	9/12/2008
KONICA MINOLTA bizhub C45	●	✖	816		10.15.51.203		9/12/2008
KONICA MINOLTA bizhub 600	●	⚠	633		10.15.51.222		9/12/2008
KONICA MINOLTA bizhub C35	●	⚠	522		10.15.13.95		9/12/2008
KONICA MINOLTA bizhub C55	●	⚠	513	A00J010000010	10.15.6.73		9/12/2008
Minolta Di850 33D4	●	●	467		10.15.51.212		9/12/2008
PagePro 9100; Release 2.0	●	●	450		10.15.6.88		9/12/2008
KONICA MINOLTA bizhub C55	⚠	⚠	414	A00J010000011	10.15.13.97		9/12/2008
KONICA MINOLTA bizhub C35	●	⚠	293		10.15.6.90		9/12/2008
magicolor 3100; Release 2	●	●	260		10.15.51.219		9/12/2008
KONICA MINOLTA bizhub 750	●	⚠	249		10.15.51.217		9/12/2008
KONICA MINOLTA bizhub C35	●	⚠	242		10.15.51.196		9/12/2008
PagePro 9100; Release 3.0	●	●	216		10.15.13.91		9/12/2008
PagePro 9100; Release 3.0	●	●	212		10.15.13.71		9/12/2008
KONICA MINOLTA C350 0D5E	●	●	211		10.15.13.94		9/12/2008
KONICA MINOLTA bizhub C35	●	⚠	204		10.15.6.74		9/12/2008
KONICA MINOLTA bizhub C25	●	⚠	186		10.15.51.177		9/12/2008
PagePro 9100; Release 3.0	●	✖	140		10.15.51.193		9/12/2008
PagePro 9100; Release 3.0	●	●	130		10.15.13.89		9/12/2008
KONICA MINOLTA bizhub 420	●	●	123	42GE04410	10.15.13.73	Order Admin	9/12/2008

Information collected during a DCA network discovery

Assessed Information is Secure:

Konica Minolta is committed to ensuring that no user information is accessed in the OPS process and that security is not compromised in any way. An explanation of security follows in the next several paragraphs and illustrations, and a document describing our security measures in detail is also available.

One Way Communication Only

The DCA uses one-way communication only. This means that the collected data can be transmitted from a computer to the OPS server, but the OPS server cannot transmit information to a customer's computer.

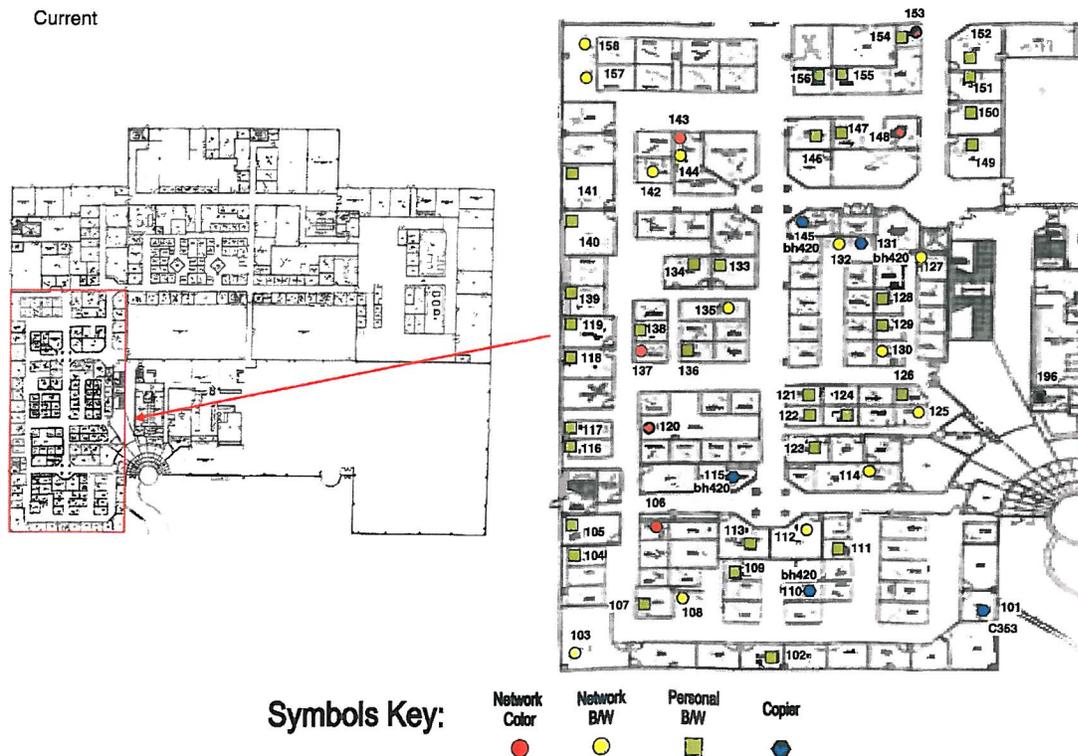
No User Data Collected

No personal or user data is collected with the DCA. Only the device information that is stored in the memory of the devices is collected, such as page counts, device description, device status, and so on.

Walk Through & Fleet Mapping

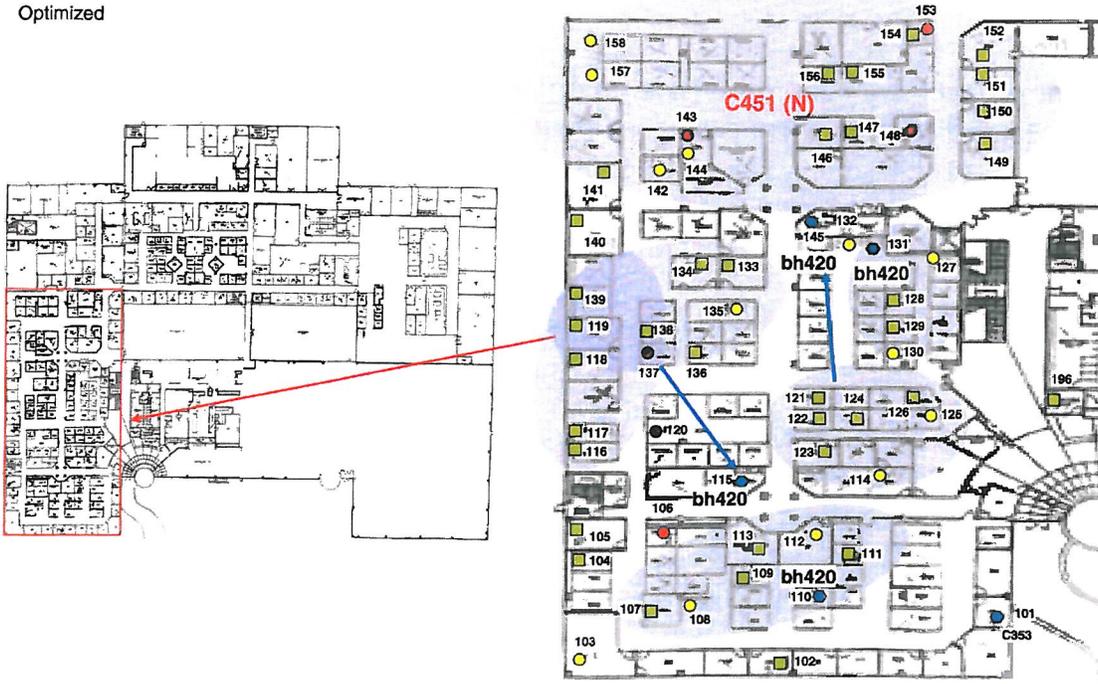
KMBS has familiarity with the CITY OF SAN DIEGO facilities. This will allow for minimal disruption of everyday CITY OF SAN DIEGO operations as our team performs the manual part of the survey. Our National/local based team, which has performed this work at CITY OF SAN DIEGO facilities in the past, can use this experience to reduce the time required to collect reliable information.

Equipped with current floor plans and device lists, each team member will accurately map each device to the plans. Departments will be identified as well, allowing for pooling of like printing requirements. Non-network devices such as Printers, fax machines and All-in-Ones will be inventoried. By collecting this information, requirements for multifunction features may be accurately confirmed and defined.



EXAMPLE FLOOR PLANS – PRE-OPTIMIZATION

Optimized



Symbols Key:

Network Color	Network B/W	Personal B/W	Copier
●	●	■	●

OPTIMIZED FLOOR PLANS

Units will be placed into the OPT-Visualize Mapping tool to best display proposed changes. The OPT-Visualize Tool remains a live document, so when units are moved, replaced or retired, changes are quickly accounted for.

OPT Visualize has the capability of reading the current unit condition with regard to supply levels, service status and event logs. This interactive dashboard allows our support Help Desk work with CITY OF SAN DIEGO IT Staff to improve end user satisfaction.

Interviews

Konica Minolta will conduct strategic interviews with CITY OF SAN DIEGO Management, Department heads, and end-users to discover current document workflow usage and patterns to establish department needs. This information will be used to in conjunction with the DCA print assessment data to develop and propose an “Optimized” print environment for CITY OF SAN DIEGO. The results of all interviews will be shared with CITY OF SAN DIEGO.

Interviews may be conducted using a combination of two methods:

1. In-Person Interviews
 - a. Konica Minolta and CITY OF SAN DIEGO will work together to identify 15 individuals in select CITY OF SAN DIEGO locations which would provide accurate workflow data representative of each location.
 - b. Individuals for In-Person interviews will be identified and scheduled upon the commencement of the DCA Assessment process.
2. Online Surveys
 - a. KM will provide CITY OF SAN DIEGO’s IT department with a link for an online survey that can be distributed to select or all end users.
 - b. Surveys will measure end-user workflow patterns and usage. Additionally surveys can be used on scheduled basis to measure end user satisfaction.
 - c. Online Surveys will be developed and forwarded to CITY OF SAN DIEGO’ IT department for distribution to select individuals upon the commencement of the DCA Assessment process.

Initial Assessment Findings – Conference Call

At the early stages of the assessment, certain information may need immediate clarification. As the data is collected, some items may appear erroneous or out of place. Since basic findings are available within a few days, it is our mutual best interest to share his information. This will help verify the accuracy of data supplied.

Any issues related to data collection can be discussed to assure prompt completion of the assessment. Suggested adjustments to the assessment can be discussed.

Mid-Assessment Meeting

This meeting will take place approximately halfway through the assessment process as defined in the assessment scope of work with designated CITY OF SAN DIEGO and KMBS personnel in attendance at CITY OF SAN DIEGO locations.

The purpose of the mid-assessment meeting is to update CITY OF SAN DIEGO on the findings at this stage of the assessment and confirm with that the assessment process is being conducted as planned in the original statement of work and will conclude at the pre-defined agreed upon date with Konica Minolta collecting the necessary data and information to proceed to the next phase of the project.

The Mid-Assessment meeting will also provide an opportunity for CITY OF SAN DIEGO and Konica Minolta to discuss and potential issues associated with the assessment and take corrective action to ensure the assessment is completed on time with the expected results.

Assessment Close

Upon completion of the initial assessment, Konica Minolta will enter into the “Analysis” phase of the project. All of the data and information collected on the CITY OF SAN DIEGO fleet through Konica Minolta’s software assessment tools, in-person interviews, and any electronic surveys completed will be analyzed by the Business Intelligence Services Team and used to develop an “Optimized” print environment recommendation for CITY OF SAN DIEGO.

To correctly process the information, this will take up to two weeks.

Assessment Presentation

Based on the assessment results, a set of recommendations will be provided in the final document presented to CITY OF SAN DIEGO. KMBS will schedule a meeting with CITY OF SAN DIEGO executive team to review the results of the assessment and present the recommended “Optimized “ print solution based on the assessment findings.

The fundamental aspects of the recommendations will include:

- Cost reduction measures
- Workflow improvement
- Equipment utilization improvement
- Overall functional improvement
- End-user requirements
- Technology standards

Final Deliverables will include the following:

- **Device Inventory Report** of all current devices including device information, print volumes and supply usage.
- **Total Cost of Ownership Report**- current expenditures on existing desktop printers plus proposed TCO with proposed solution.
- **Existing Device Floor Plan** – comprehensive inventory floor plan creating the most effective use of new and existing equipment.
- **Optimized Device Floor Plan** – comprehensive inventory floor plan visually presenting the look of the new fleet in CITY OF SAN DIEGO operations.
- **Final Optimized Print Services Proposal** – recommended rightsizing/reduction/workflow solution to improve productivity and reduce printing costs.
- **Cost Savings Report** – with current costs accurately detailed, a report describing the savings of the implement Optimized Fleet Plan.

Based upon mutual consent, an Agenda will be set for an Optimized implementation schedule.

Proposed Implementation Agenda

Exhibit D: Project Timeline - As Detailed in Statement of Work

Date	Event
Day 1	KMBS & CITY OF SAN DIEGO Team Meeting
Day 1	OPS Assessment Process Begins
Day 10	Data Collection Agent Install / Local Printer Discovery Tool
Days 15 - 60	KMBS to conduct Physical Walk-throughs
Days 30-60	Begin Strategic Interviews
Day 30	Report Initial Assessment Findings
Day 45	Conduct Mid-Assessment Meeting
Day 60	Assessment Close/Begin Analysis
Day 65	Final Assessment Presentation to CITY OF SAN DIEGO Team
Day 90	KMBS Scheduled Strategic Quarterly Reviews

KMBS Tools

Recommended Server Configuration, Recommended Hardware and Minimum Software Requirements

1. Recommended Server Configuration

The expected number of printers to be monitored should be a basis for hardware decisions. For a computer that runs in a network with more than 250 printers, we recommend the following:

Operating System Hardware SQL Server

- Windows 2003 Application Server Pentium 4 3.2 GHz or better
- 4 GB available RAM
- 200 MB free hard disk space
- SQL Server 2005 or later

2. Recommended Hardware Requirements'

System Hardware Requirements:

- Hardware—*opt*-MONITOR's DCA resides on a non-dedicated server, powered on 24 hours a day, 7 days a week. If a server is not available, the DCA can be installed on a desktop computer system powered on 24/7, but there is a risk of transmission difficulties.
- Network card—100mbit or higher, must only have one active network card
- RAM—256 MB or higher

Please see attached DCA Assessment and Installation form.

3. Minimum Software Requirements

System Software Requirements:

- Operating System—Windows 2000, XP, Server 2003, or Vista
- Microsoft .NET Framework 2.0 installed
- Internet connected browser

Please see attached DCA Assessment and Installation form.

KMBS OPERATIONS TEAM

OPS Account General Manager is the KMBS individual responsible for the overall communication between CITY OF SAN DIEGO and KMBS and works closely with the OPS Project Executive (below). The following provides a general list of duties and responsibilities for this position: **Steve Davis, and the Account Manager**

- Ensures proper coordination and communication between CITY OF SAN DIEGO and KMBS teams.
- Ensures delivery of Service to CITY OF SAN DIEGO is in line with SOW.
- Provides additional support to OPS Project Executive as requested.
- Participates in operational and executive reviews.
- Monitors End User satisfaction of Services performed.
- Provides visibility on new services and programs available from KMBS to CITY OF SAN DIEGO.

OPS Project Executive is the KMBS individual that manages the delivery of all aspects of the Optimized Print Services Program including operational performance and communication with CITY OF SAN DIEGO. The following provides a general list of duties and responsibilities: **Mike Lecak, Regional Solutions Consultant, Business Intelligence Services**

- Monitors performance of all Services provided.
- Reviews all reporting.
- Provides updates and reporting to CITY OF SAN DIEGO and KMBS.
- Escalates all issues not resolved within Operations Team.
- Resolves deviations, errors and problems with reports.
- Reviews Devices quarterly.
- Completes random audits on Due Diligence Analysis.
- Manages all KMBS personnel on OPS Operations Team.
- Prepares and delivers Executive Review Presentations & Reporting.

Operations Manager is the KMBS individual that manages the delivery of all aspects of the Managed Print Services Program including operational performance and communications with CITY OF SAN DIEGO. . The following provides a general list of duties and responsibilities: **Ted Levy, Optimized Print Specialist, Business Intelligence Services**

- Monitors performance of all services provided in US.
- Reviews all reporting.
- Provides updates and reporting to CITY OF SAN DIEGO and KMBS.
- Escalates all issues not resolved within Operations Team.
- Resolves deviations, errors and problems with reports.
- Quarterly review of Devices.
- Completes random audits on Due Diligence Analysis.
- Prepare and deliver Executive Review Presentations & Reporting.
- Accountable for implementation of the Value Assurance Process.
- Lead the delivery of Services at multiple sites.
- Deploy service solutions that meet agreed upon SLOs.
- Lead the account relationship with sales and other KMBS business units.
- Provide input/support for accurate and timely billing.
- Provide leadership and a motivating team environment for End Users.

Project Manager is responsible for maintaining and coordinating the efforts required to complete the activity for Devices on an on-going basis for the CITY OF SAN DIEGO Output Environment. The following provides a general list of duties and responsibilities: **(William Marchant), Strategic Account Representative**

- Development of a Right-Sizing schedule.
- Coordinate all aspects required for implementation & Right-Sizing.
- Lead Due Diligence Analysis for Small Office(s) as appropriate.
- Coordinate all related work after Right-Sizing has been completed.
- Coordinate inventory of Sites.
- Maintain Project Plan for Right-Sizing (Stage 3).
- Maintain MPS Operations Setup (Stage1).

Account Manager / Field Tech Manager is responsible for managing the maintenance Services performed on all Devices as part of the OPS Program. Responsibilities include: **Field Technical Manager**

- Management of all Field Technicians.
- Coordinate the gathering of all reporting.
- Development of all reporting for SLA analysis.
- Manage all maintenance Service issues.
- Management & Coordination of all KMBS & 3rd Party Break Fix Management Suppliers.

Project Executive / Field Tech Manager is responsible for managing the 3rd party maintenance Services performed on all Devices as part of the OPS Program. Responsibilities include: **Market Technical Manager**

- Management of all Field Technicians.
- Coordinate the gathering of all reporting.
- Development of all reporting for SLA analysis.
- Manage all maintenance service issues for 3rd party Devices.
- Management & Coordination of all 3rd Party Break Fix Management Services.

Supplies Associate is responsible for managing the Consumables process including requisition, delivery and Consumables reporting. Responsibilities include: **To be Determined.**

- Generation of all pricing for new requests for Consumables.
- Maintain relationships with supply KMBS(s).
- Management of all Consumables associates.
- Report generation of Consumable shipments/orders.
- Manage all Consumable-related issues to resolution.

KMBS Tools Database Administrator is responsible for the day to day management of the KMBS Tools. The general responsibilities include: **Donna Taylor, SAP / Database Administrator**

- Maintain accurate updates to as needed.
- Manage submission of data on a regular basis.
- Generation of reports from KMBS Tools.
- Maintain KMBS Services Portal.
- Development of End User surveys as required.
- Support activities.

