

JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

COMPLETE THIS SECTION IF NEW CONTRACT(S)

For contract(s) in this request, answer applicable questions in each of the 4 major subject areas below in accordance with the Instructions for Preparation of Non-Competitive Procurement Form on the reverse side.

Request that negotiations be conducted only with ROBOTIC FX, INC for the product and/or services described herein.
(Name of Person or Firm)
 This is a request for: ___ (One-Time Contract per Requisition # _____, copy attached) or **Term Agreement**
 or ___ **Delegate Agency (Check one)**. If Delegate Agency, this request is for "blanket approval" of all contracts within the
(Program Name) (Attach List) Pre-Assigned Specification No. _____
 Pre-Assigned Contract No. _____

COMPLETE THIS SECTION IF AMENDMENT OR MODIFICATION TO CONTRACT

Describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change, as applicable. Attach copy of all supporting documents. Request approval for a contract amendment or modification to the following:

Contract #: _____ Company or Agency Name: _____
 Specification #: _____ Contract or Program Description: _____
 Mod #: _____ (Attach List, if multiple)

MICHAEL P. PALUMBO 5-5794 Michael Palumbo Police 6/4/07
Originator Name Telephone Signature Department Date

Indicate SEE ATTACHED in each box below if additional space needed:

<input checked="" type="checkbox"/> PROCUREMENT HISTORY	See Attached
<input checked="" type="checkbox"/> ESTIMATED COST	See Attached
<input checked="" type="checkbox"/> SCHEDULE REQUIREMENTS	See Attached
<input checked="" type="checkbox"/> EXCLUSIVE OR UNIQUE CAPABILITY	See Attached
<input checked="" type="checkbox"/> OTHER	See Attached

S. S. R. B.
 DATE 7/26/07
 APPROVED [Signature]
 CONDITIONALLY APPROVED
 RETURN TO DEPT.

APPROVED BY: Michael Palumbo 6/4/07 [Signature] 7/26/07
DEPARTMENT HEAD DATE BOARD CHAIRPERSON DATE



DEPARTMENT OF PROCUREMENT SERVICES

MEMORANDUM

Date: July 24, 2007

To: Contract Administration
Department of Procurement Services

From: Non-Competitive Procurement Review Board

Originated By: Mark J. Hands
Managing Deputy Procurement Officer
Department of Procurement Services

Re: **Description:** Robotic FX, Inc.
Requisition No.: 31704 & 34290
Specification No.: 54507
Requesting Department: Police

The Non-Competitive Procurement Review Board has reviewed the submittal from the Chicago Police Department dated July 19, 2007. After reviewing the attached documentation, this request has been approved in the amount of \$484,988 over a three year period (with 2 one year options) for the initial purchase of two Robotic FX Negotiators. The two Robotic FX Negotiators will give the Police the ability to respond to hazardous materials and WMD incidents.

The funding has been provided by 2005 Department of Homeland Security UASI grant funding which expires March 31, 2008.

The Non-Competitive Procurement Review Board approved this request 4-0. However, the Board did request additional information. The additional information included the following:

- A written comparison of the Remotech robot and the Robotic FX Negotiator functionality
- A copy of the Grant Extension Agreement until March 2008
- Copy of the Illinois State Police Contract Terms and Conditions (if any)
- Written explanation of how first responders need ability to work with standard emergency equipment
- Verification of total contract value over five year period
- Compliance Plan
- Definitions of OCU and OC Sprayer

Approved By: Mark J. Hands
Mark J. Hands
Managing Deputy Procurement Officer



Robotic FX Negotiator

PROCUREMENT HISTORY (INCLUDING FUTURE PROCUREMENT OBJECTIVES)

1. Describe the requirement and how it evolved from initial planning to its status.

As the Critical Incident Response Program has evolved in the post-911 world the need for a police capability to respond to hazardous materials and WMD incidents has manifested itself. At the same time, technology has advanced to the point where chemical monitoring of potentially hazardous environments can be done remotely by use of specialized robots which carry chemical, biological and radiological detection equipment.

Examining the available resources for this purpose has identified the Robotic FX Negotiator as the most capable and lowest cost solution to fill this need. This has been recognized not only by the Chicago Police Department, but by the Illinois State Police which has purchased the Robotic FX Negotiator and has several units in service, both with the State Police and ILEAS units (Illinois Law Enforcement Alarm System). The need to acquire the Robotic FX Negotiator is thus further demonstrated by the need to be compatible and similarly equipped as other units within ILEAS.

2. Is this a first time requirement or a continuation of previous procurement from the same source? If so, explain the procurement history.

There has been one previous purchase of this equipment in 2004 via an Operational Emergency.

