WORKFORCE SOFTWARE HARDWARE PURCHASE AGREEMENT

This Hardware Purchase Agreement (“Agreement”) is entered into by and between WorkForce Software, LLC, 38705 Seven Mile Road, Suite 300, Livonia, Michigan 48152 (“WFS”) and the “Customer” defined below.

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| Customer Name: | State of Washington - Department of Social and Health Services |
| Address: | 1115 Washington St SE  Olympia, WA 98504-5842  United States |
| Effective Date: | 06/01/2024 |

Customer shall purchase the following quantities of data collection equipment, badges, and related accessories (collectively the “Equipment” or “Hardware”), and a Support Plan for such Hardware from WFS:

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| --- | --- | --- | --- |
| Description | Qty | Unit Price | Extended Amount |
| Hardware Products | | | |
| WFS 7100 + Battery + PoE + Barcode Reader + HID ProxPoint Reader (GT7031/4) | 100 | $2,356.20 | $235,620.00 |
| Support Plan | | | |
| Premium Hardware Support | 1 | $30,631.00 | $30,631.00 |
| Support Term: June 1, 2024 to May 31, 2025 (Invoiced Annually in Advance) | | | |
| AMOUNT DUE – Year 1 |  |  | $266,251.00 |
| Total Amount Due |  | Currency: USD | $266,251.00 |

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| **Clock Delivery Info** |
| Contact Name:  Contact Phone:  Delivery Address: |