REPORTING METRICS

Historical Help Desk Summary

Help Desk Data

Asset Listing

Activity Summary Data

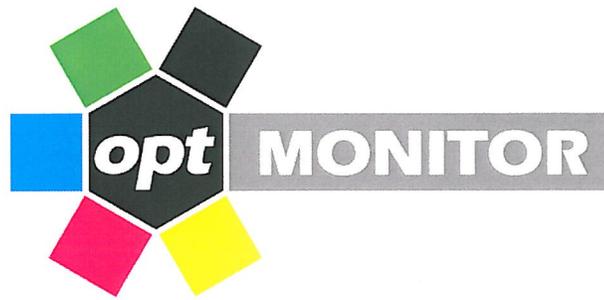
Detailed Jam Report

Meter Summary

Meter Detail

Employee to Device Ratio [sample]

	Device Count	Device Utilization	Employees Per Device	Pages per Employee
Location 1	544	41.40%	5.7	1,216
Location 2	110	46.90%	16.9	585
Location 3	22	23.90%	16.7	263
Location 4	163	37.30%	6.1	996
Location 5	97	22.10%	4.8	708
Location 6	95	13.60%	16.9	142
Location 7	424	20.20%	4.9	599
Location 8	295	13.30%	11.7	179
Customer Total	1,750	29.40%	8	602
Industry Average		54.00%	7.5	1,271



opt-MONITOR Security Overview

KONICA MINOLTA is committed to providing software products that are secure for use in all network environments. The *opt*-MONITOR software only collects the critical imaging device metrics necessary to manage a printing environment, and never collect any personal or user information.

For security purposes, there are three main components of the *opt*-MONITOR system to consider:

- Server hardware
- Data Collector Agent software
- *opt*-MONITOR web console

Each of these components is discussed below.

Server Hardware

You have the option of hosting your own OPS server, or taking advantage of the *opt*-MONITOR hosting services. The physical security of the server depends on which of these options you choose.

Self Hosted

By choosing the self-hosted version of *opt*-MONITOR, you are responsible for acquiring appropriate server hardware, and ensuring its physical security.

As part of the *opt*-MONITOR *Installation Requirements Agreement*, you must do the following:

- Request and install an SSL 128-bit security certificate for your OPS server.
- Store your OPS server in a physically secured data center within a server rack cabinet.
- Assign a public IP address and URL to the OPS server.
- Allow KONICA MINOLTA support personnel access into the OPS server via remote desktop for periodic maintenance, updates, and support.

KONICA MINOLTA Hosted

By choosing OPS hosting services, KONICA MINOLTA is responsible for acquiring the appropriate server hardware, and ensuring its physical security.

Hosted servers are stored in a class "A" data center with the following security measures:

- Redundant, computer grade air conditioning and humidity control systems
- Gas fire suppression system and pre-action sprinkler systems
- Biometric access control systems and video camera surveillance with 24/7 on-site security personnel

Hosted servers are also provided with the following measures to guarantee maximum uptime and prevent data loss:

- Redundant fiber-based backbone connections to multiple Tier 1 Internet backbone providers
- Full UPS battery and diesel generator power backup that supports in-use refueling
- Automated data backup

Data Collector Agent Software

The *opt-MONITOR* Data Collector Agent (DCA) is a software application that is installed on a non-dedicated networked server at each location where imaging device metrics are to be collected.

The DCA runs as a Windows® service (or, optionally, a scheduled task), allowing it to operate 24 hours a day, 7 days a week.

Types of information collected

The *opt-MONITOR* DCA attempts to collect the following information from printing devices during a network scan:

- IP address (can be masked)
- Device description
- Serial number
- Meter reads
- Monochrome or color identification
- LCD reading
- Device status
- Error codes
- Toner levels
- Toner cartridge serial number
- Maintenance kit levels
- Non-toner supply levels
- Asset number
- Location
- MAC address
- Manufacturer
- Firmware
- Miscellaneous (machine specific)

No print job or user data is collected.

Data collection and transmission methods

The DCA collects imaging device metrics at a specified interval using SNMP, ICMP, and HTTP; it then transmits the data to the centralized database via HTTPS (port 443).

HTTPS is used because this provides SSL 128-bit encryption of the data during transmission. To transmit using HTTPS, the machine receiving the transmitted data must be installed with an SSL security certificate.

Optional remote updates

The DCA contains an optional remote update feature, which is activated by enabling the Health Check and Intelligent Update options. Health Check will periodically ensure that the DCA service is operating, and if not, it will restart the DCA service. Intelligent Update allows the DCA to check for a

receive software updates and DCA configuration changes posted by an administrator on the OPS server. These features are enabled and disabled at the end user site, and are not required.

Network traffic

The network traffic created by the DCA is minimal, and will vary depending on the number of IP addresses being scanned. The table below outlines the network load associated with the DCA compared to the network load associated with loading a single standard webpage.

Network Byte Load Associated with the DCA

Event	Approximate Total Bytes
Loading a single standard webpage	60,860
DCA scan, blank IP	5,280
DCA scan, 1 printer	7,260
DCA scan, 1 printer, 1 subnet	96,300
DCA scan, network of 13 printers	111,530

***opt*-MONITOR Dashboard Web Console**

opt-MONITOR Dashboard is the online interface for the *opt*-MONITOR system.

Permissions based user management

Access to the *opt*-MONITOR Dashboard web console is controlled with permissions-based user management. Users must log in to *opt*-MONITOR Dashboard using a designated username and password.

There are three basic types of user accounts that specify the general areas of *opt*-MONITOR Dashboard that the user is allowed to access: Administrator, Dealer, and Customer.

User accounts can be further refined in the following ways:

- Select the exact pages that the user is able to view
- Select the dealers that Administrator users are able to view
- Select the customers that Dealer users are able to view
- Restrict user login to authorized IP addresses only
- Restrict editing capabilities by assigning a user account as read only
- Restrict a user account to be able to view alias company names only
- Disallow user password change

HTTPS access

The website can be accessed using HTTPS provided that the web server is installed with an SSL security certificate. Optionally, *opt-MONITOR* administrators can force users to access the *opt-MONITOR* website using HTTPS, by redirecting the HTTP version of the website. This is recommended, as it ensures 128-bit encryption of data being transferred over the Internet.

Health Insurance Portability & Accountability Act (HIPAA) compliance is not affected by usage of *opt-MONITOR* software applications

The use of the *opt-MONITOR* software application will not have an impact on compliance with the Health Insurance Portability & Accountability Act (HIPAA) for cover entities. This is because the *opt-MONITOR* software application does not collect, house, or transmit any information regarding the content of print jobs, and thus have no way of accessing, housing, or transmitting electronic protected health information (ePHI) as defined by HIPAA.

For more information about HIPAA, visit <http://www.hhs.gov/ocr/hipaa/>

Sarbanes-Oxley compliance is not affected by usage of the *opt-MONITOR* Software Applications

The *opt-MONITOR* software is not intended to be used as part of an internal control structure as outlined in Section 404: Management Assessment of Internal Controls, but will not interface with these controls.

Information Technology controls are an important part of complying with Sarbanes-Oxley. Under this Act, corporate executives become responsible for establishing, evaluating, and monitoring the effectiveness of internal control over financial reporting. There are IT systems in the market that are designed specifically for meeting these objectives. The *opt-MONITOR* software is not designed as an IT control system, but will not interfere or put at risk other systems that are intended for that purpose.

For more information about Sarbanes-Oxley, visit <http://thecaq.aicpa.org/Resources/Sarbanes+Oxley/>



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Statement of Work Acceptance

This Statement of Work will secure this project and schedule the project from receipt of signature to complete the necessary services. To acknowledge each parties understanding of this Scope of Work, please have a representative from **CITY OF SAN DIEGO** and Konica Minolta Business Solutions U.S.A. Inc. sign and date this document.

Name: _____ **Title:** _____

Signature: _____

Company: **KMBS** **Date:** _____

Name: _____ **Title:** _____

Signature: _____

Company: **CITY OF SAN DIEGO** **Date:** _____

Please carefully review this document. KMBS will ONLY be authorized to perform work that is specifically listed in the above Statement of Work. Any additional work will need to be scheduled as a future service call. Any additional requests outside the KMBS Service Contract and the Statement of Work will be billed accordingly, based upon the KMBS standard hourly service rate at the time of the request.

Any revisions to this Statement of Work must be recorded by an amended Statement of Work.

To accept this Statement of Work, please sign & date above where indicated.



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Phase 1 Needs Assessment



July 14th, 2010

Executive Overview

Needs Assessment Goal

Currently Konica Minolta is undertaking a Print/Copy Needs Assessment for the City of San Diego. This project is being done in two phases. Phase 1 included 11 sites, which were a representative sample for this report. Phase 2 which includes an additional 51 locations will be complete by July 23rd, 2010 with a full written report provided to the City by August 15th.

In undertaking this project our goal is to identify areas in which the City of San Diego can reduce costs and improve efficiencies while not forcing the City to undergo any sweeping cultural changes. It is our belief that this can be achieved with proper planning as well as execution of that plan. Standards for Printing and Copying must be set and adhered to for any plan to have success. Our recommendations will include setting those standards with the City and assisting in implementing any changes that may result from that.

Our process for this needs assessment included both a software component to see networked devices as well as a physical walk through of all 11 locations. Our goal was to identify the devices, as well as view the environment. This process allows us to further understand device placement, department needs as well as ratios. Mapping (which is provided) was also done to allow the City to have a visual of device placement as well as assist us in setting Standards for Printing and Copying.

We will also site several “industry statistics” within this report. **This is only designed to be a guide and not to base any recommendation on.** We understand the nature of business is quite a bit different in City Government and don’t feel we can legislate change. We feel that proper communication sent out to the entire City organization will allow for gradual “effective” changes to take place and stick.

Konica Minolta views itself as a partner organization with the City and our goals are aligned. The reduction of costs and devices that the City currently has is our main goal within this assessment. Our findings will focus on ways to achieve both of those goals.

The Konica Minolta Business Solutions Team for CITY OF SAN DIEGO

Our Local National Account Team manages the overall relationship with the CITY OF SAN DIEGO. The Business Intelligence Services team provides the tools and assets to manage the primary aspects of the CITY OF SAN DIEGO print operations. The team used for this Needs Assessment is as follows:

Bill Marchant-National Account Representative
John Burdick- Vice President Special Projects
Ted Levy- Optimized Print Specialist- KMBS San Diego
Mike Lecak- Regional Solutions Consultant- West Region
Tim Dischner- Branch General Manager-KMBS San Diego
Steve Rhorer- Market Vice President

The above team represents a wide spectrum of knowledge and experience. This team is working together to bring the City of San Diego not only knowledge of products and services but also the ability to pull together and execute a plan designed to meet the City of San Diego's objectives.

On a move forward basis, Konica Minolta believes that the City of San Diego should pull together a Task Force to insure any changes that take place, will have the best chance to succeed. We also suggest that you have a vendor on the team. Konica Minolta will place a member of our team, if it is agreeable with the City.

Assessment Findings

Current Fleet Statistics:

	Networked	Non-Networked	Total
Copiers	296	279	575
Printers	739	1,715	2,454
Total Devices	1,035	1,994	3,029

Device Ratio (People/Printers) currently is roughly 3 to 1. Industry statistics find a generally acceptable number to be 7 to 1 and up to as high as 20 to 1. Understanding that all organizations are different in nature we believe that the City of San Diego could and should target a 7 to 1 ratio. Our Phase 2 Needs Assessment will allow for a deeper understanding of the City and its needs. We believe that by reducing the overall fleet to reflect a higher ratio the City will not only reduce costs but eliminate wasteful printing. (industry statistics show that 20% of all printing is not needed)

The devices shown above are the entire City of San Diego Printer and MFP Fleet. The sampling of the 11 locations that were assessed is as follows:

	Networked	Non-Networked	Total
Copiers	32	0	32
Printers	72	254	326
Total Devices	104	254	358

Financial Data:

The following financial data was provided to Konica Minolta by the City of San Diego. As it is, the City of San Diego's goal to reduce cost's as well as improve efficiencies we will use 'rough numbers" in this analysis to illustrate a point and to show the City how a reduction in device count can drastically reduce the overall cost.

Sarcom Maintenance (<3 yrs old)- Repair or replacement included

\$2.98/week- Black and White \$4.67/week - Color

B/W @2.98 per week, 11.92 per month (per device) x220 devices = \$34,091.20 year

Color @ 4.67 per week, 18.68 per month (per device) x106 devices = \$25,741.04 year

Network Access (networked machines only)

\$21.14/wk

Overall effect to the City of San Diego based on Phase 1 Needs Assessment:

\$21.14 per week x 4 = \$84.56 per month, Networking Charge

\$84.56 x12 = \$1,014.72 per year, per networked device.

\$1,014.72 x 72 networked printers= \$73,059.84 year

The above numbers only take into consideration the charges for networking and maintenance. Without clear volumes we don't have exact numbers for supplies but we will provide industry averages.

City of San Diego Recommendations are based upon the following information gathered during our Walk-Through.

29.6% of Desktop Printing devices are color. Konica Minolta believes that color printing using Desktop Printers is “too available”

92 devices are Ink Jet Printers, these printers run anywhere from 9 to 17 cents per page to operate for supplies, combined with the networking and maintenance charge to the City these are very expensive “convenience” printers. Studies show that up to 20% of all printing is unnecessary and can be eliminated. We believe removing most if not all of the ink jet printers from the fleet can have the most dramatic effect for the City

The walk-through supported the 3/1 device- to- people ratio in the City. We believe that with a Change Management program, as well as communication throughout the City, the ratio can be raised as high as 7/ 8 to 1. That alone would save the City in Networking and Maintenance charges. (See page 5).

Convenience printing seems to be departmental in nature. We found some locations did “hub” printing while other had a proliferation of desktop printers. There seemed to be no reason, either way and we feel that we can pinpoint where the push back will come from and key in on those department needs to ensure that “hub” printers can support the applications.

Based on volumes on the Konica Minolta MFP’s we don’t feel that they are being overused. The potential to shift volumes from desktop printers to much less costly MFP’s is another way the city can reduce the overall costs. This will also make printing costs much more predictable based on the current pricing structure with Konica Minolta.

City wide Printing Standards should be set and adhered to. Rightsizing the fleet will be critical to the overall cost savings strategy. The following page will outline the Standards we believe should be implemented. Along with these Standards, Konica Minolta believe that a Change Management program should be introduced. Outlined within this report are the guidelines that we suggest utilizing.

City Wide Printing Standards:

We believe that this should start with understanding the placement of MFP's currently in place. Knowing where the device is located, will give us an opportunity to take a 30,000 foot view. How far one is located from an MFP is a good starting point. A good rule of thumb is 15 feet. If you are within 15 feet of an MFP you should be printing to that MFP and most likely justifies removal of desktop printers. We understand that there will be exceptions but also feel that you should be managing to the Standards set and not make the exceptions the rule.

Device Consolidation should also become a Standard. Anywhere there is an opportunity to eliminate Fax's or scanners it should be looked into. Most if not all of the MFP's in place offer those as standard features. Strict utilization of current technology should be considered. For example MFP's that are equipped with Secure Print give the City an opportunity to eliminate desktop printers used for confidential printing.

Print Routing Software should also be considered. This insures that people are gently persuaded to print to the correct device by utilizing pop up messages on the desktop alerting them to how much they can save the city by printing to the correct device not the closest. There are many other solutions that could be valuable.

A Standard should also be set for who actually gets a printer on their desk or office area. We believe this can be led from the top down. Where it fits and makes sense we believe that all upper management within the City could take the lead and remove their personal printers from there office. This leadership will speak volumes to the Standards being set and make this part of a process improvement plan and not change for changes sake. We feel that a minimum of 25% of the printers can be removed from the fleet (Savings Calculations to follow)

Based upon Studies, we feel that up to 20% of your printing volume will eventually go away providing even more savings based on Network, Maintenance and Supply costs. Also by shifting printing to more cost effective devices, the City will drive savings of up to 15 cents per page in printing that is being done on personal printers or Ink Jet printers.

All Ink Jet Printers should be removed from the City. These devices (upwards of 700 overall and 95 in Phase 1) are the least expensive to acquire and the highest to operate. By removing these devices the City can set in motion a plan to, not only eliminate, but put forth an edict that these printers won't be supported by City Funds. We believe that at a minimum, the City can see a savings of \$15,000 to \$20,000 annually (Phase 1 only). This takes into account an average of 250 prints per month (12 per day) and that half of that volume would be shifted to MFP's.

A Task Force should be created to insure long term success of any plan implemented. Once the City of San Diego has right-sized the fleet of Printers and MFP's it will be necessary to check the progress. We believe that this can be done through quarterly meetings that would handle subjects like Print Volumes, MFP volumes, new printers added to the fleet, printers taken out of the fleet, aging reports (printers at a 5 year and older age removed) Technology discussions to insure the City has the best of class for it's needs. This task force should also include trusted vendors. The overall goal of the task force will be to identify obstacles and keep moving the City towards it goal of cost reduction. Only by constantly checking the results can you be sure the momentum remains.

Change Management Deliverables

Project Based Governance Activities:

- Project meetings with CITY OF SAN DIEGO Team to review project management
- Project meetings with designated end users
- Weekly meeting at CITY OF SAN DIEGO to review project status

Consulting Activities

- Develop Launch Strategies for
 - o Executive Team
 - o Departmental Managers
 - o End users
- **Launch Activities**
 - o Internal Announcement to CITY OF SAN DIEGO employees
 - o Single Page Announcement / Instruction for end users
 - o Content for CITY OF SAN DIEGO Internal Newsletter
 - o Frequently Asked Questions Flier
 - Supply Orders
 - Help Desk Support
 - Break / Fix Service
 - o Awareness Optimized Print Service Posters (and PDF for distribution)
 - o Asset Label / OPS Management Labels for Devices
 - o Education Meeting, One per CITY OF SAN DIEGO Location
- **Management Process Documents**
 - o CITY OF SAN DIEGO– OPS Process Workflow for CITY OF SAN DIEGO Management
 - o Supply Process
 - o Service Process
 - o Recycling Process
- **On Going**
 - o Printer Mapping Tool Updates
 - o Fleet Performance Analysis
 - o On-line Customer Satisfaction Surveys
 - o On-site Training & Retraining

Walk Through & Fleet Mapping

Attached are Maps for the 11 locations that Konica Minolta visited. We have mapped out the devices by floor and location within that floor or building. Our recommendations will coincide with the maps and placement of devices. We believe that these maps should be revisited every 6 months to view any changes and record them to keep the maps current.

See Attached Maps and Spreadsheet



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City Of San Diego Printer Assessment



August 23, 2010

Executive Overview

Needs Assessment Goal

Konica Minolta has recently finalized a Print/Copy Needs Assessment for the City of San Diego. This is the final phase of a two phased project designed to give us a wide sampling of printing and copying within the City of San Diego. A total of 51 locations spanning every district in the City were assessed. We present this Assessment with confidence that our sampling is “across the board” and representative of the City’s environment.

Our approach was consistent with the first phase of the project. Each location was visited and devices were identified and mapped out (maps included). We also continued utilizing our software to see and identify networked devices.

Once again we were not able to gather volumes for the printers but will use “industry statistics” to base recommendations on. While pricing is not a function of this assessment, we do feel, as with Phase 1, that we can suggest ways in which the City of San Diego can drive savings in both time and money. We understand that any changes will need to have adoption from the top and would welcome the opportunity to present these findings to whatever audience you feel necessary.

We will also site several “industry statistics” within this report. **This is only designed to be a guide and not to base any recommendation on.** We understand the nature of business is quite a bit different in City Government and don’t feel we can legislate change. We feel that proper communication sent out to the entire City organization will allow for gradual “effective” changes to take place and stick.