3. Explain attempts made to competitively bid the requirement. (Attach copy of notices and list of sources contacted)

See Procurement History Question 1.

4. Describe all research done to find other sources. (List other cities contacted, companies in the industry contacted, professional organizations, periodicals and other publications used)

See Procurement History Question 1

5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?

The need envisioned at this time is for two Robotic FX Negotiators capable of accomplishing the identified mission of these two units. At this time future requests cannot be determined, as it depends on the specific mission and funding of the department.

6. Explain whether or not future competitive bidding is possible. If not, why not?

All depends on the technology of this industry.

ESTIMATED COST “ ESTIMATED COST “

1. What is the estimated cost for this requirement (or for each contract, if multiple awards contemplated)? What is the funding source?
Funding has been provided by 2005 Department of Homeland Security UASI grant funding. This funding expires on March 31, 2008.
2. What is the estimated cost by fiscal year, if the job project or program covers multiple years?
D/N/A
3. Explain the basis for estimating the cost and what assumptions were made and/or data used (ie. Budgeted amount, previous contract price, current catalog or cost proposal from firms solicited, engineering or in-house estimate, etc).
Per attached quote which has been approved by the Department.
4. Explain whether the proposed Contractor or the City has a substantial dollar investment in original design, tooling or other factors which would be duplicated at City expense if another source was considered. Describe cost savings or other measurable benefits to the City which may be achieved.
D/N/A
5. Explain what negotiation of price has occurred or will occur. Detail why the estimated cost is deemed reasonable.
D/N/A

SCHEDULE REQUIREMENTS "SCHEDULE REQUIREMENTS"

1. Explain how the schedule was developed and at what point the specific dates were known.
D/N/A
2. Is lack of drawings and /or specifications a constraining factor to competitive bidding? If so, why is the proposed Contractor the only person or firm able to perform under these circumstances? Why are the drawings and specifications lacking? What is the lead time required to get drawings and specifications suitable for competition? If lack of drawings and specifications is not a constraining factor to competitive bidding, explain why only one person or firm can meet the required schedule.
D/N/A
3. Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.
This UASI related equipment is part of the terror protection initiatives for both O'Hare Airport and the City proper, so delivery and putting into service is vital to the City.
4. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs and budgeted funds.
This cannot be competitively bid. The impact on operations would be the inability to protect the City in this post-911 environment to the optimum.

EXCLUSIVE OR UNIQUE CAPABILITY “EXCLUSIVE OR UNIQUE CAPABILITY”

1. If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, other factors make this person or firm exclusively or uniquely qualified for the project. Attach copy of cost proposal and scope of services.
D/N/A
2. Does the proposed firm have personnel considered unquestionably predominant in the particular field?
They are unique in the ability to provide this Sole Source piece of equipment.
3. What prior experience of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project or program?
D/N/A
4. What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?
D/N/A
5. What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project or program which make them the only source who can perform the work within the required time schedule without unreasonable costs to the City?
See Number 3 Above.
6. If procuring products or equipment, describe the intended use and explain any exclusive or unique capabilities, features and/or functions the items have which no other brands or models, etc. possess. Is compatibility with existing equipment critical from an operational standpoint? Explain why.
See Procurement History Question Number 1.
7. Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data? Attach documentation verifying such.
8. If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from any other sources? If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center? If so, attach letter from manufacturer.
D/N/A

MBE/WBE COMPLIANCE PLAN

1. All submissions must contain detailed information about how the proposed firm will comply with the requirements of the City's Minority and Women Owned Business program. All submissions must include a complete C-1 and D-1 form, Which is available on the Procurement Service page on the City's intranet site.

Compliance is being negotiated at the present time.

OTHER "OTHER"

1. Explain other related considerations and attach all applicable supporting documents (an approved Information Technology Strategy Committee (ITSC) form, an approved Request for Individual Contract Services form, etc.)

REVIEW AND APPROVAL "REVIEW AND APPROVAL"

This form must be signed by both the Originator of the request and approved by the Department Head or authorized designee. After review and final disposition from the Board, this form will be stamped to indicate the final disposition and signed by the Chairperson of the Board Head or authorized designee. After

DPS PROJECT CHECKLIST

For DPS Use Only

Date Received _____
 Date Returned _____
 Date Accepted _____
 CA/CN's Name _____

IMPORTANT: PLEASE READ AND FOLLOW THE INSTRUCTIONS FOR COMPLETING THE PROJECT CHECKLIST AND CONTACT THE APPROPRIATE UNIT MANAGER IF YOU HAVE ANY FURTHER QUESTIONS. ALL INFORMATION SHOULD BE COMPLETED, ATTACH ALL REQUIRED MATERIALS AND SUBMIT FOR HANDLING TO THE DEPARTMENT OF PROCUREMENT SERVICES, ROOM 403, CITY HALL, 121 N. LASALLE STREET, CHICAGO, ILLINOIS 60602.