HARDWARE PURCHASE TERMS

1. The Hardware. Payment for the above amounts are due Net 30 after delivery of the Hardware to the Customer. Notwithstanding anything to the contrary, the Support Plan shall commence upon delivery of the Hardware to the Customer. In the event Customer elects to purchase additional Hardware pursuant to this Schedule, the Hardware shall be (a) subject to the terms and conditions herein, (b) supported co-terminously with the Hardware herein, and (c) the fees due initially for the additional Hardware shall be due pursuant to the terms herein with the fees for the remaining Support Plan term pro-rated and any future payments for Support shall be concurrent with the current payment schedule herein. WFS may assess interest at the rate of 1.5% per month or the maximum allowed by law on balances not paid when due.  Customer shall pay all costs incurred in the collection of charges due and payable, including reasonable attorney fees, whether or not suit is instituted. Customer will pay all taxes due on the Hardware (except for taxes on the net income of WFS), including sales, excise, and use taxes unless it certifies it is exempt from such taxes. All prices are exclusive of shipping and handling charges and duties which will be paid by Customer unless specifically noted. Customer is responsible for installation unless it has contracted with WFS for installation under a separate Agreement. Details of the Support Plan are attached and are attached and incorporated herein as Exhibit A. This Agreement shall terminate on the later of one (1) year from the Effective Date, or upon Customer’s payment for the Hardware and decision not to obtain support for the Hardware. The Hardware is not fault tolerant and is not designed or intended for use in hazardous environments requiring fail safe performances including any application in which its failure could lead directly to death, personal injury or severe physical or property damage (collectively, “High Risk Activities”). WFS expressly disclaims all liability and any express or implied warranty for High Risk Activities and WFS shall not be liable for any injuries caused by the use of the Hardware. With regard to any software embedded in the Hardware (the “Embedded Software”), WFS grants to Customer a personal, perpetual, nonexclusive, non-transferable license to install, execute and use the Embedded Software. Customer may not sublicense, assign, or transfer the Embedded Software license to another party, in whole or in part, including through a merger or consolidation, without the written consent of WFS. Customer may not transfer the Embedded Software to other hardware or equipment. Customer may not decompile, reverse-engineer or make derivative works of the Embedded Software.
   1. **Delivery Terms:** Hardware orders with a named place of destination will be shipped with DAP (Delivered at Place) Incoterm® 2020. In cases where the Hardware is ultimately destined for an international location, but WFS is delivering the Hardware to an inland Customer-appointed Freight Broker or Freight Forwarder, Hardware orders will be shipped with FCA (Free Carrier) Incoterm® 2020. For international shipments, Hardware title passes to Customer upon carrier notification that Hardware clears the port of entry. For domestic shipments, title passes to Customer upon full payment for the Hardware.
2. Warranties. WFS DOES NOT WARRANT OR REPRESENT THAT THE HARDWARE OR ANY PORTION THEREOF WILL BE ERROR FREE OR OPERATE UNINTERRUPTED OR THAT WFS WILL CORRECT ALL ERRORS. WFS MAKES NO WARRANTIES WITH RESPECT TO THE HARDWARE OR WFS’S PERFORMANCE OF SERVICES UNDER THE AGREEMENT, EXPRESS OR IMPLIED. TO THE EXTENT SUCH DISCLAIMERS CONFLICT WITH APPLICABLE LAW, THE SCOPE AND DURATION OF ANY APPLICABLE WARRANTY WILL BE THE MINIMUM PERMITTED UNDER SUCH LAW. CUSTOMER ASSUMES RESPONSIBILITY FOR THE CONDITION OF THE HARDWARE AND ACCEPTS THE HARDWARE IN “AS IS” CONDITION. IN NO EVENT SHALL WFS BE LIABLE FOR ANY LOSS OF PROFITS, LOSS OF USE, LOSS OF DATA, INTERRUP­TION OF BUSINESS OR INDIRECT, SPECIAL, INCIDENTAL OR CONSE­QUENTIAL DAMAGES OF ANY KIND IN CONNEC­TION WITH OR ARISING OUT OF THE FURNISH­ING, PERFORMANCE OR USE OF THE HARDWARE, WHETHER ALLEGED AS A BREACH OF CONTRACT OR TORTIOUS CONDUCT, INCLUDING NEGLIGENCE. THE LIMITATION OF LIABILITY SPECIFIED IN THIS PARAGRAPH APPLIES REGARDLESS OF THE CAUSE OR CIRCUMSTANCES GIVING RISE TO SUCH LOSSES OR DAMAGES, INCLUDING WITHOUT LIMITATION, WHETHER THE ALLEGED BREACH OR DEFAULT IS A BREACH OF A FUNDAMENTAL TERM. IN ANY EVENT, THE TOTAL LIABILITY UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNTS PAID BY CUSTOMER DURING THE TWELVE (12) MONTHS PRECEDING AN INCIDENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE LIMITATIONS SPECIFIED IN THIS SECTION SHALL NOT APPLY FOR A BREACH OF THE PROVISIONS OF SECTION 3 (NON-DISCLOSURE).
3. Non-Disclosure.
   1. “Proprietary Information” means information owned by WFS which WFS claims a protectable interest under law, including without limitation, (a) information protected by copyright, patent, trademark, or trade secret laws, and (b) pricing and any other information that is disclosed pursuant to this Agreement and reasonably should have been understood by the receiving party to be proprietary and confidential. To the extent required by law, any specific information that is claimed by WFS to be Proprietary Information must be clearly identified as such by WFS.
   2. To the extent consistent with the Public Records Act (as defined below), each party shall maintain as confidential and shall not disclose, publish, or use for purposes other than as intended in this Agreement the other party’s Proprietary Information except to personnel who need to know such information in connection with the recipient’s performance of its rights and obligations under this Agreement and in the normal course of its business and who are bound by confidentiality terms no less stringent than the terms contained herein. Each party shall protect such Proprietary Information with reasonable care and no less care than it would exercise to protect its own Proprietary Information of a like nature and to prevent the unauthorized, negligent, or inadvertent use, disclosure, or publication thereof. Notwithstanding anything else in this Agreement, either party may disclose Proprietary Information in accordance with a judicial or governmental order, or as otherwise required by law or the rules of a stock exchange on which the party’s securities are listed, quoted or traded.