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The devices shown above are the entire City of San Diego Printer and MFP Fleet. The sampling of the 51 locations that were assessed is as follows:

	Networked	Non-Networked	Total
Copiers	248	352	600
Printers	504	1420	1924
Total Devices	752	1772	2524

Financial Data:

The following financial data was provided to Konica Minolta by the City of San Diego. As it is the City of San Diego's goal to reduce cost's as well as improve efficiencies we will use 'rough numbers' in this analysis to illustrate a point and to show the City how a reduction in device count can drastically reduce the overall cost. This Data is a combination of Phase 1 and 2 findings and takes into consideration the devices found on those assessments.

Sarcom Maintenance (<3 yrs old)- Repair or replacement included

\$2.98/week- Black and White \$4.67/week- Color

$\$2.98 \text{ per week} \times 4 = \$11.92 \text{ per month} \times 12 = \$143.04 \text{ Per Year Maintenance Charge}$

$\$143.04 \times 1174 \text{ Black and White Printers} = \mathbf{\$167,928}$

$\$4.67 \text{ per week} \times 4 = \$23.49 \text{ per month} \times 12 \text{ months} = \$518.98 \text{ Per Year Maint. Charge}$

$\$518.98 \times 503 \text{ Color Printers} = \mathbf{\$261,046}$

Network Access (networked machines only)

\$21.14/wk

Overall effect to the City of San Diego based on Phase 1 and 2 Needs Assessment:

$\$21.14 \text{ per week} \times 4 = \$84.56 \text{ per month Networking Charge}$

$\$84.56 \times 12 = \$1,014.72 \text{ per year per networked device.}$

$\$1,014.72 \times 556 \text{ networked printers} = \mathbf{\$564,184.00}$

The above numbers only take into consideration the charges for networking and maintenance. Without clear volumes we don't have exact numbers for supplies but will provide industry average.

City of San Diego Recommendations are based upon the following information gathered during our Walk-Through.

29.6% of Desktop Printing devices are color. Konica Minolta believes that color printing using Desktop Printers is “too available”

283 devices are Ink Jet Printers, these printers run anywhere from 9 to 17 cents per page to operate for supplies, combined with the networking and maintenance charge to the City these are very expensive “convenience” printers. Studies show that up to 20% of all printing is unnecessary and can be eliminated. We believe removing most if not all of the ink jet printers from the fleet can have the most dramatic effect for the City

The walk-through supported the 3/1 device- to- people ratio in the City. We believe that with a Change Management program, as well as communication throughout the City, the ratio can be raised as high as 7/ 8 to 1. That alone would save the City in Networking and Maintenance charges. (See page 5).

Convenience printing seems to be departmental in nature. We found some locations did “hub” printing while other had a proliferation of desktop printers. There seemed to be no reason, either way and we feel that we can pinpoint where the push back will come from and key in on those department needs to ensure that “hub” printers can support the applications.

Based on volumes on the Konica Minolta MFP’s we don’t feel that they are being overused. The potential to shift volumes from desktop printers to much less costly MFP’s is another way the city can reduce the overall costs. This will also make printing costs much more predictable based on the current pricing structure with Konica Minolta.

City wide Printing Standards should be set and adhered to. Rightsizing the fleet will be critical to the overall cost savings strategy. The following page will outline the Standards we believe should be implemented. Along with these Standards, Konica Minolta believe that a Change Management program should be introduced. Outlined within this report are the guidelines that we suggest utilizing.

City Wide Printing Standards:

We believe that this should start with understanding the placement of MFP's currently in place. Knowing where the device is located, will give us an opportunity to take a 30,000 foot view. How far one is located from an MFP is a good starting point. A good rule of thumb is 15 feet. If you are within 15 feet of an MFP you should be printing to that MFP and most likely justifies removal of desktop printers. We understand that there will be exceptions but also feel that you should be managing to the Standards set and not make the exceptions the rule.

Device Consolidation should also become a Standard. Anywhere there is an opportunity to eliminate Fax's or scanners it should be looked into. Most if not all of the MFP's in place offer those as standard features. Strict utilization of current technology should be considered. For example MFP's that are equipped with Secure Print give the City an opportunity to eliminate desktop printers used for confidential printing.

Print Routing Software should also be considered. This insures that people are gently persuaded to print to the correct device by utilizing pop up messages on the desktop alerting them to how much they can save the city by printing to the correct device not the closest. There are many other solutions that could be valuable.

A Standard should also be set for who actually gets a printer on their desk or office area. We believe this can be led from the top down. Where it fits and makes sense we believe that all upper management within the City could take the lead and remove their personal printers from there office. This leadership will speak volumes to the Standards being set and make this part of a process improvement plan and not change for changes sake. We feel that a minimum of 25% of the printers can be removed from the fleet (Savings Calculations to follow)

Based upon Studies, we feel that up to 20% of your printing volume will eventually go away providing even more savings based on Network, Maintenance and Supply costs. Also by shifting printing to more cost effective devices, the City will drive savings of up to 15 cents per page in printing that is being done on personal printers or Ink Jet printers. These are the least expensive to acquire and the highest to operate. By removing these devices the City can set in motion a plan to, not only eliminate, but put forth an edict that these printers won't be supported by City Funds. We believe that at a minimum, the City can see a savings of \$125,000 to \$150,000 annually (Phase 1&2 only). This takes into account an average of 250 prints per month (12 per day) and that half of that volume would be shifted to MFP's.

A Task Force should be created to insure long term success of any plan implemented. Once the City of San Diego has right-sized the fleet of Printers and MFP's it will be necessary to check the progress. We believe that this can be done through quarterly meetings that would handle subjects like Print Volumes, MFP volumes, new printers added to the fleet, printers taken out of the fleet, aging reports (printers at a 5 year and older age removed) Technology discussions to insure the City has the best of class for it's needs. This task force should also include trusted vendors. The overall goal of the task force will be to identify obstacles and keep moving the City towards it goal of cost reduction. Only by constantly checking the results can you be sure the momentum remains.

Change Management Deliverables

Project Based Governance Activities:

- Project meetings with CITY OF SAN DIEGO Team to review project management
- Project meetings with designated end users
- Weekly meeting at CITY OF SAN DIEGO to review project status

Consulting Activities

- Develop Launch Strategies for
 - o Executive Team
 - o Departmental Managers
 - o End users

- **Launch Activities**
 - o Internal Announcement to CITY OF SAN DIEGO employees
 - o Single Page Announcement / Instruction for end users
 - o Content for CITY OF SAN DIEGO Internal Newsletter
 - o Frequently Asked Questions Flier
 - Supply Orders
 - Help Desk Support
 - Break / Fix Service
 - o Awareness Optimized Print Service Posters (and PDF for distribution)
 - o Asset Label / OPS Management Labels for Devices
 - o Education Meeting, One per CITY OF SAN DIEGO Location

- **Management Process Documents**
 - o CITY OF SAN DIEGO– OPS Process Workflow for CITY OF SAN DIEGO Management
 - o Supply Process
 - o Service Process
 - o Recycling Process

- **On Going**
 - o Printer Mapping Tool Updates
 - o Fleet Performance Analysis
 - o On-line Customer Satisfaction Surveys
 - o On-site Training & Retraining

Walk Through & Fleet Mapping

Attached are Maps for the 51 locations that Konica Minolta visited. We have mapped out the devices by floor and location within that floor or building. Our recommendations will coincide with the maps and placement of devices. We believe that these maps should be revisited every 6 months to view any changes and record them to keep the maps current.

See Attached Maps and Spreadsheet



Sharp Electronics Equal Employment Opportunity Policy

SHARP.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

It is and has been the policy of Sharp Electronics Corporation to provide equal Employment and individual opportunity to all job applicants and employees without regard To race, color, religion, sexual orientation, marital status, sex, age, or national origin. In reaffirming this policy, the Company pledges itself as follows:

1. To recruit, hire, train and promote for all job classifications without regard to race, color, religion, sex, age, national origin, sexual orientation, marital status, veterans for handicapped status.
2. To ensure that all promotion decisions are made in accord with the principles of equal employment opportunity by imposing only valid requirements for promotional opportunities.
3. To ensure that all personnel actions such as those relating to compensation, benefits, transfers, layoffs, return from layoffs, facility-sponsored training, education, tuition assistance and social and recreation programs will be administered without regard to race, color, religion, sex, age, national origin, sexual orientation, marital status, veterans for handicapped status.
4. To advise all new employees of the equal employment opportunity policy as part of their initial processing and orientation.
5. To include articles in Company publications covering equal employment opportunity programs, progress reports, promotion, etc., of minority and female employees.
6. To Post on the Company's main bulletin boards the equal employment opportunity policy and other required documents.
7. To provide a means for applicant and employee complaints to be filled and addressed with regard to equal employment opportunity.
8. To establish and assign accountability and responsibility for goal achievement to every manager and employee to assure the affirmative action shares equal importance with other business goals.

Susan Osgood is the EEO Coordinator for Sharp Electronics Corporation. She is responsible for the implementation of our Affirmative Action Plan ("AAP") and will report to me on a semi-annual basis so that I may monitor our progress. Portions of the Plan concerning females and minorities, as well as the Plan's sections concerning Special Disabled Veterans, Veterans of the Vietnam Era, and Handicapped individuals are available for inspection by the applicants and employees by contacting the EEO Coordinator.



David Alai
Vice President
Corporate Human Resources

Aguilar, Carlos

From: Hart, Christopher
Sent: Monday, September 12, 2011 2:00 PM
To: Valdez, Leslie
Cc: Aguilar, Carlos
Subject: Sharp Recruiting Info
Attachments: CityEmployeeAP.pdf; CityJobPostingProgram.pdf; CityEEOP.pdf

Leslie,

Please see the information below and the attachments that pertain to Sharp's hiring practices, etc. Please let me know if you would like me to email the EOC information in this format or put together a binder with all the information.

As part of its continuing efforts to ensure we are constantly supplied with a wide range of diverse candidates, Sharp Electronics Corporation also posts every job opportunity with Direct Employers Association. DirectEmployers Association has over 500 member company jobs which are delivered in all 50 states, including the OneStops, Workforce Agencies, Vet and Disabled Vet offices across the country.

DirectEmployers Association is endorsed by NASWA. DirectEmployers Association Members constantly benefit from their outreach, partnerships and alliances in a way other solutions do not.

Just a few examples:

1. [Member List](#) – Over 500 companies who are the largest federal contractors in the country depend on DirectEmployers Association to literally automate delivery of 1,000s of their jobs on a nightly basis with comprehensive reporting.
2. myskillsmyuture.org
3. [NLX](#)
4. vetsuccess.gov/jobs

Benefits of Utilizing DirectEmployers:

- [OFCCP Job Reporting and Distribution](#) - Member job distribution is automated to the appropriate State Workforce agency or Local Veterans Employment Representative (LVER's) or Disabled Veterans Outreach Program Representative (DVOP's), or through the appropriate Career One Stop Center to assure VEVRAA/JVA compliance. [VetCentral](#)
- Exclusive Partnership with the National Association of State Workforce Agencies (NASWA)
- Unlimited Job Distribution to State Workforce Agencies, Career One Stops, Veterans and Disabled Veterans sites
- FCJL Compliance with detailed audit trail for five (5) years
- OFCCP Reporting including job description, time and date stamp, and confirmation of delivery
- Veteran portal to Alliance Partners for Military, Diversity and Disability Recruiting.
- VetCentral custom built portal for Federal contractors providing content to Military/ Veterans Job Seekers
- Daily Job Alerts to the local Veterans offices for member's jobs.

In an effort to further our EEO efforts, Sharp Electronics Corporation partners with Direct Employers Association. Direct Employers Association is a non-profit HR & recruiting leadership consortium of global employers formed to improve labor market efficiency through the sharing of best practices, research and the development of technology. Direct Employers assists over 600 companies (95% Federal Contractors) build and improve their human capital strategies. In short, as a member company Sharp receives:

- Direct Syndication to over 3,000+ job sites including Veteran & Disabled Veteran, College Alumni, Diversity, Military, Disability and other professional sites
- Analytic Direct Traffic reporting and Source Coding on all jobs to track Diversity, Disability, Military outreach
- Search engine optimization (SEO) for all jobs (increasing visibility on search engines)
- Federal Contractor OFCCP compliance and reporting Direct Compliance (4212 VEVRAA/JVA and 503 disability act assistance)

Direct Compliance - Direct Compliance is a service which provides participating Members with job distribution to appropriate employment service delivery systems and includes corresponding reports according to Jobs for Veterans Act (JVA) regulations.

4212 VEVRAA/JVA Compliance:

OFCCP Job Reporting and Distribution - Member job distribution is automated to the appropriate State Workforce agency or Local Veterans Employment Representative (LVER's) or Disabled Veterans Outreach Program Representative (DVOP's), or through the appropriate Career One Stop Center to assure VEVRAA/JVA compliance. VetCentral

- Exclusive Partnership with the National Association of State Workforce Agencies (NASWA)
- Unlimited Job Distribution to State Workforce Agencies, Career One Stops, Veterans and Disabled Veterans Sites
- FCJL Compliance with detailed audit trail for five (5) years
- OFCCP Reporting including job description, time and date stamp, and confirmation of delivery
- Veteran portal to Alliance Partners for Military, Diversity and Disability Recruiting.
- Vet Central custom built portal for Federal contractors providing content to Military/ Veterans Job Seekers
- Daily Job Alerts to the local Veterans offices for member's jobs.

.jobs Universe is a brand new launch of a Top Level Domain (TLD) that provides an interactive, community-driven network of job related sites including military crosswalk, veteran.jobs and militaryfamily.jobs.

Direct Employers services are designed to encourage learning, sharing and networking; As a member, Sharp can access those services during the strategic decision-making process for the latest trends and best practices.

Job Posting Program

Job posting may assist current employees wishing to further their careers within the Company. It is also intended to assist the Company in meeting its personnel needs through internal recruitment.

In the new job posting program, we have expanded the number and types of positions that will be posted. The Employment Policies Section of the Sharp Employee Handbook still applies to this and the modified program. Postings will now be sent via e-mail only and all positions will be posted, up to and including Director. We will continue to communicate to candidates the status of the position in question.

Upon the posting of a job vacancy, employees who possess the necessary skills, experience, and other qualifications may apply for a transfer to the posted position. In all cases, where the Company deems it appropriate, Sharp reserves the ability in its sole discretion to recruit from outside sources. New procedures are listed below:

- These procedures are subject in all respects to the guidelines, policies, and practices set forth or referred to in the Sharp Employee Handbook or as otherwise established by Sharp.
- Transfers to new jobs (just as is true for offers of jobs at Sharp) are only made in writing by Human Resources via our established policies and procedures.
- Employees must clearly demonstrate that they meet the basic requirements for the position. A Form will be provided for this purpose.
- Human Resources will make a preliminary appraisal as to whether or not the candidates meet the essential function(s) of the position description and, if the appraisal is positive, forward the completed Form to the Hiring Manager.
- The Hiring Manager will decide which candidates (either internal or other) will be interviewed.
- Positions will be posted via e-mail for three (3) days. Employees who are interested in applying for a transfer to posted positions must apply by the date listed on the posting.
- All employees must notify their current manager of their intent to bid. HR will notify the employee and their current manager via e-mail when an interview has been scheduled.
- All employees must be in their current position for at least one year.
- Employees currently on performance or disciplinary warning will not be eligible to participate in the program for 6 months from the date of action.
- Those candidates who are interviewed but not offered a transfer to a new job will be notified in writing of the Company's decision.
- Union employees must follow the procedures outlined in the collective bargaining agreement.
- This program is subject to change at any time with or without notice in the Company's sole discretion.

Last reviewed 2/07



Sharp Electronics Policy Letter to Recruitment Providers



<Date>

<Recruiter Name>

<Recruiter Title>

<Agency Name>

<Address Line 1>

<City, State Zip>

As a recruitment source of Sharp Electronics Corporation, please consider this letter as notice that Sharp Electronics Corporation is an equal opportunity / affirmative action employer.

All hiring decisions are based on nondiscriminatory factors without regard to race, color, religion, sex, national original, age, disability, marital status, sexual orientation, citizenship status, status as a Vietnam era or disabled veteran, or status as a veteran who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized. In addition, Sharp Electronics Corporation engages in affirmative action efforts, where appropriate, to employ, train, and promote qualified minorities, women, the disabled, Vietnam era veterans, disabled veterans and veterans who served in active duty during a war or in a campaign or expedition for which a campaign badge has been authorized.

Please consider the foregoing when engaged in recruiting efforts on behalf of Sharp Electronics Corporation.

Sincerely,

SHARP ELECTRONICS CORPORATION

Tracy A. Huber
Sr. Human Resource Manager

SIGNATURE OF AGENCY REPRESENTATIVE

SHARP®

Sharp Electronics Affirmative Action Program

Report remains on file at SEC for Government Review / Audit

Sharp Electronics Corporation

Mahwah, NJ

AFFIRMATIVE ACTION PROGRAM FOR
INDIVIDUALS WITH DISABILITIES

March 1, 2011 – February 28, 2012

Sharp Electronics Corporation
Mahwah, NJ

Executive Order 11246
Affirmative Action Program for
Women and Minorities

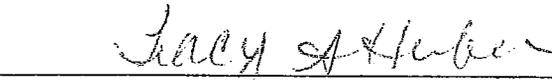
March 1, 2011 – February 28, 2012

Employer Identification Number: 13-1968872
Dun & Bradstreet Number: 18118012

Data Period Analyzed: March 1, 2010 – February 28, 2011



Susan Osgood
Associate Vice President Human Resources



Tracy Huber
Sr. Human Resource Manager

Employee Referral Award Program

PURPOSE

The Employee Referral Award establishes a process to encourage current employees of Sharp Electronics Corporation (SEC), Sharp Laboratories of America (SLA), or other designated affiliates to refer prospective new employees for hire into key or hard-to-fill exempt and non-exempt positions.

PROCEDURE

SEC will pay a cash Employee Referral Award to any current eligible employee who refers a prospective new employee, that results in a regular full-time hire, for a key or hard-to-fill position. Key or hard-to-fill positions will be identified by management in its sole discretion on an as needed basis and will be announced in writing by Human Resources. The regular employee's referral award will be paid after the referred individual has completed six (6) consecutive months of active employment with SEC. The regular employee must still be a Sharp employee at this time.

ELIGIBILITY

- A. The "Referrer" is any SEC employee who is acknowledged in writing by Human Resources as being responsible for a newly hired employee's application for employment at SEC. The Referrer employee must be on our payroll on the day the new employee starts work **and** when the new employee achieves six (6) consecutive months of active employment.
- B. The "Referral" is any full-time, regular employee hired by SEC and on its payroll who states in writing that he/she applied for employment at SEC based on the referral of a current employee. This must be stated on the application form, or by some other means in writing, to the Human Resources Department. Communication of this fact must be made prior to the time an offer for employment is extended. ***An official YATC Referral Form and resume must be received by Human Resources prior to any contact by a company representative for recruitment purposes.*** Your referral must be recorded as Sharp's first source of application.
- C. All regular, full-time employees of Sharp are eligible to participate, **except** the Operating Committee, the Human Resources Department nationwide, and managers/supervisors in the department for which the recruiting project is undertaken.
- D. A referral may not be a relative of a Sharp employee. Former Sharp employees, contractors or temporaries are not considered as eligible referrals. Bonuses will not be paid with respect to a temporary employee or contract person who Sharp offers to place on full-time active employee status. The award may not be shared directly or indirectly with the referral. Temporary agencies may not be involved.
- E. This program is subject to termination or modification by SEC in its sole discretion at any time without notice. Other conditions are set forth on the attached Form.

EMPLOYEE REFERRAL AWARD

- A. An Employee Referral Award in the amount up to \$1,500 will be paid for designated key or hard-to-fill exempt positions. An Award in the amount up to \$500 will be paid for designated hard-to-fill non-exempt positions.