PAGE 1

GENERAL INFORMATION:

Date: 7/12/07
 REQ No.: 31704 & 34290

Contact Person: M. PALUMBO
 Tel: 5-5794 Fax: 5-6841 E-mail: @cityofchicago.org

Specification No.: (if known): 54507
 PO No.: (if known): 14406

Project Manager: JAME
 Tel: Fax: E-mail: @cityofchicago.org

Modification No.: (if known):

Previous PO No.: (if known):

Project Description:

ROBOTIC FX NEGOTIATOR

FUNDING:

- City: Corporate Bond Enterprise Grant* Other
 State: IDOT/Transit IDOT/Highway Grant* Other
 Federal: FHWA FTA FAA Grant* Other

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	OBJT	PROJECT	RPTG	\$ DOLLAR AMOUNT
1	005	0M01	57	0571005	0400	220408			05CM33	149,910.00
5	006	0740	85	0854005	0345	220345				46,024.55
6	006	0610	85	0852000	0157	220157				28,970.45
1	005	0M01	57	0571005	0400	220400			05CM33	39,582.00 *

Estimated Value \$ TOTAL ESTIMATE \$ 484,988.00

*IF GRANT FUNDED, A COPY OF THE APPROVED GRANT AND APPLICATION ARE REQUIRED and any other Terms and Conditions that may apply.

SEE ATTACHED ADDITIONAL FUNDING LINES

SCOPE STATEMENT:

Attached is a Detailed Scope of Services and/or Specification

IMPORTANT: THIS IS A CRITICAL PORTION OF YOUR SUBMITTAL. IN ORDER FOR DPS TO ACCEPT YOUR SUBMITTAL YOU MUST COMPLETE THE SPECIFIC SCOPE REQUIREMENTS AS SET FORTH IN THE SUPPLEMENTAL CHECKLIST FOR THAT UNIT.

The following is a general description of what should be included in a Scope of Services or Specification:

A clear description of all anticipated services and products, including: time frame for completion, special qualifications of prospective vendors, special requirements or needs of the project, locations, anticipated participating user departments, citation of any applicable City ordinance or state/federal regulation or statute.

TYPE OF PROCUREMENT REQUESTED (check all that apply):

NEW REQUEST

- Blanket Agreement
 Standard Agreement
 Small Orders

MOD/AMENDMENT

- Time Extension
 Vendor Limit Increase
 Scope Change/Price Increase/Additional Line Item(s)
 Other (specify):

FORMS:

- Requisition Special Approvals Non-Competitive Review Board (NCRB)

CONTRACT TERM:

Requested Term (number of months): 60 MONTH - 3 year - 2 EXTENSIONS

PRE BID/SUBMITTAL REQUIREMENTS:

- Requesting Pre Bid/Submittal Conference? Yes No Requesting Site Visit? Yes No

DPS PROJECT CHECKLIST

For DPS Use Only

Date Received _____
 Date Returned _____
 Date Accepted _____
 CA/CN's Name _____

IMPORTANT: PLEASE READ AND FOLLOW THE INSTRUCTIONS FOR COMPLETING THE PROJECT CHECKLIST AND CONTACT THE APPROPRIATE UNIT MANAGER IF YOU HAVE ANY FURTHER QUESTIONS. ALL INFORMATION SHOULD BE COMPLETED, ATTACH ALL REQUIRED MATERIALS AND SUBMIT FOR HANDLING TO THE DEPARTMENT OF PROCUREMENT SERVICES, ROOM 403, CITY HALL, 121 N. LASALLE STREET, CHICAGO, ILLINOIS 60602.

PAGE 2

GENERAL INFORMATION:

Date: 7/12/07
 REQ No.: 31704 & 34290
 Specification No.: (if known): 54507
 PO No.: (if known): 14406
 Modification No.: (if known):
 Project Description: **ROBOTIC FX NEGOTIATOR**

Contact Person: **M. PALUMBO**
 Tel: 5-5744 Fax: 5-6841 E-mail: @cityofchicago.org
 Project Manager:
 Tel: Fax: E-mail: @cityofchicago.org
 Previous PO No.: (if known):

FUNDING:

City: Corporate Bond Enterprise Grant* Other
 State: IDOT/Transit IDOT/Highway Grant* Other
 Federal: FHWA FTA FAA Grant* Other

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	OBJT	PROJECT	RPTG	\$ DOLLAR AMOUNT
2	007	0100	57	0573267	0340	220340				10,275.00
3	007	0740	85	0854045	0345	220345				5,000.00
4	007	0610	85	0854345	0345	220345				4,516.00

Estimated Value \$ **484,988.00**

*IF GRANT FUNDED, A COPY OF THE APPROVED GRANT AND APPLICATION ARE REQUIRED and any other Terms and Conditions that may apply.