   3. WFS acknowledges that Customer is subject to the Public Records Act (Chapter 42.56 RCW) and that this Contract is a public record as defined in Chapter 42.56 RCW (“Public Records Act”). Customer agrees that the Proprietary Information provided by WFS constitutes valuable commercial trade secrets and that such trade secrets are excluded from the disclosure requirements and right to inspect provisions of the Public Record Act. Accordingly, nothing in the Public Record Act shall diminish the obligations of Customer under this Agreement. Notwithstanding the restrictions imposed by this Agreement, should Customer be required by a court of competent jurisdiction to make available for public inspection any of the Proprietary Information of WFS, the Parties acknowledge that Federal Copyright Law applies to the Proprietary Information and as such, copying of the Proprietary Information is not permitted for the purpose of inspection and would constitute a breach of this Agreement. If ordered by a court of competent jurisdiction to make Proprietary Information available for public inspection, Customer shall limit the disclosure to only those subsets required by the court to be disclosed and that it and its agents shall do so in a manner permitted under state and federal law, shall not make nor permit copies of the Proprietary Information to be made unless ordered by the courts to do so and shall supervise the inspection to prevent copying that would be impermissible under law. In processing public records requests involving WFS documents Customer will make efforts to identify unmarked Proprietary information or information which reasonably could be understood to be Proprietary. Prior to disclosing such information or upon any receipt of any request for public inspection of Proprietary Information of Workforce under the Public Record Acts, Customer shall notify WFS to allow WFS to intervene in such request to protect its interests and valuable commercial trade secrets. Nothing in the provisions of this Section 3 is meant to limit the ability to use the Proprietary Information to produce information in printed or electronic form which is legitimately public information and is contained within the Proprietary Information or can only be processed by the Proprietary Information, in order to comply with the Public Records Acts as long as the Proprietary Information itself is not disclosed.
4. **Biometric Information.** Customer acknowledges that the use of the Hardware may entail the gathering and storage of biometric information. Customer shall: (i) collect, store, disclose, protect, and destroy such biometric information pursuant to applicable law; (ii) provide all necessary disclosures and obtain the requisite consents and releases for itself and WFS from all third parties that will utilize such biometric technology; and (iii) shall erase any biometric information from Hardware prior to sending such Hardware to WFS for any reason.
5. General Provisions. Any notice to be sent relating to this Agreement shall be in writing and mailed to the other party at the addresses set forth herein addressed to Legal Department, by certified mail, return receipt requested with, for notices from Customer to WFS, a digital copy to be sent to [legal@workforcesoftware.com](mailto:legal@workforcesoftware.com). This Agreement contains the entire agreement of the parties with respect to its subject matter, and there are no promises, conditions, representations or warranties except as expressly set forth herein. This Agreement may be modified or amended only by written instrument executed by the parties. No term or provision of this Agreement shall be deemed waived, and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other party, whether express or implied, shall not constitute a consent to or waiver of any different or subsequent breach. WFS and Customer shall, for all purposes hereunder, be considered independent contractors. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected. Any dispute under or in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts of Thurston County, Washington and subject to Washington law, without regard to choice of law provisions. Consent is not required for an assignment of this Agreement in connection with a sale or disposition of a majority of all the assets, voting securities or equity interests of WFS, or a reorganization, merger or similar transaction of WFS. The provisions of Sections 2, 3, 4, 5 and any payment obligations incurred by Customer prior to or upon termination shall survive termination of this Agreement. EACH PARTY ACKNOWLEDGES THAT THE WARRANTY DISCLAIMERS AND LIABILITY LIMITATIONS HEREIN ARE A MATERIAL BARGAINED FOR BASES OF THIS AGREEMENT AND THEY HAVE BEEN TAKEN INTO ACCOUNT AND REFLECTED IN DETERMINING THE CONSIDERATION TO BE GIVEN AND IN THE DECISION BY EACH PARTY TO ENTER INTO THE AGREEMENT. The Provisions of Chapter 39.26 RCW require the agency to file this sole source contract with the Department of Enterprise Services (DES) for approval. The effective date of this contract is upon DES approval of the contract, the (10th) working day after it is filed with DES, or as agreed between the parties, whichever is later. Notwithstanding the foregoing, the “Effective Date” as that term is used herein shall have the meaning first ascribed to it in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| CUSTOMER | |  | WORKFORCE SOFTWARE, LLC | |
| Date: |  |  | Date: |  |
| Signature: |  |  | Signature: |  |
| Printed Name: |  |  | Printed Name: |  |
| Title: |  |  | Title: |  |