- B. Management may approve cash awards of varying amounts as necessary; however there will only be a maximum of one award per position.

- C. If either the "Referrer" or the "Referral" do not remain on active employment status before completing six (6) months of service, the Employee Referral Award will not be paid.

- D. In order for Referral Awards to be paid, the attached *You Are The Connection Form* and any other supporting documentation for the referral must be received by Corporate Human Resources prior to the Referral's Hire Date. **No Awards will be paid on any Referral forms received after Referral's date of hire.**

- E. The Human Resources Department is responsible for preparing an Employee Referral Award at the time an offer is accepted. Payroll is responsible for processing the Referral Bonus after the "Referral" has completed six (6) consecutive months of active employment. **The Human Resources Department is responsible for interpreting any questions concerning the application of this policy.**



YOU ARE THE CONNECTION

(ATTACH RESUME)

SEC Employee: _____ Current Business Unit: _____

Applicant's Name: _____

Date submitted to Human Resources: _____

Position in which the candidate is most interested:

Why the candidate is qualified to fill this position:

Is the Referral related to a Sharp employee? Yes () No ()

How many YATC forms have you submitted prior to this one? _____

Please be sure that the referral is valid according to these rules:

- A referral may not be a relative of a Sharp employee. The award may not be shared directly or indirectly with the referral. Other terms and conditions are set forth in the Employee Referral Award Policy.
- Former Sharp employees, contractors or temporaries are not considered as eligible referrals.
- An official YATC referral form and resume must be received by Human Resources **prior** to any contact by a company representative for recruitment purposes. Your referral must be recorded as Sharp's first source of application.
- For every one of your referrals that Sharp hires, you will be awarded the applicable hiring bonus after your referral has been an active Sharp employee on Sharp payroll for six consecutive months and has not tendered a resignation prior to meeting the eligibility requirement.
- All regular, full-time employees of Sharp are eligible to participate, **except** the Operating Committee, the Human Resources Department nationwide, and managers/supervisors in the department for which the recruiting project is undertaken.
- Employment or temporary agencies may not be involved.
- This program is subject to termination at any time without notice.
- In order for Referral Awards to be paid, this form and any other supporting documentation for the referral must be received by Corporate Human Resources *prior to* the Referral's Hire Date. **No Awards will be paid on any Referral forms received after Referral's date of hire.**

**Submit your completed form and referral resume to:
Human Resources Box # 5**

Received by: _____ Date: _____



Sharp Electronics EEO Policy – Employee Handbook

Sharp Electronics Corporation

EMPLOYEE HANDBOOK

CHAPTER D WAGE AND SALARY PRACTICES

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Overtime	2
Assignment of Wages (Garnishment)	3

CHAPTER E TIME OFF

Holidays	1
Vacation Days	2
Personal Days	3
Sick Days	4

CHAPTER F LEAVES OF ABSENCE

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Family Leave	2
Military Leave	3
Jury Duty	4
Bereavement Leave	5

CHAPTER G DEVELOPMENT AND TRAINING

Professional Development	1
Tuition Reimbursement	2
Seminars, Conferences, Meetings (Training Assistance)	3

CHAPTER H OTHER AREAS

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Bulletin Boards	2
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Creation of Innovative Products and Services that Meet the Needs of Customers	1
Securing the Quality and Safety of Products	2
Customer Satisfaction Practices	3
Activities for the Protection of the Environment	4

DISCLAIMER

YOUR EMPLOYMENT WITH SHARP ELECTRONICS CORPORATION OR ANY OF ITS SUBSIDIARIES (hereinafter “SHARP,” “SEC,” or the “COMPANY”) IS AT-WILL.

THIS MEANS THAT YOU OR SHARP MAY TERMINATE THE RELATIONSHIP AT ANY TIME WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE.

REGARDLESS OF ANY PROVISION CONTAINED IN THIS HANDBOOK, THIS HANDBOOK IN NO WAY PROMISES ANYTHING AND SHARP RETAINS THE ABSOLUTE AUTHORITY TO TERMINATE ANY EMPLOYEE WITH OR WITHOUT GOOD CAUSE.

THE PURPOSE OF THIS BOOKLET IS TO PROVIDE YOU WITH INFORMATION AND GUIDANCE CONCERNING SHARP ADMINISTRATIVE POLICIES AND PROCEDURES AND THE GENERALLY ACCEPTED PRACTICES OF THE COMPANY.

THIS HANDBOOK IS NOT AND IS NOT TO BE CONSTRUED AS A CONTRACT OR GUARANTY OF EMPLOYMENT OR THE TERMS AND CONDITIONS OF EMPLOYMENT. THE ELIGIBILITY OF EMPLOYEES OF SHARP FOR THE BENEFITS OUTLINED IN THIS HANDBOOK ARE DEPENDENT UPON THEIR MAINTAINING AN EMPLOYMENT RELATIONSHIP WITH SHARP. THE VARIOUS BENEFITS AND OTHER MATERIALS DESCRIBED OR REFERRED TO IN THIS HANDBOOK OR ELSEWHERE ON THIS WEBSITE ARE NOT TO BE CONSTRUED IN ANY MANNER AS A GUARANTY OF FUTURE EMPLOYMENT STATUS OR A CONTINUATION OF SPECIFIC POLICIES OR BENEFITS. THE EMPLOYEE BENEFITS WILL CEASE TO BE EFFECTIVE IF YOUR EMPLOYMENT RELATIONSHIP IS TERMINATED BY EITHER YOU OR SHARP, EXCEPT WHERE OTHERWISE PROVIDED BY FEDERAL OR STATE LAW. AN EMPLOYEE’S ENTITLEMENT TO EMPLOYEE BENEFITS IS SUBJECT TO ELIGIBILITY REQUIREMENTS IN THE PLAN DOCUMENTS. SHARP RESERVES THE RIGHT IN ITS DISCRETION TO CHANGE, MODIFY, ALTER, AMEND OR ELIMINATE ANY EMPLOYEE BENEFIT.

NO ORAL OR WRITTEN STATEMENTS OF HUMAN RESOURCES POLICY BY SHARP ARE INTENDED TO BE OFFERS OR CONTRACTS OF EMPLOYMENT. ALL POLICIES, BENEFITS, AND CONDITIONS SET FORTH HEREIN ARE SUBJECT TO CHANGE AT SHARP’S DISCRETION, WITH OUR WITHOUT NOTICE TO EFFECTED EMPLOYEES.

NO ONE EMPLOYED BY OR IN ANY WAY ASSOCIATED WITH SHARP HAS ANY AUTHORITY (ACTUAL OR APPARENT) TO MODIFY YOUR STATUS AS AN AT-WILL EMPLOYEE UNLESS THE MODIFICATION IS IN WRITING AND IS SIGNED BY THE CHAIRMAN OF THE COMPANY.

SHARP ELECTRONICS CORPORATION

Dear Sharp Employee:

Welcome to Sharp Electronics Corporation.

We are glad to have you with us. You are now an important part of an organization devoted to superior quality and performance. You have joined a team that works together for common goals: satisfied customers and efficient distribution systems.

We know the success of our Company and the prosperity of our employees are closely related to the products and services we offer to our customers. Others may think of Sharp as an “international giant”, but we want the feeling in local Sharp offices to be different.

We have found that a pleasant, professional atmosphere in the Company helps to produce quality work. Each employee contributes his or her skills and efforts to Sharp’s ability to sell quality products and services to customers at competitive prices.

Our valued customers have many choices, and we can lose them if we are not attentive to their requests. We expect every employee to take personal pride in his or her contribution, so that Sharp can successfully compete in the marketplace.

This Employee Handbook, together with our intranet site, explains some of Sharp’s policies, practices, procedures, rules and benefits. This Handbook should provide guidance for many questions you have as a new or continuing employee. If you still have questions, feel free to consult your supervisor or Human Resources representative and you will get a prompt answer. That’s one important part of our Company’s ‘OPEN DOOR POLICY’ for all employees.

We hope that you will regard working for Sharp not just as a ‘job’ but as an activity that is interesting and well worthwhile.

David Alai

Vice President

Human Resources

EMPLOYEE ACKNOWLEDGEMENT FORM

I have received and read the Sharp Electronics Corporation Employee Handbook.

I understand that the policies and benefits described and referred to in the Handbook are subject to change or termination at the discretion of Sharp Electronics Corporation (“SEC” or the “Company”) with or without prior notification, in the Company’s sole discretion.

I understand the Handbook is issued for informational purposes only and is not intended as and does not constitute a contract of employment or a guarantee of specific treatment in specific situations. I further understand that no employee or representative of SEC (other than the Chairman) has any authority to enter into any agreement modifying or supplementing the provisions of the Handbook and that any such agreement must be in writing and signed by the Chairman to be valid.

I also understand that I have been hired on an at-will basis for an indefinite period of time and that I may resign or be terminated by the Company at any time, for any reason, with or without cause or notice.

I understand that when my employment with SEC comes to an end, I must return this Handbook, any Company property in my possession including keys, credit cards, etc. and repay any outstanding debts owed to SEC or its subsidiaries.

Employee (signature)

Date

Employee (print name)

- Substantially interfering with an employee's work performance or creating an intimidating, hostile or offensive work environment through unlawful harassment or discrimination.
- Retaliating against any employee for complaining about such behavior, furnishing such information or participating in any investigation of such behavior.

We want all of our employees to know they can work in security and dignity and are not required to endure unwelcome, unlawful treatment or conduct.

3. COMPLAINT PROCEDURE

If you believe that you have been or are being harassed or you become aware of harassment of other employees, you should without delay, contact your supervisor, the Human Resources Department, or any member of management in the way you feel most comfortable to bring the matter to our attention, so that we may conduct a prompt and thorough investigation. You may do this by telephone, in person or in writing. If you are an employee subject to the Dispute Resolution Program, you should follow that program's complaint procedures. Although these are our Company's procedures for reporting incidents of harassing behavior, they are not intended to impair, replace, or limit the right of any employee to seek a remedy under available state or federal law.

It is the responsibility of each member of management to maintain a workplace free from unlawful harassment. It is also the responsibility of every employee to participate in maintaining a workplace free from unlawful harassment and to utilize Sharp's complaint procedure to call work-related harassment to Sharp's attention.

The Human Resources Department is primarily responsible for investigating all complaints involving sexual and other forms of prohibited harassment. All complaints of harassment will be investigated and, where called for, prompt and appropriate action will be taken. All actions taken to investigate and resolve such complaints are conducted in confidence to the extent practicable under the circumstances. It may not be possible to maintain confidentiality if (i) Sharp is required by law to disclose information, for example, in agency or legal proceedings, or (ii) our paramount concern with protecting all interested parties' rights is jeopardized.

Managers usually direct the investigation and are decision-makers once an investigation has reached a stage at which a decision is appropriate.

The Company considers sexual and other forms of prohibited harassment to be a major offense. Any employee found to be in violation of this policy will be subject to disciplinary action, up to and including dismissal.

4. AT-WILL STATUS

Employees of Sharp are employed on an at-will basis. This means that their employment may be ended any time, either by resignation or dismissal, with or without cause. In addition, SEC reserves the right to change employees' terms and conditions of employment

The Company has adopted this policy for reasons involving security, supervision and morale. Management and employees share an obligation to avoid the existence or appearance of impropriety, favoritism or other conflicts of interest.

Employees who marry other employees are not subject to this prohibition. However, spouses may not be employed in the same department or in capacities that may require one spouse to supervise or report to one another. If the Company is unable to make an appropriate reassignment, it may be necessary to terminate the employment of one of the employees.

7. JOB POSTING FOR NON-UNION POSITIONS

To assist the Company in meeting its staffing needs through internal recruitment, vacancies for Non-Exempt positions and most entry-level Exempt positions are posted in designated locations at the Headquarters and various Branch facilities where the vacancies exist and communicated through email. Employees who possess the necessary skills, experience and other qualifications may apply for the posted position. In all cases, where the Company deems it appropriate, Sharp reserves the right in its sole discretion, to recruit from outside sources and not post selected Non-Union Non-Exempt or Exempt openings.

8. LAYOFF/RECALL

It is the Company's goal to build and maintain business levels that permit the continued development of the Company. However, at times business requirement may result in layoffs. When business conditions so dictate, all decisions concerning layoff will be made on the basis of the Company's assessment of its needs, staffing requirements and employees' abilities and qualifications to hold particular positions. Such decisions are made solely within the Company's discretion, consistent with applicable federal and state laws and regulations.

Layoff status for an employee is a discontinuance of employment, subject to possible recall. An employee will not be considered in layoff status if the employee does not intend to return to work, fails to report back to work within three days of recall, or if the employee is not recalled within six calendar months of layoff.

When business conditions so dictate, decisions concerning the recall of laid off employees are made on the basis of the Company's assessment of its needs. Such decisions are made within the Company's exclusive judgment and discretion, consistent with applicable federal and state laws and regulations.

Employees in layoff status may be recalled to work in the event that their previous jobs or other suitable work within the scope of their skills, experience and training, as determined by the Company, become available within six months of layoff. An employee who is recalled is required to report back to work within three days of receiving notice of recall.

9. TRANSFER AND REASSIGNMENT

- The terminating employee returns all Company property assigned to the employee, such as keys, parking stickers, manuals, identification badges, products held under memo billing, sample products in the employee's possession but not memo billed to the employee, price lists, confidential material, telecommunications and computer equipment including hard drives, and hard copies of this Handbook.

A terminating employee who is eligible to receive commissions will be paid earned commissions in accordance with his/her current commission program at the next normal commission payment date, or as otherwise required by applicable law. Commissions are determined on the basis of products sold, invoiced, shipped, and installed (if applicable) through the date of termination, net of returns.

Upon submitting appropriate expense reports and substantiation, a terminating employee will be compensated in a timely way for any legitimate reimbursable out of pocket expenses incurred prior to termination that are consistent with our expense policies.

Even after termination, former employees should keep the Company up to date about their home address and other contact data. This will facilitate communicating future tax or benefit information to the individual.

12. PERSONNEL RECORDS

The Human Resources Department maintains personnel records for each employee. The Company shares with each employee a concern for the accuracy, timeliness and relevance of all material in each employee's file. For this reason, we provide an opportunity for each employee to examine his or her personnel file, at periodic intervals, and to recommend corrections, if necessary. Any employee wishing to examine his or her record should arrange a meeting, at a convenient time, with the Human Resources Department.

13. RECORDING CHANGES

Employees should advise the Human Resources Department of any changes in address, telephone number, family status, etc. By having current records, Sharp will be better able to properly administer everyone's benefits.

Increasingly, our contact with customers and other employees takes place as email. Common courtesies have evolved:

- Be polite. Although emails frequently take an unguarded casual tone, employees must always be aware that these are business communications that reflect upon the Company and the author. Vulgar language must never be used.
- It is best to make it easier for readers to understand a message by organizing thoughts, using proper grammar, applying an appropriate tone (avoid writing in all capital letters), and checking spelling.
- Especially when sending emails outside the Company, employees must consider the appropriateness of exposing email addresses to people who may not know each other. If necessary, authors should use the BCC function and field so that recipients cannot view others' email addresses.
- Emailers should accurately and succinctly describe the topic in the Subject field. It is a good practice to revise the stated topic as it develops through a long thread.
- As necessary, before forwarding an email, the sender should erase previous messages that are part of a long thread that has evolved through topic changes and has involved people whose participation is no longer necessary.
- Everyone is overwhelmed with the volume of email. Employees are expected to respond in a timely way to messages directly related to their job responsibilities. When unsubscribing to unwanted advertisements and solicitations that have passed through the Company's protective filters, any explanation should be courteous in tone.
- Sometimes emails continue back and forth without reaching a conclusion or answering the original question. In these cases, it may be more productive to transfer the dialog to the telephone rather than continuing to email. Email can never replace a personal conversation.

3. PROHIBITION AGAINST SECRET RECORDINGS

A critical component of a successful business environment is an open and uninhibited dialogue among colleagues. It is important that SEC employees feel free to express their opinions and views in a professional manner. In support of that goal, no employee shall be permitted to secretly record conversations among fellow employees, customers, vendors, or other third parties. Nor shall any employee secretly record company meetings or other company events. Any recording of any conversations or meetings, either on or off premises, in connection with Sharp matters of any kind, must be done with the knowledge of all participants, unless approved by the Legal Department in connection with a formal investigation.

4. PERSONAL USE OF THE COMPANY'S ELECTRONIC MESSAGING SYSTEMS

part of their jobs, customer lists, and product planning ideas—all the assets that help to make Sharp successful. (Sharp's suppliers, vendors, licensors and other parties also furnish us with their property, usually intellectual property. Where this information is furnished under nondisclosure agreements, we have often agreed to treat their confidential information in the same way we treat our own confidential information.) Any of these properties can be misappropriated to the disadvantage of all who have worked to make them valuable. To protect Sharp property, it is the Company's policy to vigorously prosecute the misappropriation, theft or unauthorized use or disclosure of Sharp's property, including its confidential information.

The value of Sharp's confidential information can also be inadvertently lost or diminished through its unauthorized disclosure. Accordingly, employees must treat all such information with the respect with which they would treat their own property. All employees must be vigilant so as not to disclose confidential ideas or information to others who in turn could pass such information to Sharp's competitors.

9. CONFLICTS OF INTEREST

It is our policy that all Sharp employees must avoid placing themselves in any situation which might result in an actual or apparent conflict between their own interests and those of the Company. For further guidance, see Chapter I, Guidelines for Conduct Within Sharp.

Thus, while Sharp encourages employees to speak out on public issues and to be active in public life, it is important that they do so as individuals and not give the appearance that they are speaking for or acting on behalf of the Company. For further guidance, see Chapter I, Guidelines for Conduct Within Sharp.

Similarly, when employees are involved in activities for personal gain, there is the possibility that this could be or appear to be in conflict with Sharp's interests. Thus, if employees do outside work, the work must not be in competition with Sharp, and may not be performed on Company time, or in Sharp facilities, and it must not involve Sharp equipment, information or resources. Sharp employees and their immediate family members may not have any financial interest in any supplier, competitor, customer or other business that could cause divided loyalty or even the appearance of divided loyalty. Any individual with doubts or questions about the propriety of holding a financial interest in any other company or enterprise should disclose the interest to Sharp and discuss the question of its propriety with the Human Resources or the Legal Department.

10. TIPS, GIFTS AND ENTERTAINMENT

No Sharp employee, or any member of his or her immediate family, may accept significant gratuities or gifts of money or other items of value from a supplier, customer or anyone in an actual or potential business relationship with Sharp. Nor may they accept a gift or consideration that could be perceived as having been offered because of the business relationship, other than for items of token value (i.e. less than \$25).

Chapter C. Attendance and Work Schedules

1. ATTENDANCE AND PUNCTUALITY

Good attendance and punctuality are necessary for the smooth functioning of our organization. All employees are expected to maintain proper attendance records and arrive promptly at their desks or work locations each day.

When an employee finds it necessary to be absent, it is his or her responsibility to notify his or her supervisor within one half-hour of his or her regular starting time. Failure to do this may result in the absence being counted as an unexcused absence without pay. An absence for three or more working days requires a doctor's note confirming the employee's illness and that the employee is able to return to work and perform the essential functions of his or her job. This note must be filed by the Corporate Benefits Department. Therefore, depending upon location, employees must directly hand it to Corporate Benefits or their Human Resources representative who must pass it to Corporate Benefits. The employee has the option, but is not required to give a copy of the note to his or her direct supervisor. SEC reserves the right to require a doctor's certificate in the case of absences of less than three days. Employees who are absent without notice for three days or longer are considered to have abandoned their position as of the last day worked and their employment will be terminated.