Exhibit A - Support Plan Descriptions

1. Estimated Service Levels

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| --- | --- |
| Support Ticket Type | **Initial Response Target** |
| Severity Level 1 | 1 Hour from Initial Request (24x7)\*\* |
| Severity Level 2 | 2 Hours from Initial Request (24x7)\*\* |
| Severity Level 3 | 1 Business Day from Initial Request\*, \*\* |

\*Excepting requests that require a patch or new functionality.  
\*\*Standard support Customers: 85% commitment to achieving response SLA guarantee.   
\*\*Premium support Customers: 98% commitment to achieving response SLA guarantee.

1. Severity Level Definitions
   1. **Severity 1:** A critical problem that renders one or more key functions of the DCT unusable, no reasonable work around exists, and for which immediate resolution is required to meet processing deadlines.
   2. **Severity 2:** Any other critical problem that renders one or more key functions unusable.
   3. **Severity 3:** Any other problem with the DCT that is not at the Severity 1 or Severity 2 level.
2. General Plan Definitions, Hours and Availability
   1. Response time is the time from Customer’s call into WFS until a return call is provided. All communication shall be in English.
   2. WFS support will make analysts available for phone contact Monday through Friday from 8:00 am – 6:00 pm during the business hours observed in Customer’s time zone (where Customer’s headquarters are located), excluding the holidays listed below. For the purposes of this document, those business hours will be described as “Standard Support Call Times.”
   3. WFS and its support staff observe public holidays of England, New South Wales or U.S federal holidays. No live support is offered to Customer on those days, except for Severity Level 1 and Severity Level 2 issues.
   4. WFS provides Live Phone Support coverage for critical issues outside of Standard Support Call Times as defined below:

|  |  |
| --- | --- |
| 24 x 7 Live Phone Support | |
| Severity Level 1 | Included |
| Severity Level 2 | Included |
| Severity Level 3 | Will be addressed according to the Estimated Resolution Target |

* 1. WFS may modify the service levels, fees, and offerings of any Support Plan, but such changes shall not apply to the Support Plan for the current Support term.
  2. WFS support will address reported “defects” to WFS DCT’s, which result in a loss of previously available functionality and performance.
  3. Customer selecting Standard Support are able to elect up to two (2) authorized contacts. Premium Support Customers are able to elect up to six (6) support contacts.

1. Data Collection Terminals
   1. “DCT” shall mean the data collection terminal(s) rented or purchased under an applicable Schedule. If the DCT is rented by the Customer under a Hardware Rental Schedule, the term of the DCT Support Plan shall match the term of the rental. If the DCT is purchased by the Customer under a Hardware Purchase Schedule, the term of the DCT Support Plan shall be listed in the applicable Schedule, subject to any renewal terms.
   2. Both Support Plans cover the cost of parts, labor, and shipping to Customer’s facility for any covered repairs for manufacturer’s defects and manufacturer’s workmanship of the DCT. Customer is responsible for shipping charges to WFS. To make a support claim, Customer shall first contact WFS and speak to the WFS support department. After diagnosis and upon authorization, Customer will be provided shipping instructions to return the unit to WFS for repair.
      1. Under Standard Support, WFS repairs the DCT, or if in its opinion such repair cannot be made, it will provide a replacement DCT. Repairs are generally completed within 5-10 business days. WFS makes no delivery guarantees for delays caused by international shipping or customs. WFS will return units to the Customer at no charge via ground shipping. Alternate shipping methods may be selected by the Customer at an additional charge.
      2. Under Premium Support, WFS ships a replacement DCT overnight at no cost to Customer the same business day (or the next business day for calls after 3 pm Eastern Time). WFS makes no delivery guarantees for delays caused by international shipping or customs. Customer ships the faulty DCT to WFS concurrently via ground shipping. If the faulty DCT is not received within ten (10) business days, Customer will be invoiced for the DCT shipped.
   3. The Support Plans only cover repairs or replacement units of the same type and model. If parts or replacement units are not available, a next generation DCT will be provided.
   4. Customer shall be responsible for all set up and maintenance of the DCT’s on Customer site. WFS will not provide installation assistance under either Support Plan.
   5. Notwithstanding anything to the contrary contained herein, in no event shall any Support Plan for DCT extend or be effective beyond six (6) years from the Effective Date except upon mutual agreement of the parties.
   6. Support Plans renew automatically upon the end of the Support Period unless Customer notifies WFS of its decision to cancel the Support Plan at least fifteen (15) days prior to the end of the current Support Period. Notwithstanding anything to the contrary contained herein or in any schedule or attachment to the Agreement in no event shall any Support Plan extend or be effective beyond six (6) years from the Effective Date. To avoid a disruption in the support services, Customer should pay the Support Fees at least fifteen (15) days prior to the beginning of each new Support Period.
   7. Normal wear and tear and intentional damage to equipment is excluded and fees for such DCTs will be chargeable to Customer at WFS’s standard charges for parts and labor upon receipt of any such DCT. WFS makes no representations on the availability of parts or replacement units. WFS reserves the right to deliver new DCTs, repaired DCTs, or refurbished DCTs at its option for any covered repair. WFS’s obligation shall be subject to our determination that the DCT has not been modified, serviced, or repaired by any other party and that the product was installed and operated within the product specifications for its intended use. Any misuse, negligence, accident, abuse, or alteration of a serial number will void the support obligations. The Support Plan extends solely to the original purchaser of the DCT and all claims must be made by the Customer.