Employees are expected to be at their desks ready to begin work at their assigned start time. Therefore, when an employee is going to first arrive at their workstation five minutes late or more, it is the employee's responsibility to notify his/her supervisor about their arrival status prior to the scheduled start time.

2. WORK SCHEDULE AND BREAKS

The Company has established work schedules for employees, in accordance with applicable laws and regulations, to ensure the Company's ability to meet the needs of its business.

The Company will advise each employee of details on his or her starting and quitting times.

The basic workday at Headquarters is 9:00 a.m. until 5:00 p.m. Other schedules may be in effect at Branch locations

Meal periods and breaks are authorized by department and group management. They are scheduled in a manner to conform with legal requirements, minimize disruption, and ensure continuity in the Company's operations.

3. MEDICAL EMERGENCIES

Chapter D.

Wage and Salary Practices

1. SHIFT DIFFERENTIAL

Eligible employees working on either the second or third shift in certain capacities, receive a 10% premium over base rates for their jobs. (Note: MIS Console Operators' regular rates reflect their scheduled work hours. Therefore, persons in these positions do not receive shift differentials.) Shift differentials are considered a part of base pay for overtime computation purposes. An employee starting work on the second or third shift and working into the following shift will receive the regular differential for all hours worked. Shift differentials are not paid to first shift personnel who work overtime.

For shift differential pay purposes, the second and third shifts are defined as follows:

- Second Shift - any shift beginning at or after 2:00 p.m. and before 10:00 p.m.
- Third Shift - any shift beginning at or after 10:00 p.m. and before 5:00 a.m.

2. OVERTIME

On occasion, overtime work is necessary to meet the requirements of our business. For that reason, the Company reserves the right to assign employees to work a reasonable amount of overtime. While the needs of individual employees should be considered when overtime is assigned, the Company's business needs are the primary factor in assigning overtime.

Compensating Non-Exempt Employees For Overtime Work

Overtime is generally scheduled in half-hour and full-hour-blocks. Employees are informed of the length of overtime authorized and are expected to punch out at the time specified. Employees may not work overtime other than that which is specifically authorized.

Lunch Hour Overtime

As a general matter, employees may not work during their lunch hour as a means of overtime. All employees are encouraged to use their lunch hours as an opportunity to take a break away from their work areas. In special business circumstances, an employee may be requested to work during lunch. In those instances, the Department Manager must obtain prior approval from the Human Resources Department. This may be done by submitting, in writing or by email, the employee's name and the reason for working during the lunch hour.

3. ASSIGNMENT OF WAGES (GARNISHMENT)

A garnishment, wage assignment or federal levy is a legal order directed to the employer of an individual against whom a money judgment has been entered. A garnishment or wage assignment requires the employer to withhold a percentage of the employee's wages from his or her paychecks until the debt has been paid off. A federal levy requires an employer to

Chapter E. Time Off

1. HOLIDAYS

Each year, Sharp distributes a list identifying the dates on which the Company will observe eleven (11) holidays. The following holidays are regularly observed as paid days off:

New Year's Eve	Labor Day
New Year's Day	Thanksgiving Day
Washington's Birthday	Day after Thanksgiving
Good Friday	Christmas Eve
Memorial Day	Christmas Day
Fourth of July	

As explained in the Personal Days section, some locations may receive additional holidays each year in lieu of Personal Days.

To qualify to receive holiday pay, (Mahwah) Union Employees must have completed their probationary periods and worked at least one day within the week the holiday is observed. Union Employees also receive two (2) *floating holidays* to be scheduled in the manner provided for in the Collective Bargaining Agreement.

Observance of President's Day, Good Friday, Day after Thanksgiving, Christmas Eve, and New Year's Eve may vary by Sharp Business Systems (SBS) location. At the sole discretion of an SBS Branch President, a branch may remain open on any of these five days or a select number of employees may be asked to work.

An SBS employee asked to work on any of the five (5) days identified above will receive regular pay for the hours worked that day and will be granted a *floating holiday* to be used with supervisor approval within thirty (30) days of the original holiday. In some cases, the SBS Branch President may dictate when the floating holiday is to be used by all employees -- for example, when an entire branch remains open for President's Day, but will close for Columbus Day instead. Floating holidays are only granted for use after the original holiday is worked; they cannot be taken in advance of a scheduled holiday workday.

2. VACATION DAYS

The vacation policy described below applies to Exempt and Non-Union Non-Exempt employees. Union employees should refer to the CBA to determine their vacation eligibility.

The calendar year in which an Exempt and Non-Union Non-Exempt employee starts employment at the Company is considered the first calendar year for the purpose of calculating eligible vacation time.

with which the employee has continuously worked with the Company. For example, if an employee is hired within the calendar year of 2000, that individual becomes eligible to accrue at the rate of fifteen (15) vacation days per year on January 1, 2004, their fifth calendar year of employment. Vacation days are earned on a daily basis throughout the calendar year. Subject to management scheduling and approval, vacation days may be taken in advance, before they are actually earned within that same calendar year.

Except to the extent state law requires otherwise, it is Sharp's policy that all vacation days are to be used during the calendar year they are earned. Thus, an employee who fails to take all of his or her available vacation days during one calendar year may not 'carry over' unused vacation to the next calendar year.

In some states, such as California, employees cannot forfeit unused earned vacation time as each calendar year ends. While employees are strongly urged to use all available vacation time in each calendar year, employees in certain states may carry over unused vacation days in accordance with applicable state law.

Unused vacation will continue to accumulate up to a maximum of the total annual accrual amount (based on years of service) plus five (5) days. Once an employee reaches this accrual cap, s/he will be unable to accrue additional vacation time until the vacation balance drops below the maximum accrual for their length of service. When the accrued vacation time no longer exceeds the accrual cap for a given year, the employee would begin accruing vacation time at the rate based on their seniority for the remainder of the year. For example, an employee in California with five (5) years of service has ten (10) unused vacation days on December 31. The employee will be able to carry over those ten (10) days and continue to earn vacation based on the rate of fifteen (15) days per year. However, the employee will not be able to accrue more than twenty (20) days at any point during the calendar year. Therefore, if the employee does not take any vacation time during the year, the accrual will stop on September 2 and the employee will not earn any additional vacation time until he/she uses some of the twenty (20) days. If the employee then uses two (2) vacation days on November 1 and 2, the accrual will resume and accrue vacation time beginning on November 1, adding to the current balance of eighteen (18) days.

Subject to departmental scheduling and approval by the Department Manager, vacation may be taken at any time during the year. Should one or more regular paid holidays occur during a vacation, the employee will not be charged vacation time for that day.

In the unfortunate event of a death in the family qualifying for Bereavement Leave while an employee is on vacation, the employee should call his or her supervisor/manager to a) extend the vacation beyond the originally approved dates or b) reschedule the vacation time for later that same calendar year. Bereavement Leave takes precedence over vacation time.

Vacation pay is paid at the rate of pay in effect at the start of the employee's vacation or at the time an advance payment is requested. Also, employees designated as commission employees will receive vacation pay calculated on the basis of their base salary. Shift premium is included in vacation pay if the employee is assigned to a premium shift on a regular basis.

Employees are encouraged to schedule and take vacation days in minimum increments of one week. Vacation time may only be used as full days.

Upon termination, an employee will receive vacation pay for unused accrued vacation days. Vacation time earned for the year in which employment ends is calculated by dividing the day of the

Bargaining Agreement for paid Sick Days starting with the first day of the month following satisfactory completion of the ninety (90) day probationary period.

Allotted and Unused Sick Days

Eligible Non-Union Non-Exempt and Union Employees are eligible to receive a maximum of ten (10) days sick leave in each calendar year without loss of straight-time pay. Sick leave is not cumulative and cannot be carried over to succeeding years.

During a Non-Union Non-Exempt Employee's first year of employment, Sick Days will be prorated for that calendar year.

Non-Union Non-Exempt and eligible Union Employees shall receive payment at their applicable rate of pay, for their remaining earned, unused Sick Days at the end of the calendar year. Exempt Employees are not entitled to any payments for unused Sick Days.

Employee Responsibilities

Paid sick leave will be granted to an eligible employee, provided the employee:

- Immediately notifies his/her Supervisor of the fact that s/he will be absent due to illness and the anticipated date of return to work. If the Supervisor is unavailable, the employee should contact the next level of management or designated contact within the business unit or the Human Resources Department. An employee who is absent without notice for three days or longer is considered to have abandoned his/her position as of the last day worked.
- Has a genuine illness that prevents the proper completion of work.

An employee who has been absent due to health reasons for three days or longer may return to work only after producing a doctor's note confirming the illness and that s/he is able to start work and perform the essential functions of his/her job. This note must be given to the Human Resources Department and a copy may be given to the employee's direct supervisor. Sharp reserves the right to require a doctor's certification in the case of absences less than three days.

Hourly Sick Leave

Eligible Non-Union Non-Exempt and Union employees may utilize sick leave on an hourly basis, provided they have commenced employment for the day. Use of sick leave is permitted on an hourly basis for such employees at the beginning of a workday when the employee notifies his/her supervisor. Hourly sick leave is not available for Exempt Employees.

When Sick Leave is Not Paid

Sick leave benefits are not applicable if the employee is receiving another benefit such as holiday or vacation pay, or the employee is not on the active payroll, i.e. taking leave of absence or laid off.

against applicable unpaid leave entitlements. STD and FMLA run concurrently in the case of non-work related disabilities.

When an employee is able to return from an approved short term disability, every reasonable effort will be made to place the employee in his/her former position. If an employee's former position is not available, he/she may be assigned to any available, comparable position for which the employee is qualified. The rate of pay will be based on the prevailing rate for the available position. The Company will make every reasonable effort to place an employee returning from a short term disability, including one for pregnancy or a related disability, in a position comparable to that held prior to commencement of such leave and at commensurate pay. If, however, due to the Company's legitimate business needs, no such position is available at the conclusion of an employee's STD, the employee will be offered one at such time as one becomes available. In no instance will an employee's reinstatement rights be less than those provided for under applicable federal, state or local law or regulation.

If medical documentation indicates that an employee is unable to return to work, and the disability will continue beyond 26 weeks; Long Term Disability (LTD) paperwork, provided the employee elected this benefit, will be given to the employee for completion.

The completed LTD paperwork will be sent to the carrier for processing.

Health coverage will terminate at the end of the twenty-six week STD entitlement and COBRA conversion information will be provided to the employee.

2. FAMILY LEAVE

Consistent with the Family Medical Leave Act (FMLA), employees who have been employed by the Company for at least twelve (12) months, and have worked at least 1,250 hours during the most recent twelve (12) month period, may take up to twelve (12) weeks of unpaid family leave within a calendar year to care for an employee's new child (by birth, placement for adoption or placement for foster care), or to care for the employee's spouse, child, parent or other eligible immediate family member who has a serious health condition, or due to the employee's own serious health condition which makes the employee unable to perform the essential functions of his or her job. However, an employee may only take family leave in connection with the birth, adoption or placement of a child for foster care during the twelve (12) months following the birth, adoption or placement for foster care.

When leave is taken after the birth or placement of a child for adoption or foster care, an employee may take leave intermittently or on a reduced leave schedule only if the employer agrees. In addition, the employee must first use all available paid time off – such as sick, vacation, or personal days. This paid time off does not extend the leave; it only provides salary for any available paid time off.

Any employee requesting family leave will be required to complete an application and, when requested to do so, have a medical provider verify the need for leave. All requests for family leave are to be submitted to the Company at least thirty (30) days prior to the date the leave is to begin. However, if circumstances do not allow for thirty (30) days advance

- a. Written documentation from the Commanding Officer, indicating the employee's military orders or training notices, must be provided to the employee's direct manager and Corporate Benefits Department.
- b. Salary continuation, from the Company, would cease during the period of Military Reserve Training. Upon returning to active employment and notification to the Benefits Department of the amount of pay received from the Government, the employee's salary would be adjusted for the difference.
- c. Continued participation in all existing Sharp fringe benefits including medical, dental, pension, 401(k), life insurance, LTD, etc., during the period of Military Reserve Training.
- d. The employee is given the option to prepay all Sharp benefits payroll deductions to cover the period while on leave or to pay the Sharp benefits payroll deductions for the period while on leave immediately after returning to work.

Active Military Leave Notification and Benefits:

- a. Written documentation from the Commanding Officer, indicating the employee's military orders, or induction information, must be provided to the employee's direct manager and Corporate Benefits Department.
- b. The Company will provide the difference in salary from what is received from the Government, including any available Vacation time, for six months from the start of the leave.
- c. Continued participation in all existing Sharp fringe benefits including medical, dental, pension, 401(k), life insurance, LTD, etc., for six months from the start of the leave. At the end of six months, the employee will be given the opportunity to continue health coverage at their expense as permitted under COBRA. In addition, s/he will be provided with paperwork for the conversion of life insurance and LTD to an individual policy.

4. JURY DUTY

The Company complies with all applicable statutes and regulations concerning leave for jury duty and required court appearances. An employee who expects to be absent because of jury duty or similar reasons should promptly discuss the situation with the Human Resources Department.

All employees other than Union employees who have not yet completed their probationary period receive the difference between the jury fee and their straight-time rate of pay (including shift premium, if applicable) for each day served as a juror, up to a company-set maximum, subject to the restrictions described in the contract or applicable policy. In the case of Non-Union employees, this maximum is 30 working days per calendar year. An additional 15 days per calendar year will be provided for grand jury service. While the Company encourages employees to fulfill their civic duties, exempt staff are expected to show judgement and responsibility by doing what they reasonably can to maintain continuity of operations while they are jurors.

Employees are to notify their supervisors immediately upon receipt of jury duty or other notice. Employees excused from jury duty during the day are expected to return to work.

Chapter G. Development And Training

1. PROFESSIONAL DEVELOPMENT

At Sharp, all employees are expected to approach their jobs as professionals in the best sense of the word. This means setting high personal performance expectations, acquiring and maintaining skills for peak performance, and developing an attitude that promotes continuous high performance and teamwork.

To help employees in their professional development, Sharp offers outside and in-house learning opportunities. Employees seeking job related college degrees are encouraged to look into Sharp's Tuition Reimbursement Program, described in Section Two below. When employees must attend outside seminars in order to develop or upgrade skills required for working their current job, such attendance is covered by the Training Assistance Program in Section Three.

Sharp also regularly offers in-house seminars. These might be organized or tailored for specific business units at Sharp or presented to a more general audience.

2. TUITION REIMBURSEMENT

The Tuition Reimbursement Program is available to employees taking graded courses in pursuit of associates, bachelors, masters and doctoral degrees at accredited community colleges, colleges and universities. Through this program, Sharp reimburses 100% of an employee's authorized tuition costs, excluding books, up to \$5,250 or 21 credits (whichever is reached first) per calendar year. Employees may take a maximum of six credits per full semester. A special one-credit allowance is permitted when an employee takes a four-credit class.

Approval of a request under the Tuition Reimbursement Program will be evaluated based upon the degree sought, the job-relatedness of the degree and the declared major. Each individual's situation and application is unique. However, in general, a request for tuition reimbursement in connection with an associates or bachelors degree is more likely to be approved than a request in connection with a graduate degree, even MBA. An employee with a declared undergraduate major that is job-related is more likely to have his or her electives covered by the Tuition Reimbursement Program if they consult with the Training & Communications Department of Human Resources prior to signing up for courses that are questionably job-related. Under no circumstances are physical education or hobby courses eligible for reimbursement.

Among conditions employees must satisfy to qualify for tuition reimbursement are:

- The request for tuition reimbursement must be made prior to enrolling in the courses.
- The school giving the courses must be accredited and approved by the Company.
- The employee must have attained post-probationary status, prior to applying for the program. (Mahwah Union employees only.)

Chapter H. Other Areas

1. SERVICE AWARDS

The Company takes pride in presenting service awards to eligible employees in recognition of continuous service. Service awards are given on the basis of completion of service of five (5) year intervals.

On an employee's fifth, tenth, fifteenth, twentieth and twenty-fifth, etc., anniversaries with Sharp Electronics Corporation, the Human Resources Department will send the employee a check and a certificate to express the Company's appreciation.

Anniversaries are based on an employee's original hire date with Sharp Electronics provided there is no break in service or company acquisition date for branch operations acquired by Sharp Electronics.

2. BULLETIN BOARDS

The Company frequently uses bulletin boards to convey various types of information to employees. Some postings are very important and useful. These include announcements of job openings, safety reminders, and legally required postings.

In addition, at the Headquarters Office there are Sharp Life, Marketing Communications and general announcement bulletin boards for employee information. The general announcement boards are located at the two time clocks. Bulletin boards are similarly used at other locations.

Bulletin boards are intended for Company and business purposes. The Human Resource Department must approve all bulletin board postings, in advance.

3. SUBSTANCE ABUSE POLICY

SEC is vitally concerned about the well-being and safety of our employees. We are equally concerned that the integrity of SEC be maintained. Accordingly, SEC has adopted a substance abuse policy. We seek to apply this policy consistent with our regard for our employees' dignity, their desire for confidentiality and our Company's obligations and business requirements.

SEC prohibits the unauthorized use, abuse, sale, transfer, distribution or possession of alcohol or illegal or unauthorized drugs on Company property or while traveling on Company business. You may neither report to work nor work while under the influence of alcohol, illegal or unauthorized drugs or controlled substances nor bring such items onto Company premises.

The abuse of alcohol or drugs at any time during your employment at SEC will be considered a violation of this policy. Since even conduct off-the-job can create dangerous on-the-job situations or affect SEC's integrity, off-duty use of alcohol or drugs which renders an employee unfit for duty or unfit to represent SEC is prohibited. Driving rental cars, or your own car, on Company business in any way that violates state or local laws is also prohibited.

An employee who is convicted of or pleads guilty or no contest to any offense involving the use, abuse, sale, transfer, distribution or possession of illegal or unauthorized drugs or controlled substances, whether on or off the job, must notify SEC's Human Resources Department in writing

Applications, which must be submitted by February 1, are available from the Human Resources Department in Mahwah or the local Human Resources Representative. Full eligibility requirements are listed on the form.

9. EMPLOYEE PERSONAL PROPERTY

The Company recognizes its obligations concerning the general safety of employees and facilities. However, responsibility for safeguarding employees' personal property rests with the owner of such property.

Employees are advised to secure valuables at all times. Wallets, purses, jewelry and other valuables should not be left unattended on desks, in rest rooms, coats, etc. As a precaution, large amounts of money and other valuables should not be brought to work.

Personal property that is lost or found on the Company's premises should be reported to the local Human Resources Department or the Facilities Department at Mahwah. The local Human Resources Department or the Facilities Department at Mahwah will keep track of claims for up to four (4) weeks.

10. HEALTH AND SAFETY

It is the intent of the Federal Occupational Safety and Health Act (OSHA) to ensure to the extent possible that employees work in safe and healthful surroundings. In compliance with OSHA, the Company:

- Maintains appropriate safety standards.
- Makes employees aware of their protections and obligations under OSHA.
- Trains employees in the proper use of personal protective equipment.
- Ensures that only trained and experienced personnel are permitted to operate equipment.
- Permits inspections of premises or operations by the OSHA compliance officer.
- Informs employees of hazards to which they may be exposed.

As required by OSHA, the Company recognizes the rights of employees to:

Request an inspection if they believe a violation of safety or health standard threatens physical harm.

- Have regulations posted informing them of protections offered by OSHA.
- Have an employee representative accompany an OSHA compliance officer in any inspection of the work place.
- Question, and be questioned by the OSHA compliance officer regarding possible violations.
- Where applicable, have access to Company records regarding monitoring toxic materials and receive records of personal exposure.
- Be advised of citations made to the Company, time allowed for corrections, and variance requests.

Additionally, the Company:

In the event of an early closing, an announcement will be made over the intercom.

Other Facilities: Persons employed at other facilities should follow the procedures designed to meet the particular needs of the facility where they work.

12. IDENTIFICATION BADGES

So that necessary levels of security can be maintained, all employees must present their Company ID badges to gain admittance to the facilities. Employees visiting other Company facilities should carry their ID badge as a means of identification.

13. VISITORS

All visitors to Company facilities must wear "visitor identification badges" if they proceed beyond a lobby reception area.

Business visitors are not permitted beyond the lobby reception areas without authorization from an employee. Without such authorization, business visitors are not normally permitted in any of the Company's offices or work areas before or after working hours, on weekends, or on holidays.

Non-business visits from immediate family are permitted provided an employee gives authorization. Generally, these visits should be limited to the lobby and cafeteria. However, there may be infrequent occasions in which family members drop by an employee's work area. Such visits should be brief so as to minimize any distraction to fellow workers.

14. PROPERTY REMOVAL PASS

Company property may not be removed from the premises without proper authorization. Employees removing property must complete such a pass, have it signed by an authorized person within their business unit, and present the document at their facility's Security Desk before exiting the building with the property.

Security will verify the serial number of property being removed, authorized use, and date of return if applicable. The employee will be given a copy of the pass as a receipt.

A record of all property removed from the premises is retained by Security. The record remains open until the property is returned. The Employee is responsible for any property removed.

15. PURCHASING AND SERVICING COMPANY PRODUCTS

All employees contribute to Sharp's brand image. As the company rolls out exciting new "high-tech/high-style" products and supporting marketing campaigns, it is more important than ever for employees to become among the most enthusiastic advocates of Sharp's products and brand.

To help employees (and eligible retirees) showcase Sharp products among family and friends and personally enjoy items they sell or support, the Company encourages broad participation in the Cash Sales Program by offering a wide product selection, favorable pricing, and convenience. Employees are eligible from the date of their employment and their actual start of work to

Chapter I.

Enhancement of Customer Satisfaction

INTRODUCTION

Satisfying the needs of current and potential customers is critical to SEC's success. Business units regularly monitor their markets to understand customer needs and develop and implement tactics to deliver the proper mixture of products and services that will lead to fulfilling a business plan.

This section is not intended as an exhaustive description of marketing "best practices". Rather, it offers a few general guidelines that Sharp considers important to enhancing the satisfaction of our customers.

1. CREATION OF INNOVATIVE PRODUCTS AND SERVICES THAT MEET THE NEEDS OF CUSTOMERS

- Strive to provide innovative products and services through surveys and research to properly grasp the needs of customers.
- Strive to develop essential core technologies for those products and services, in the recognition that innovative products and services not only impress the customer, but are also useful from the viewpoint of energy savings and environmental protection.

2. SECURING THE QUALITY AND SAFETY OF PRODUCTS

- Obey applicable safety laws and electromagnetic interference (EMI) standards for all nations, in addition to our own in-house regulations.
- Always be mindful of quality and safety factors. Consider product safety at every stage of research, development, production, logistics and service.

3. CUSTOMER SATISFACTION PRACTICES

- Provide customers with information on proper use, in addition to the functions and features of products.
- Respond to inquiries and complaints from customers in accordance with relevant in-house guidelines and rules, strive to understand the customer's vantage point, responding to any issue in a manner which, if possible, promotes customer satisfaction.
 1. Respond to complaints in a friendly and courteous manner, trace all problems and take all necessary actions in good faith, provide appropriate feedback to the customers on all substantial complaints.
 2. Report the opinions and needs of customers to the relevant people in the development, design, planning or quality sections, in order to put them to use as fundamental information for our business.

4. ACTIVITIES FOR THE PROTECTION OF THE ENVIRONMENT

- Comply with all applicable environmental regulations and territorial agreements and engage in voluntary activities for the protection of the global environment, such as practicing efficient use and conservation of resources and energy, in the recognition that environmental protection is an essential facet of corporate pursuits.

SHARP	Policies and Procedures		Page: 1 of 4
			Policy NO.: SEC Intranet
			Draft for Comment March 10, 2011
Prepared by:	Reviewed by:	Approved by:	Date of Last Revision:
T Cunningham	Compliance & Ethics Committee	Mr. Kondo	2-18-2007

Summary

SEC maintains a Hotline that is managed by an independent Third Party, Global Compliance. This company is an Industry leader in Compliance and Ethics Hotline management, reporting and tracking of Compliance and Ethics reports. The reports are handled on a strict confidential basis and the reports are communicated to only two designated employees at SEC, the Compliance and Ethics Officer and the General Counsel.

Employees, Customers, Suppliers or Consultants of SEC can file confidential reports through the SEC Hotline. These reports are evaluated by the Compliance and Ethics Officer and General Counsel and investigated for accuracy. The objectives of an investigation is to determine if a violation of The SEC Code of Conduct has occurred, what is the impact of this violation on SEC and implementation of remediation immediately.

Any type of report can be filed if there is a perception that a violation of the Code of Conduct has occurred or has the potential to occur.

Examples are:

- Fraudulent Reporting
- Conflict of Interest
- Abuse, Violence or Harassment in the workplace
- Antitrust Violation
- Theft of Assets
- Infringement of Copyrights or Intellectual property
- Others

If the Global Compliance operator receives a report that is not a violation of the Code of Conduct or any Law but is a HR policy related issue it is transferred to Human Resources for direct follow up.

Global Compliance operators also speak Spanish, are available 24 Hours a day and can accommodate any foreign language. There is a separate phone access number for SEC employees in Mexico and that information is shown below.

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SEC has a strict policy prohibiting retaliation of any kind as a result of filing a report through the Hotline. No employee can be terminated, demoted, suspended, threatened or harassed as result of filing a lawful Compliance and Ethics report of any kind.

If you have any question please contact your Supervisor, your Human Resources department, the SEC Compliance and Ethics Officer or the SEC Legal department. All such correspondence is confidential.

Policy

- **Sharp Electronics Corporation “SEC” maintains an open line of communication for reporting any potential violations of the SEC Code of Conduct “Code of Conduct”.**
- **Employees, Suppliers, Consultants, Customers of SEC may use an independent Hotline managed by a Third Party to report violations of the SEC Code of Conduct. These reports can be filed by phone, in writing or via the internet, at the web address dedicated by Sharp to receive these reports. (see information listed below)**
- **All such reports are strictly confidential and any report is reviewed only by the Compliance and Ethics Officer and General Counsel. Reports may be anonymous or if a name is provided, it will be held in strict confidence.**
- **Sharp’s Policy prohibits retaliation of any kind against anyone lawfully submitting a report of a violation of the SEC Code of Conduct. Retaliatory action includes discharging, demoting, suspending, threatening, or harassing an employee.**
- **The Third Party managing the SEC Hotline has been informed of this Policy and will comply with it.**

SHARP	Policies and Procedures		Page: 3 of 4
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Access to SEC Hotline

Calls from a location in the US

Hotline operator - 1-800-303-9020

Any type of violation involving a violation of the SEC Code of Conduct may be reported

Those Reports related to Human Resources Policy will be transferred to the Human Resources Department.

Calls from Mexico

Hotline Operator – 01-800-288-2872 (wait for the announcement in English)

Enter 800– 303-9020 – will connect to Mexican operator (Press 1 for Spanish or 2 for English)

Reports filed in writing:

SEC Compliance and Ethics Officer
Sharp Electronics Corporation
Sharp Plaza
Mahwah NJ 07495-1163

Attn Tom Cunningham

Your Report will be forwarded to the Compliance and Ethics Officer of SEC

	Policies and Procedures		Page: 4 of 4
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Reports filed via the Internet

<https://www.compliance-helpline.com/sharp.jsp>

Each employee of SEC has a responsibility of reporting violations of the SEC Code of Conduct , all reports are received in strict confidence and Sharp's Policy prohibits retaliation of any kind,

If you are not sure if a violation has occurs please feel free to contact the SEC Compliance and Ethics Officer x 8618 or the SEC General Counsel x 8433.

Compliance and Ethics – “The Right Way to Go”

SHARP ELECTRONICS CORPORATION

POLICY STATEMENT ON ALCOHOL, DRUG AND SUBSTANCE ABUSE

PURPOSE: Sharp Electronics Corporation recognizes that an employee's personal habits and health can have a great effect on many aspects of job performance. They affect job performance, and the safety of the employee and co-workers. As outlined in this Policy, issues related to an individual's drug, alcohol and/or substance use, abuse and/or dependency may also impact an employee's employment status, including continued employment.

As part of Sharp's effort to fulfill our responsibility to maintain a safe work environment, it is our practice to take lawful and reasonable measures to prevent alcohol and/or drug abuse by our employees. We do this to fulfill the Company's legal and other obligations, and to protect and promote the safety of our business and operations, including the quality of our products and services, and, most importantly, our employees, customers and the community.

Sharp Electronics Corporation also recognizes that alcohol, drug and other forms of substance abuse are major health concerns today. This Policy summarizes Sharp's position on substance abuse, our commitment to provide a safe and efficient workplace and our commitment to provide employees with assistance in addressing such conditions. Sharp intends to provide employees with the Company's view on substance abuse and to establish guidelines for consistent handling of situations that may arise relating to substance abuse.

POLICY: Sharp Electronics Corporation is committed to maintaining a workplace free of alcohol and drugs. The use of alcohol, drugs and other unlawful substances impairs employees' ability to perform their jobs in a safe and efficient manner. Alcohol, drug and substance abuse also adversely affect an employee's ability to produce the quality products and services that the Company strives to provide and that our customers and the public have come to expect from the Company.

It is the Company's practice to treat alcohol, drug and substance dependencies as disabilities to the extent applicable law or regulation defines them as such, to make reasonable accommodation for such disabilities to the extent required by law and to make assistance available to employees with substance abuse problems who seek help in a timely manner consistent with this Policy and the provisions of our Employee Assistance Programs ("EAP").

Employees who believe that they may have alcohol, drug and/or substance abuse problems are encouraged to seek confidential referrals from either the Corporate Human Resources, Benefits Department, directly from the EAP or through a Management Referral to the EAP for a substance abuse program. The names and numbers of Sharp's EAP programs for drug and alcohol rehabilitation are available

by calling the appropriate “800” number as distributed and posted on the HR/Benefits website. We encourage employees with substance abuse problems to obtain treatment at the earliest opportunity.

For these reasons, Sharp has adopted the following rules as part of our Human Resources practices.

A. Specific Prohibitions

Sharp Electronics Corporation prohibits the following:

1. Unlawful manufacture, sale, distribution, possession or use of illegal drugs, or drug paraphernalia at any time while on Company premises or Company business.
2. Unlawful manufacture, sale, distribution, possession or use of non-medically prescribed controlled substances at any time while on Company premises or Company business.
3. Unauthorized possession, use, manufacture, distribution, dispensation or sale of alcohol on Company premises at any time while on Company premises or Company business.
4. Storage in any desk, locker, brief case, handbag, backpack, automobile, truck or other vehicle or repository at any time while on Company premises or Company business, of any alcohol, drug/controlled substance or drug paraphernalia.
5. Use of being “under the influence” of alcohol, illegal drugs, unauthorized drugs or controlled substances, at any time while on Company premises, on Company business or during working hours.
6. Refusal to consent to testing or to submit to pre-employment, random or reasonable cause based drug or alcohol testing when directed by Management.
7. Refusal to submit to an inspection of property when requested by the Company.
8. Failing to adhere to the requirements of any alcohol or drug treatment or counseling program which an employee is instructed to attend or agrees to attend or in which an employee is enrolled, when participation and compliance are conditions for continued employment.
9. Failure to notify the Company in writing, within five days, of an employee’s conviction or plea of guilty or no contest of a criminal drug statute for a violation occurring in or relating to any workplace or Company activity or business.

B. Suspected Alcohol / Drug Abuse

1. In accordance with the aforementioned prohibitions, any suspicion of alcohol and/or drug abuse by an employee will be carefully investigated by Management.
2. Management will address such matter with an employee based upon Management's judgment as to whether the employee appears to have used alcohol and/or drugs or to have otherwise violated this Policy. Factors that the Company may consider include, but are not limited to, performance deficiencies, violations of safety procedures, creating or causing a safety hazard, involvement in any accident, injury to any person, causing damage to Company or other property, or violation of the aforementioned prohibitions.
3. Based upon the totality of the circumstances as determined by the Company, violation of the prohibitions set forth above may result in suspension, immediate termination of employment or referral to the Employee Assistance Program (EAP) through the Management Referral Program or other action as determined by Management to be appropriate. An employee's willingness to participate in the Management Referral Program may be a determining factor relative to the continuation of employment, but will not preclude termination or any other action.

C. Prohibitions and Consequences

Alcohol Prohibitions

Sharp Electronics Corporation prohibits any employee from reporting to work, remaining at work or engaging in Company activities at any location, with an alcohol Breathalyzer concentration of 0.02 or greater or the applicable state law standard where such standard is more restrictive.

Any employee who is directed to take a Breathalyzer test and refuses to do so is in violation of this Policy.

Drug Prohibitions

Sharp Electronics Corporation prohibits any use or possession of illegal drugs or drug paraphernalia or any drug use (including prescription medications) by employees that could affect performance.

Sharp Electronics Corporation prohibits the use of any drug, except by prescription from a physician and only if the physician has advised the employee that such a prescription drug will not adversely effect the employee's ability to safely perform the essential functions of his/her position. If an employee is unable to perform safely and without adverse impact on performance due to the effects of a medication that the employee is taking by doctor's orders, the employee should

contact their Human Resources Representative to advise them accordingly. Human Resources will then advise the employee if a reasonable accommodation can be made.

Any employee who tests positive for drugs or who refuses or fails to take a Company required drug test is in violation of this Policy.

D. Treatment and Rehabilitation

Early recognition and treatment of alcohol and drug abuse are generally important for successful rehabilitation. If an employee comes forward, prior to any allegation of violation of this Policy and voluntarily acknowledges alcohol and/or drug abuse and requests rehabilitation assistance, Management will assist the employee in obtaining assistance. This will be done either by directing the employee to Corporate Human Resources or to the EAP through the Management Referral Program.

An employee who comes forward and acknowledges alcohol or drug dependency may, at the discretion of management, be allowed to return to work after an EAP assessment and/or the completion of a prescribed treatment program. An employee's return to work in such circumstances will be conditioned upon written documentation from the treating physician or the EAP counselor and a determination that the employee may return safely.

Continued alcohol and/or drug abuse and violation of this Policy will not be tolerated. Employees who are in rehabilitation for alcohol and/or drug abuse are generally subject to the protection of the Americans with Disabilities Act ("ADA"). However, an employee is not protected by the ADA or state or local law if it is determined that he or she is currently using or under the influence of alcohol or drugs.

E. Documentation

Documentation with respect to a violation of this Policy will generally be reviewed by Corporate Human Resources and/or the Legal Department prior to action.

F. Alcohol and Drug Testing

An employee will be in violation of this policy if testing reveals an alcohol level of 0.02 or higher as measured via breath testing or if testing reveals the presence of illegal drugs or controlled substances in concentrations resulting in a positive drug test.

An alcohol concentration of 0.02 (or the applicable legal standard where more restrictive) can affect such functions as judgment, reaction time, coordination and memory.

As part of its Alcohol, Drug and Substance Abuse in the Workplace Policy, Sharp requires testing under the following conditions:

1. Reasonable Suspicion of Policy Violation

Whenever Sharp concludes, in Management's judgment, that there is a reasonable basis to suspect, because of an employee's performance or conduct (e.g. attendance, accidents, etc.), or on-the-job behavior appears to have been affected in any way by alcohol, drugs, controlled substances, or the employee otherwise appears to have violated this Policy, the Company may direct the employee to submit to an alcohol and/or drug test. The employee may also be referred to the EAP, through the Management Referral Program, for an evaluation. However, an EAP evaluation is not an option for an employee who manufactures, possesses, sells or distributes drugs or illegal substances on Company premises, during Company business or during working time. These employees are subject to immediate termination.

Suitable chain-of-custody procedures, complying with applicable legal standards will be observed. All testing will be conducted at licensed laboratories.

An employee directed to undergo testing who tests positive or who enters an EAP will not be permitted to return to work without written documentation from the treating physician confirming that the employee is able to safely resume his or her position without presenting an undue risk to the health or safety of the employee or others. If an employee refuses to submit to an alcohol or drug test or contact the EAP counselor, the employee will be counseled that the issue in question will be treated as a performance matter and the consequences may include termination of employment. (Attachment I)

An employee directed to undergo drug or alcohol testing will be driven to the testing location by a designated Sharp employee or representative. An employee referred for testing may not operate his or her vehicle unless and until the results of the testing have been received and reviewed by Sharp.

2. Post-Accident Testing

Whenever an employee is involved in an accident involving Company property, occurring on Company property or during or on Company time, if the accident involves a fatality, bodily injury, or damage to property, the Company may require the employee to submit to a test for drugs and/or alcohol. Substance abuse testing will be directed in all cases involving a serious injury and/or property damage of \$500.00 or more and is in Management's discretion in other cases. Accordingly, this does not preclude testing when the amount is less than \$500.00 or where there is not a serious injury. An employee who violates this policy may be suspended, or placed on leave of absence, or directed to the EAP, through the Management Referral Program and will only be permitted to return to work in accordance with written documentation from the treating physician, EAP counselor or medical

provider. The employee's continued employment status will be reviewed and termination may result for violation of policy. (Attachment I)

An employee directed to undergo drug or alcohol testing will be driven to the testing location by a designated Sharp employee or representative. An employee referred for testing may not operate his or her vehicle unless and until the results of the testing have been received and reviewed by Sharp.

G. Medically Prescribed Drugs

Employees should notify their Human Resources representative in the event they are taking medically prescribed or over-the-counter drugs that are to be taken or used during working hours, that could impair performance. The Company will take appropriate steps to maintain the confidentiality of such information.

If an employee taking such medication is to operate equipment and/or their job involves driving any type of vehicle, the employee must report the use of medically prescribed drugs to their manager. The supervisor or manager, in consultation with the employee's physician and, if determined by the Company, a physician retained by the Company, will determine whether the Company will temporarily reassign the employee for the period of treatment or make other arrangements necessary to secure the safety and security of persons and property.

H. Confidentiality

Information regarding any employee receiving counseling, treatment or other assistance in connection with alcohol/drug abuse or dependency, as well as information regarding use of prescription medications and the results of any substance abuse testing will be treated in a strictly confidential manner. Only the persons within the chain of responsibility and Corporate Human Resources will be informed as needed. Information relative to any employee receiving assistance for substance abuse or dependency, using prescription medications or results of testing will not be retained in the employee's personnel file. Said information will be retained in a separate medical file.

I. Vendors

Sharp Electronics Corporation requires that agencies and other vendors who supply temporaries, contingent workers or other personnel to perform services on Company premises ensure that their personnel and practices are in compliance with Sharp Electronics Corporation's Policy Statement on Alcohol - Drug Abuse.

J. Consequences of Violation of this Policy

Compliance with this Policy is a condition of employment. Failure or refusal of an employee to cooperate fully, submit to any inspection or test, abide by any provision of this Policy, or follow any prescribed course of substance abuse treatment may result in disciplinary action, including termination for a first offense

at the Company's sole discretion. Employees referred to alcohol and/or drug treatment program and who are retained as employees must immediately cease any alcohol or drug abuse, must comply with all conditions of the treatment and counseling program(s), and meet all established standards of conduct and job performance both during any leave and following any return to work.

K. Post-Treatment Letter

An employee returning to work following rehabilitation will be required to sign a Post-Treatment Letter (Attachment II) and to abide by its terms.

SUMMARY: Sharp Electronics Corporation reserves the right to take any and all action deemed to be in its best interests in a given case. Sharp is committed to addressing substance abuse and dependency problems in a constructive and lawful manner and we appreciate the cooperation of all employees. The success of our program will benefit everyone by providing a safe work environment.

CONTACT: Questions regarding this policy should be referred to the Vice President of Human Resources.

**EMPLOYEE
DRUG, ALCOHOL AND SUBSTANCE TESTING
ACKNOWLEDGEMENT, CONSENT AND RELEASE FORM**

Consistent with Sharp Electronics Corporation Policy Statement on Alcohol, Drug and Substance Abuse, you are now required to submit to an alcohol, drug and/or substance test for the following reason:

- Random Testing Post Accident Testing Reasonable Suspicion Testing

The testing will be done in private in a medical environment. Positive results will be double tested. The Laboratory will only disclose to the company your fitness for the job. You will be given an opportunity to list all prescription and non-prescription drugs you have used and to explain the circumstances surrounding the use of such drugs.

* * *

By signing where indicated below, I hereby consent to allow the medical facility designated by Sharp Electronics Corporation to do an Alcohol Breathalyzer test and/or to test a sample of my urine for controlled substances, including prescription medications. I understand and agree that:

The results of the Alcohol Breathalyzer or drug test shall be used to determine my fitness for continued employment with the Company.

In the event the test results indicate the use of alcohol and/or drugs/controlled substances, at or above cutoff levels, or the misuse or abuse of legal drugs as determined by Sharp Electronics Corporation in its sole discretion, the Company may terminate my employment.

I hereby authorize the testing laboratory to release my test results to Sharp Electronics Corporation Corporate Human Resources Department to assess my fitness for employment or continued employment.

This authorization shall expire one year after the date indicated below.

I have been informed of my right to obtain a copy of this authorization.

Failure to sign and return this acknowledgement, consent and release form, or to comply with all requirements described herein may result in termination of my employment with Sharp Electronics Corporation.

Signature of Employee

Date

Name of Employee (Printed)

**EMPLOYEE - POST TREATMENT
RELEASE FORM**

Sharp Electronics Corporation has provided an opportunity for the employee indicated below to obtain Substance Abuse In-Patient and / or Out-Patient Rehabilitation treatment.

* * *

The Company requires that you refrain from use of illegal drugs and controlled substances and the unauthorized use of prescription medications for the duration of your employment, as well as from the unauthorized use of alcohol on Company premises including business hours. Any violation of the Sharp Electronics Corporation Policy Statement on Alcohol – Drug Abuse will result in immediate termination of employment.

The In-Patient Rehabilitation Treatment for _____
Name of Employee (Printed)
was completed on _____.

The Out-Patient Rehabilitation Treatment for _____
Name of Employee (Printed)
was completed on _____.

The physician / EAP Counselor _____
Name of Provider (Printed)
has provided _____
Name of Employee (Printed)

with a written release to return to work on _____.

I understand and agree that if I am in violation of the Sharp Electronics Corporation Policy Statement on Alcohol, Drug and Substance Abuse Policy, I will be subject to immediate termination of my employment.

I have been informed of my right to obtain a copy of this authorization.

I understand that failure to sign and return this acknowledgment, post-treatment release form or to comply with all requirements described herein will result in immediate termination of my employment.

Signature of Employee

Date

Name of Employee (Printed)

SEXUAL HARASSMENT POLICY

It is the policy of Sharp Electronics Corporation that there will be no unlawful discrimination against any employee. It is our goal to provide all of our employees with a work environment in which they will be treated with dignity and respect by management and co-workers. In keeping with this policy, our Company will not tolerate harassment on the basis of sex, age, color, creed, religion, sexual orientation, citizenship status, race, national origin, disability or any other legally protected characteristic of any of our employees. Our managerial and supervisory employees are instructed and trained in preventing such conduct. The following are examples of conduct and actions prohibited under Sharp's policies.

1. Abusing the dignity of an employee through unwelcome, insulting, or degrading sexual jokes or conduct;
2. Making threats, demands, or suggestions that an employee's work status or any employment decision affecting an employee is, or will be, contingent upon his/her tolerance of or acquiescence to sexual advances or requests of sexual favors;
3. Substantially interfering with any employee's work performance or creating an intimidating, hostile, or offensive work environment through unlawful harassment or discrimination; and;
4. Retaliation against employees for complaining about such behavior, furnishing such information, or participating in any manner investigation of such behavior.

If you believe that you have been or are being harassed, you should contact your supervisor, the Human Resources Department, or any member of management immediately and in the way you feel most comfortable. If you are an employee subject to the Dispute Resolution Program, you should follow that program's complaint procedures. Although these are our Company's procedures for reporting incidents of harassing behavior, they are not intended to impair, replace, or limit the right of any employee to seek a remedy under available state or federal law.

The Human Resources Department has the primary responsibility of investigating and resolving all complaints involving sexual and other forms of harassment. All complaints will be fully investigated and, where necessary, appropriate action taken. All actions taken to investigate and resolve such complaints are conducted in strictest confidence to the extent practicable under the circumstances.

Our Company considers sexual and other forms of prohibited harassment to be a major offense. Any employee found to be in violation of this policy will be subject to disciplinary action, up to and including dismissal.

We want all our employees to know that they can work in security and dignity, and are not required to endure unwelcome, unlawful treatment or conduct.

For complete descriptions of the Company's Discrimination and Sexual Harassment Policy and related Complaint Procedure, please refer to the Employee Handbook.

ATTACHMENT BB

SUBCONTRACTOR PARTICIPATION LIST

This list shall include the name and complete address of all Subcontractors who qualify as SLBEs or ELBEs. Contractors may also list participation by MBE, WBE, DBE, DBVE and OBE firms. However, no additional points will be awarded for participation by these firms, except that DVBEs that qualify as local businesses shall counted as SLBEs.

Contractor shall also submit Subcontractor commitment letters on Subcontractor’s letterhead, no more than one page each, from Subcontractors listed below to acknowledge their commitment to the team, scope of work, and percent of participation in the project.

Subcontractors shall be used in the percentages listed. No changes to this Participation List will be allowed without prior written City approval.

NAME AND ADDRESS <small>SUBCONTRACTORS</small>	SCOPE OF WORK	PERCENT OF CONTRACT	DOLLAR AMOUNT OF CONTRACT	SLBE/ELBE (*MBE/ WBE/DBE/ DVBE/OBE)	** WHERE CERTIFIED
Imaging Plus – Ricoh 8445 Camino Sante Fe Ste 102 San Diego, CA 92121	Deliver/Install	6%		SLBE	CA
Copy Carriers 16930 S Main Street Gardena, CA 90248	Delivery/Install	1%		SLBE	CA
Business Solutions Transport PO Box 1545 Canyon County, CA 91386	Delivery/Install	1%		SLBE	CA

* Listed for informational purposes only.

** Contractor shall indicate if Subcontractor is certified by one of the agencies listed in Section VII of the Equal Opportunity Contracting Program (EOCP) Attachment.

List of Abbreviations:

- | | |
|--|------|
| Certified Minority Business Enterprise | MBE |
| Certified Woman Business Enterprise | WBE |
| Certified Disadvantaged Business Enterprise | DBE |
| Certified Disabled Veteran Business Enterprise | DVBE |
| Other Business Enterprise | OBE |
| Small Local Business Enterprise | SLBE |
| Emerging Local Business Enterprise | ELBE |

SBS San Diego Subcontractor/Vendor List

Name of Subcontractor	Address	Scope of Work	Percent of Contract	Dollar Amount of Contract	SLBE/ELBE (* /MBE/ WBE/DBE/ DVBE/OBE)	Where Certified
AXL Delivery Services	4801 Carolwood Dr. Plano, TX 75024	Delivery/Installation			SLBE	Texas
The Betty Mills Company, Inc.	2121 S El Camino Real, Ste D-100 San Mateo, CA 94403	Inventory			SLBE	California
Birdrock Enterprises, Inc.	10531 4S Commons Dr., Ste 166-504 San Diego, CA 92127	Technical Services			WBE	California
Bradshaw Engineering Corporation	8645 Argent Street, Ste B Santee, CA 92071	Supplemental Warehouse			SLBE	California
Business Solutions Transport, Inc.	PO Box 1545 Canyon Country, CA 91386	Delivery/Installation			WBE	California
Coleman University	8888 Balboa Ave San Diego, CA 92123	Training & EDVMC			SLBE	California
Copy Carriers	16930 S Main Street Gardena, CA 90248	Delivery/Installation			SLBE	California
West-Mark/Digital Factory	PO Box 100 Ceres, CA 95307	Inventory			SLBE	California
DisplayWerks	2747 29th Avenue Tumwater, WA 98512	Inventory			SLBE	Washington
DSA Phototech LLC	16961 Central Ave Carson, CA90746	Inventory Supplier			SLBE	California
EDU Business Solutions	630 Ash Street San Diego, CA 92101	Subcontractor			SLBE	California
Greater San Diego Air Conditioning Company, Inc.	8141 Center Street La Mesa, CA 91942	Repair & Maintenance			SLBE	California
HAF Industries	9625 Mission Gorge rd. Ste. B2-316 Santee, CA 92071	Uniform Services			SLBE	California
Horizon Technology, LLC	1 Rancho Circle Lake Forest, CA 92630	Inventory Supplier			SLBE	California
ITAV Solutions	8112 Engineer Road San Diego, CA 92111	Subcontractor			SLBE	California
Lake Elsinore Valley Chamber of Commerce	132 W Graham Ave Lake Elsinore, CA 92530	Association			SLBE	California
Magical Moments	7435 Andasol Street San Diego, CA 92128	DJ Services			SLBE	California
MyOffice	6060 Nancy Ridge Drive Suite 100 San Diego, CA 92121	Subcontractor			SLBE	California
North Eastern Office Supply	32 West Main Vernal, UT 84078	Subcontractor			WBE	Utah
PC Auto Reconditioning	1823 Raymnd Avenue Ramona, CA 92065	Repairs			SLBE	California
Rexco Magnolia LLC	2518 N Santiago Blvd. Orange, CA 92867	Real Estate Lease			SLBE	California
SBS of Bakersfield	3001 Auto Mall Dr., Ste. 200 Bakersfield, CA 93313	Subcontractor			SLBE	California
SDA Security Inc.	2054 State Street San Diego, CA 92101	Services			SLBE	California
Swift Express Courier	7841 Balboa Ave, Ste. 207 San Diego, CA 92111	Delivery/Installation			SLBE	California
Zoom Imaging Solutions Inc.	9816 Business Park Dr. Ste A Sacramento, CA 95827	Subcontractor			SLBE	California



Digital Document Solutions™

July 27, 2011

Chris Hart
Sharp Business Systems
8670 Argent Street
Santee, CA 92071

Chris,

Please accept this note as confirmation that Imaging Plus is a factory authorized Ricoh dealer and that the Ricoh equipment included in your bid will be covered by factory trained technicians for the life of the contract.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Wickers", with a long horizontal flourish extending to the right.

Timothy K. Wickers
Partner



City of San Diego.

Attachment AA

EQUAL OPPORTUNITY CONTRACTING (EOC)

1010 Second Avenue • Suite 500 • San Diego, CA 92101

Phone: (619) 533-4464 • Fax: (619) 533-4474

WORK FORCE REPORT

ADMINISTRATIVE

The objective of the *Equal Employment Opportunity Outreach Program*, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed *Work Force Report (WFR)*.

CONTRACTOR IDENTIFICATION

Type of Contractor: Construction Vendor/Supplier Financial Institution Lessee/Lessor
 Consultant Grant Recipient Insurance Company Other

Name of Company: Sharp Business Systems of San Diego

AKA/DBA: _____

Address (Corporate Headquarters, where applicable): 8670 Argent Street

City San Diego County San Diego State CA Zip 92121

Telephone Number: (619) 258-1400 FAX Number: (619) 258-1402

Name of Company CEO: Dale Wedge

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):
 Address: _____
 City _____ County _____ State _____ Zip _____
 Telephone Number: () _____ FAX Number: () _____

Type of Business: Electronics Manufacturing Type of License: _____

The Company has appointed: Lee Anne Williams
 as its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate, and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:
 Address: 8670 Argent Street, San Diego CA 92121
 Telephone Number: (619) 258-1400 FAX Number: (619) 258-1402

- One San Diego County (or Most Local County) Work Force - Mandatory
- Branch Work Force *
- Managing Office Work Force

Check the box above that applies to this WFR.

*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.

I, the undersigned representative of Sharp Business Systems of San Diego
 (Firm Name)
San Diego, California hereby certify that information provided
 (County) (State)

herein is true and correct. This document was executed on this 26th day of 2011 July
Lee Anne Williams Lee Anne Williams
 (Authorized Signature) (Print Authorized Signature)

ACKNOWLEDGMENT

State of California
County of San Diego

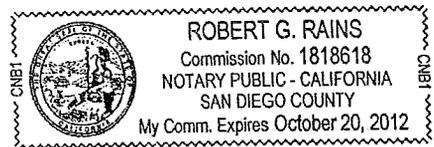
On 7/26/11 before me, Robert G. Rains, Notary Public
(insert name and title of the officer)

personally appeared Lee Anne Williams
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



WORK FORCE REPORT - NAME OF FIRM: Shapp Business Systems of San Diego DATE: 7/26/11

OFFICE(S) or BRANCH(ES): San Diego Office COUNTY: San Diego

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- (1) Black, African-American
- (2) Hispanic, Latino, Mexican-American, Puerto Rican
- (3) Asian, Pacific Islander
- (4) American Indian, Eskimo
- (5) Filipino
- (6) White, Caucasian
- (7) Other ethnicity; not falling into other groups

OCCUPATIONAL CATEGORY	(1) Black		(2) Hispanic		(3) Asian		(4) American Indian		(5) Filipino		(6) White		(7) Other Ethnicities		
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	
	Management & Financial	1	1		1	1							10	3	
Professional															
A&E, Science, Computer															
Technical	1		4		2							20		1	
Sales	2	1	1	3	1							11	3		1
Administrative Support	1	1		2		1							9		
Services															
Crafts															
Operative Workers															
Transportation															
Laborers*	2			1								1	1		

*Construction laborers and other field employees are not to be included on this page

Totals Each Column	7	3	5	7	4	1						42	16	1	1
--------------------	---	---	---	---	---	---	--	--	--	--	--	----	----	---	---

Grand Total All Employees 87

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled

Disabled															
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Non-Profit Organizations Only:

Board of Directors															
Volunteers															
Artists															



CITY OF SAN DIEGO WORK FORCE REPORT – ADMINISTRATIVE

HISTORY

The Work Force Report (WFR) is the document that allows the City of San Diego to analyze the work forces of all firms wishing to do business with the City. We are able to compare the firm’s work force data to County Labor Force Availability (CLFA) data derived from the United States Census. CLFA data is a compilation of lists of occupations and includes the percentage of each ethnicity we track (Black, Hispanic, Asian, American Indian, Filipino) for each occupation. Currently, our CLFA data is taken from the 2000 Census. In order to compare one firm to another, it is important that the data we receive from the Contractor firm is accurate and organized in the manner that allows for this fair comparison.

WORK FORCE & BRANCH WORK FORCE REPORTS

When submitting a WFR, especially if the WFR is for a specific project or activity, we would like to have information about the firm’s work force that is actually participating in the project or activity. That is, if the project is in San Diego and the work force is from San Diego, we want a San Diego County Work Force Report.¹ By the same token, if the project is in San Diego, but the work force is from another county, such as Orange or Riverside County, we want a Work Force Report from that county.² For example, if participation in a San Diego project is by work forces from San Diego County, Los Angeles County and Sacramento County, we will ask for separate Work Force Reports representing the work forces of

your firm from each of the three counties.^{1,2} On the other hand, if the project will be accomplished completely outside of San Diego, we ask for a Work Force Report from the county or counties where the work will be accomplished.²

MANAGING OFFICE WORK FORCE

Equal Opportunity Contracting may occasionally ask for a Managing Office Work Force (MOWF) Report. This may occur in an instance where the firm involved is a large national or international firm but the San Diego or other local work force is very small. In this case, we may ask for both a local and a MOWF Report.^{1,3} In another case, when work is done only by the Managing Office, only the MOWF Report may be necessary.³

TYPES OF WORK FORCE REPORTS:

Please note, throughout the preceding text of this page, the superscript numbers one ¹, two ² & three ³. These numbers coincide with the types of work force report required in the example. See below:

- ¹ One San Diego County (or Most Local County) Work Force – Mandatory in most cases
- ² Branch Work Force *
- ³ Managing Office Work Force

**Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county*

Exhibit: Work Force Report Job categories

Refer to this table when completing your firm’s Work Force Report form(s).

Management & Financial

Advertising, Marketing, Promotions, Public Relations, and Sales Managers
Business Operations Specialists
Financial Specialists
Operations Specialties Managers
Other Management Occupations
Top Executives

Professional

Art and Design Workers
Counselors, Social Workers, and Other Community and Social Service Specialists
Entertainers and Performers, Sports and Related Workers
Health Diagnosing and Treating Practitioners
Lawyers, Judges, and Related Workers
Librarians, Curators, and Archivists

Life Scientists
Media and Communication Workers
Other Teachers and Instructors
Postsecondary Teachers
Primary, Secondary, and Special Education School Teachers
Religious Workers
Social Scientists and Related Workers

Architecture & Engineering, Science, Computer

Architects, Surveyors, and Cartographers
Computer Specialists
Engineers
Mathematical Science Occupations
Physical Scientists

Technical

Drafters, Engineering, and Mapping Technicians
Health Technologists and Technicians
Life, Physical, and Social Science Technicians
Media and Communication Equipment Workers

Sales

Other Sales and Related Workers
Retail Sales Workers
Sales Representatives, Services
Sales Representatives, Wholesale and Manufacturing
Supervisors, Sales Workers

Administrative Support

Financial Clerks
Information and Record Clerks
Legal Support Workers
Material Recording, Scheduling, Dispatching, and Distributing Workers
Other Education, Training, and Library Occupations
Other Office and Administrative Support Workers
Secretaries and Administrative Assistants
Supervisors, Office and Administrative Support Workers

Services

Building Cleaning and Pest Control Workers
Cooks and Food Preparation Workers
Entertainment Attendants and Related Workers
Fire Fighting and Prevention Workers
First-Line Supervisors/Managers, Protective Service Workers
Food and Beverage Serving Workers
Funeral Service Workers
Law Enforcement Workers
Nursing, Psychiatric, and Home Health Aides
Occupational and Physical Therapist Assistants and Aides
Other Food Preparation and Serving Related Workers
Other Healthcare Support Occupations

Other Personal Care and Service Workers
Other Protective Service Workers
Personal Appearance Workers
Supervisors, Food Preparation and Serving Workers
Supervisors, Personal Care and Service Workers
Transportation, Tourism, and Lodging Attendants

Crafts

Construction Trades Workers
Electrical and Electronic Equipment Mechanics, Installers, and Repairers
Extraction Workers
Material Moving Workers
Other Construction and Related Workers
Other Installation, Maintenance, and Repair Occupations
Plant and System Operators
Supervisors of Installation, Maintenance, and Repair Workers
Supervisors, Construction and Extraction Workers
Vehicle and Mobile Equipment Mechanics, Installers, and Repairers
Woodworkers

Operative Workers

Assemblers and Fabricators
Communications Equipment Operators
Food Processing Workers
Metal Workers and Plastic Workers
Motor Vehicle Operators
Other Production Occupations
Printing Workers
Supervisors, Production Workers
Textile, Apparel, and Furnishings Workers

Transportation

Air Transportation Workers
Other Transportation Workers
Rail Transportation Workers
Supervisors, Transportation and Material Moving Workers
Water Transportation Workers

Laborers

Agricultural Workers
Animal Care and Service Workers
Fishing and Hunting Workers
Forest, Conservation, and Logging Workers
Grounds Maintenance Workers
Helpers, Construction Trades
Supervisors, Building and Grounds Cleaning and Maintenance Workers
Supervisors, Farming, Fishing, and Forestry Workers

CO= 9083124
 UF= 9083124

EQUAL EMPLOYMENT OPPORTUNITY
 2010 EMPLOYER INFORMATION REPORT
 CONSOLIDATED REPORT - TYPE 2

SECTION B - COMPANY IDENTIFICATION

1. SHARP ELECTRONICS CORP
 1 SHARP PLAZA
 MAHWAH, NJ 07495

SECTION C - TEST FOR FILING REQUIREMENT

2.a. SHARP ELECTRONICS CORP
 1 SHARP PLAZA
 MAHWAH, NJ 07495

1-Y 2-N 3-Y DUNS NO.:001818012

c. Y

SECTION E - ESTABLISHMENT INFORMATION

NAICS:

SECTION D - EMPLOYMENT DATA

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO										OVERALL TOTALS					
	MALE	FEMALE	***** MALE *****					***** FEMALE *****										
			WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN		AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES			
EXECUTIVE/SR OFFICIALS & MGRS	2	0	36	1	0	7	1	0	1	0	0	0	0	0	0	0	0	48
FIRST/MID OFFICIALS & MGRS	20	7	268	17	0	28	0	0	65	9	0	9	0	0	0	0	0	423
PROFESSIONALS	22	6	224	6	0	63	1	1	76	7	0	23	0	0	0	0	1	430
TECHNICIANS	47	1	199	25	0	29	2	8	7	0	0	0	0	0	0	0	0	319
SALES WORKERS	16	9	244	15	0	8	1	3	79	8	0	2	0	0	0	0	0	388
ADMINISTRATIVE SUPPORT	6	38	41	8	0	4	0	0	206	23	1	17	1	0	0	0	0	345
CRAFT WORKERS	2	0	19	18	0	2	0	0	2	35	0	0	0	0	0	0	0	78
OPERATIVES	4	0	37	118	0	2	0	0	24	227	0	0	0	0	0	0	0	412
LABORERS & HELPERS	2	2	9	7	0	0	0	0	5	5	0	1	1	0	0	0	0	32
SERVICE WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	121	63	1077	215	0	143	5	12	465	314	1	52	3	0	0	0	0	2475
PREVIOUS REPORT TOTAL	133	75	1121	246	2	143	6	13	476	371	0	55	4	0	0	0	0	2648

SECTION F - REMARKS

DATES OF PAYROLL PERIOD: 08/19/2010 THRU 09/01/2010

SECTION G - CERTIFICATION

CERTIFYING OFFICIAL: DAVID ALAI
 EEO-1 REPORT CONTACT PERSON: TRACY HUBER
 EMAIL: hubert@sharpsec.com

TITLE: VICE PRESIDENT HUMAN RESOURCES
 TITLE: SR. HUMAN RESOURCES MANAGER
 TELEPHONE NO: 2015290319

CERTIFIED DATE[TJ: 09/28/2010 09:05 AM

Community Involvement

Sharp Business Systems San Diego participates in numerous community events every year. Events include:

- Sponsor/Participant: Relay for Life to benefit the American Cancer Society
- Sponsor/Participant: Blood Donations for the American Red Cross
- Sponsor: Sharp Chula Vista Hospital Foundation
- Sponsor: Sharp Coronado Hospital Foundation
- Affinity Partner: Consumer Attorneys of San Diego
- Circle of Influence Member of Greater San Diego Chamber of Commerce
- Sponsor: Diamond in the Rough Gala Event to benefit Monarch School
- Participant: 2010 Kratos Golf Tournament Benefit Wounded Warriors Foundation
- Member/Sponsor: LeTip of Greater San Diego
- Member: IFMA San Diego Annual Charity Golf Tournaments to benefit San Diego Youth Services (SDYS)
- Sharp Business Systems San Diego employees raised over \$5,000 this year for Breast Cancer Awareness through several events such as Bakes Sales and Lee Denim Day contributions.



Sharp Business Systems Presents the
**38th Annual Sharp HealthCare Foundation
Golf Tournament**



Sponsorship Opportunities

**Beneficiary:
Emergency and Trauma Services at the
Stephen Birch Healthcare Center at
Sharp Memorial Hospital**

SHARP HealthCare
Foundation



Sharp HealthCare Foundation is a 501(c)(3) not-for-profit organization.
Federal Tax ID #95-3492461

ATTACHMENT 3

EQUAL OPPORTUNITY CONTRACTING PROGRAM (EOCP)

GOODS OR SERVICES CONTRACTOR REQUIREMENTS

TABLE OF CONTENTS

- I. **City's Equal Opportunity Commitment.** The City of San Diego (City) is strongly committed to equal opportunity for employees and Subcontractors of Contractors doing business with the City. The City encourages its Contractors to share this commitment. Contractors are encouraged to take positive steps to diversify and expand their Subcontractor solicitation base and to offer consulting opportunities to all eligible Subcontractors.

Sharp Business Systems- San Diego was a locally owned small business operating in San Diego County since 1969 before being acquired by Sharp Electronics in 2007. Most of the employees and management staff stayed on with the company through the acquisition and are still here today. We believe strongly in supporting San Diego's small business community. Our "Community Activities" tab and "Vendor/Subcontractor" tab show just some of the way we are involved in the local business community.

- II. **Nondiscrimination in Contracting Ordinance.** All Contractors doing business with the City, and their Subcontractors, must comply with requirements of the City's *Nondiscrimination in Contracting Ordinance*, San Diego Municipal Code Sections 22.3501 through 22.3517.

- A. Bid or Proposal Documents to include Disclosure of Discrimination Complaints. As part of its bid or proposal, Contractor shall provide to the City a list of all instances within the past ten (10) years where a complaint was filed or pending against Contractor in a legal or administrative proceeding alleging that Contractor discriminated against its employees, Subcontractors, vendors, or suppliers, and a description of the status or resolution of that complaint, including any remedial action taken.

Sharp Business Systems- San Diego has no complaints on file.

- B. Nondiscrimination in Contracting. The following language shall be included in contracts for City projects between the Contractor and any Subcontractors, vendors, and suppliers:

Contractor shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, or suppliers. Contractor shall provide equal opportunity for Subcontractors to participate in opportunities. Contractor understands and agrees that violation of this clause shall be considered a material breach of the contract and may result in contract termination, debarment, or other sanctions.

Sharp Business Systems agrees with the verbiage listed in section B and will make sure it is included in all contracts going forward.

- C. Contract Disclosure Requirements. Upon the City's request, Contractor agrees to provide to the City, within sixty (60) calendar days, a truthful and complete list of the names of all Subcontractors, vendors, and suppliers that Contractor has used in the past five (5) years on any of its contracts that were undertaken within County of San Diego, including the total dollar amount paid by Contractor for each subcontract or supply contract. Contractor further agrees to fully cooperate in any investigation conducted by the City pursuant to the City's Nondiscrimination in Contracting Ordinance, Municipal Code Sections 22.3501 through 22.3517. Contractor understands and agrees that violation of this clause shall be considered a material breach of the contract and may result in remedies being ordered against the Contractor up to and including contract termination, debarment and other sanctions.

Sharp Business Systems- San Diego agrees to comply with this request. We do utilize a number of subcontractors and vendors. Most of these are San Diego county local businesses. We have included a section in our response under the tab "Vendor/Subcontractor List". The list shows a number of vendors and subcontractors we are working with in San Diego County and in some other states. Each Sharp Business Systems Branch around the country would also have a similar list of vendors and subcontractors. Sharp Electronics as a whole would have an even greater list.

III. Equal Employment Opportunity Outreach Program. Contractors shall comply with requirements of San Diego Municipal Code Sections 22.2701 through 22.2707. Contractors shall submit with their bid or proposal a *Work Force Report* for approval by the Program Manager of the City of San Diego Equal Opportunity Contracting Program (EOCP).

A. Nondiscrimination in Employment. Contractor shall not discriminate against any employee or applicant for employment on any basis prohibited by law. Contractor shall provide equal opportunity in all employment practices. Contractors shall ensure that their subcontractors comply with this program. Nothing in this Section shall be interpreted to hold a Contractor liable for any discriminatory practice of its subcontractors.

Sharp Business Systems agrees with Section A. Please see the supporting documentation we have provided in our EOC response binder.

B. Work Force Report. If based on a review of the *Work Force Report* (Attachment AA) submitted an EOCP staff Work Force Analysis determines there are under representations when compared to County Labor Force Availability data, then the Contractor will also be required to submit an *Equal Employment Opportunity (EEO) Plan* to the Program Manager of the City of San Diego Equal Opportunity Contracting Program (EOCP) for approval

Sharp Business Systems agrees with Section B. Please see the supporting documentation we have provided in our EOC response binder.

C. Equal Employment Opportunity Plan. If an *Equal Employment Opportunity Plan* is required, the Program Manager of EOCP will provide a list of plan requirements to Contractor.

Sharp Business Systems agrees with Section C. Please see the supporting documentation we have provided in our EOC response binder.

IV. Small and Local Business Program Requirements. The City has adopted a Small and Local Business Enterprise (SLBE) program for Goods or services contracts. SLBE program requirements for goods or services contracts are set forth Council Policy 100-10.

A. SLBE and ELBE Participation for Contracts Valued Over \$50,000: 1.

1. The City shall apply a bid discount in the way of:
 - a. 2% discount off the bid price for SLBE or ELBE prime contractors; or
 - b. 2% discount off the bid price for prime contractors achieving the voluntary goal of 20% for SLBE or ELBE subcontractor participation set forth in subsection 2 below.

The discount will not apply if an award to the discounted bidder would result in a total contract cost of \$10,000 in excess of the low, non-discounted bid. In the event of a tie between a discounted bidder and non-discounted bidder, the discounted bidder will be awarded the contract.

2. All goods or services contracts valued over \$50,000 or more have a voluntary SLBE/ELBE goal of 20%. For the purposes of this Council Policy, the subcontractor requirement may be met by a provider of materials or supplies. Details can be found at <http://www.sandiego.gov/eoc/boc/slbe.shtml>.

- B. Subcontractor Participation List. The *Subcontractor Participation List* (Attachment BB) shall indicate the Name and Address, Scope of Work, Percent of Total Proposed Contract Amount, Certification Status and Where Certified for each proposed Subcontractor.

Sharp Business Systems believes that it is important for the City of San Diego to enter into an agreement with a company large enough and financial sound enough to handle most, if not all of this project on their own. The Rental Convenience Copier project is extremely large, technical, and important to the City of San Diego. The copiers are vital to City of San Diego and need to be managed by a contractor capable of handling such a large project. Due to the nature of the project and the size of Sharp Business Systems, there is not a lot of work that will be subbed out. We have the capacity to handle most of the project on our own. We believe it is in the City's best interest to work with a vendor who has that capacity for such a project. We will be using at least 3 subcontractors on this project and will be looking for ways to utilize more as we move forward. We are gaining a better understanding of the City's needs and wants with every discussion we have with the project managers. This information will be important to us in finding additional subcontractors to utilize.

- C. Commitment Letters. Contractor shall also submit Subcontractor *Commitment Letters* on Subcontractor's letterhead, no more than one page each, from all proposed Subcontractors to acknowledge their commitment to the team, scope of work, and percent of participation in the project.

Sharp Business Systems plans to utilize the following subcontractors as part of this project.

Imaging Plus
Copy Carriers- SLBE
Business Solutions Transport- SLBE

A commitment letter from Imaging Plus has been provided. Our carriers have not been notified of our intention to use them at this time because we were not far enough along in the RFP process to enter discussion with them. Letter can be obtained upon request. Addition subcontractors may be utilized as we continue our discussions with the City of San Diego and learn more about the scope of work.

- D. Contract Activity Reports. To permit monitoring of the winning Contractor's commitment to achieving compliance, *Contract Activity Reports* (Attachment CC) reflecting work performed by Subcontractors/Vendors shall be submitted quarterly for any work covered under an executed contract.

Sharp Business Systems will provide Contract Activity Reports as needed.

V. Demonstrated Commitment to Equal Opportunity. The City seeks to foster a business climate of inclusion and to eliminate barriers to inclusion.

A. Contractors are required to submit the following information with their bid or proposal:

1. Outreach Efforts. Description of Contractor's outreach efforts undertaken on this project to make subcontracting opportunities available to all interested and qualified firms including SLBE/ELBE/DBE/MBE/WBE/DVBE/OBE.

Sharp Business Systems believes that it is important for the City of San Diego to enter into an agreement with a company large enough and financial sound enough to handle most if not all of this project on their own. The Rental Convenience Copier project is extremely large, technical, and important to the City of San Diego. The copiers are vital to City of San Diego and need to be managed by a contractor capable of handling such a large project. Due to the nature of the project and the size of Sharp Business Systems, there is not a lot of work that will be subbed out. We have the capacity to handle most of the project and we believe it is in the City's best interest to work with a vendor who has that capacity for such a project. We will be using at least 3 subcontractors on this project and will be looking for ways to utilize more as we move forward. We are gaining a better understanding of the City's needs and wants with every discussion we have with the project managers. This information will be important to us in finding additional subcontractors to utilize.

2. Past Participation Levels. Listing of Contractor's Subcontractor participation levels achieved on all private and public projects within the past three (3) years. Include name of project, type of project, value of project, Subcontractor firm's name, percentage of Subcontractor firm's participation, and identification of Subcontractor firm's ownership as a certified Small or Emerging Local Business Enterprise, Woman Business Enterprise, Disadvantaged Business Enterprise, Disabled Veteran Business Enterprise, or Other Business Enterprise.

Please see the Subcontractor -Past Participation Spreadsheet

3. Equal Opportunity Employment. Listing of Contractor's strategies to recruit, hire, train and promote a diverse workforce. These efforts will be considered in conjunction with Contractor's *Workforce Report* as compared to the County's Labor Force Availability.

Sharp Business Systems is dedicated to promoting a diverse workforce. To ensure Sharp Electronics recruits and properly tracks the application process from a diverse field of candidates, Sharp Business Systems of San Diego utilizes Icims Applicant Tracking Software for all of its hiring needs. For a detailed description of our hiring practices, please see the "Hiring Practices" tab in our EOC response binder.

4. Community Activities. Listing of Contractor's current community activities such as membership and participation in local organizations, associations, scholarship programs, mentoring, apprenticeships, internships, community projects, charitable contributions and similar endeavors.

Sharp Business Systems is dedicated to supporting the local community. Please see a list of the activities we are involved in under the "Community Activities" tab in our EOC response binder.

B. In accordance with the City’s Equal Opportunity Commitment, the City will consider the four factors described above as part of the RFP or RFP evaluation process. These factors will be evaluated on a pass or fail basis with a minimum of [?] points needed to pass.

VI. Definitions.

Certified “**Minority Business Enterprise**” (MBE) means a business which is at least fifty-one percent (51%) owned by African Americans, American Indians, Asians, Filipinos, and/or Latinos and whose management and daily operation is controlled by one or more members of the identified ethnic groups. In the case of a publicly-owned business, at least fifty-one percent (51%) of the stock must be owned by, and the business operated by, one or more members of the identified ethnic groups.

Certified “**Women Business Enterprise**” (WBE) means a business which is at least fifty-one percent (51%) owned by one or more women and whose management and daily operation is controlled by the qualifying party(s). In the case of a publicly-owned business, at least fifty-one percent (51%) of the stock must be owned by, and the business operated by, one or more women.

Certified “**Disadvantaged Business Enterprise**” (DBE) means a business which is at least fifty-one percent (51%) owned and operated by one or more socially and economically disadvantaged individuals and whose management and daily operation is controlled by the qualifying party(s). In the case of a publicly-owned business, at least fifty-one percent (51%) of the stock must be owned by, and the business operated by, socially and economically disadvantaged individuals.

Certified “**Disabled Veteran Business Enterprise**” (DVBE) means a business which is at least fifty-one percent (51%) owned by one or more veterans with a service related disability and whose management and daily operation is controlled by the qualifying party(s).

“**Other Business Enterprise**” (OBE) means any business which does not otherwise qualify as Minority, Woman, Disadvantaged or Disabled Veteran Business Enterprise.

Emerging Local Business Enterprise (ELBE) – Any for-profit enterprise that is not a broker, that is independently owned and operated; that is not a subsidiary of another business; that meets the definition of a local business; and that is not dominant in its field of operation whose average gross annual receipts in the prior three fiscal years do not exceed:

1. \$2.75 million – Construction
2. \$1.5 million – Specialty Construction
3. \$1.5 million – Goods/Materials/Services
4. 1.0 million – Trucking
5. \$750,000 – Professional Services and Architect/Engineering

If a business has not existed for 3 years, the gross sales limits described above shall be applied based upon the annual averages over the course of the existence of the business.

Local Business Enterprise (LBE) – A firm having a Principal Place of Business and a Significant Employment Presence in San Diego City or County, California that has been in operation for 12 consecutive months and a valid business tax certificate. This definition is subsumed within the definition of Small Local Business Enterprise.

Small Local Business Enterprise (SLBE) – Any for-profit enterprise that is not a broker, that is independently owned and operated; that is not a subsidiary of another business; that meets definition of a local business; and that is not dominant in its field of operation whose average gross annual receipts in the prior three fiscal years do not exceed:

- x \$5.0 million – Construction
- x \$3.0 million – Specialty Construction
- x \$3.0 million – Goods/Materials/Services
- x \$2.0 million – Trucking
- x \$1.5 million – Professional Services and Architect/Engineering

California State certified Micro and Disabled Veteran Owned business enterprises shall also satisfy the requirements to be defined as a Small Business Enterprise.

If a business has not existed for 3 years, the employment and gross sales limits described above shall be applied based upon the annual averages over the course of the existence of the business.

VIII. **Certification.** Below are the EOC – accepted certification agencies along with certifiable groups:

IX.

City of San Diego:	ELBE, SLBE
Caltrans:	DBE, SDBE, SWBE
Dept. of General Services:	DVBE
CA Public Utilities Commission:	MBE, WBE
City of Los Angeles:	DBE, WBE, MBE
SD Regional Minority Supplier Diversity Council:	MBE, WBE

X. **List of Attachments.**

- AA. Work Force
- Report BB.
- Subcontractors
- List

CC. Contract Activity Report