SCOPE STATEMENT:

Attached is a Detailed Scope of Services and/or Specification

IMPORTANT: THIS IS A CRITICAL PORTION OF YOUR SUBMITTAL. IN ORDER FOR DPS TO ACCEPT YOUR SUBMITTAL YOU MUST COMPLETE THE SPECIFIC SCOPE REQUIREMENTS AS SET FORTH IN THE SUPPLEMENTAL CHECKLIST FOR THAT UNIT.

The following is a general description of what should be included in a Scope of Services or Specification:
 A clear description of all anticipated services and products, including: time frame for completion, special qualifications of prospective vendors, special requirements or needs of the project, locations, anticipated participating user departments, citation of any applicable City ordinance or state/federal regulation or statute.

TYPE OF PROCUREMENT REQUESTED (check all that apply):

NEW REQUEST Blanket Agreement Standard Agreement Small Orders

MOD/AMENDMENT Time Extension Vendor Limit Increase Scope Change/Price Increase/Additional Line Item(s) Other (specify):

FORMS: Requisition Special Approvals Non-Competitive Review Board (NCRB)

CONTRACT TERM: Requested Term (number of months): **60 MONTH - 3 year 2 EXTENSIONS**

PRE BID/SUBMITTAL REQUIREMENTS:

Requesting Pre Bid/Submittal Conference? Yes No Requesting Site Visit? Yes No

**CITY OF CHICAGO
 PURCHASE REQUISITION**

Copy (Department)

DELIVER TO: 801 BOMB & ARSON SECTION 3340 W. FILLMORE Chicago, IL	REQUISITION: 31704 PAGE: 1 DEPARTMENT: 57 - DEPARTMENT OF POLICE PREPARER: Esther M Shelby NEEDED: APPROVED: 1/17/2007
--	---

REQUISITION DESCRIPTION
 POLICE INVESTIGATION ROBOTS/ROBOTIC FX NEGOTIATOR
 SPECIFICATION NUMBER: 54507

COMMODITY INFORMATION

LINE	ITEM	QUANTITY	UOM	UNIT COST	TOTAL COST						
2	6806601100 POLICE INVESTIGATION ROBOTS - ROBOTIC FX NEGOTIATOR	3.00	Each	74,995.00	224,985.00						
SUGGESTED VENDOR:											
REQUESTED BY: Michael P Palumbo											
DIST	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	Dist. Amt.
1	005	0M01	0571005	0400	220400	0000	00000000	05CM33	00000	0000	149,990.00
5	006	0740	0854005	0345	220345	0000	00000000	000000	00000	0000	46,024.55
6	006	0610	0852010	0157	220157	0000	00000000	000000	00000	0000	28,970.45
LINE TOTAL:											224,985.00
REQUISITION TOTAL:											224,985.00

**CITY OF CHICAGO
PRE-APPROVED
MODIFICATION / OVERRIDE REQUISITION**

Copy (Department)

DELIVER TO: 801 BOMB & ARSON SECTION 3340 W. FILLMORE Chicago, IL	REQUISITION: 34290 For PO Number: 14406 PAGE: 1 DEPARTMENT: 57 - DEPARTMENT OF POLICE PREPARER: Esther M Shelby NEEDED: PRE-APPROVED 7/10/2007
--	---

REQUISITION DESCRIPTION
 MODIFICATION TO REQUISITION 31704;SPEC 54507;PO 14406 (OPEN ORDER VENDOR) INCREASE UNIT COST FOR LINE ITEM 1 AND
 ADD ADDITIONAL LINE ITEM FOR PARTS;INCREASING ORIGINAL REQUEST BY \$319,373.
 SPECIFICATION NUMBER: 54507

COMMODITY INFORMATION

LINE ITEM	QUANTITY	UOM	UNIT COST	TOTAL COST							
1 6806601100 POLICE INVESTIGATION ROBOTS - ROBOTIC FX NEGOTIATOR	3	Each	19,791.00	59,373.00							
SUGGESTED VENDOR:		REQUESTED BY: Esther M Shelby									
DIST	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	
1	005	0M01	0571005	0400	220400	0000	00000000	05CM33	00000	0000	39,582.00
2	007	0100	0573267	0340	220340	P005	00000000	000000	00000	0000	10,275.00
3	007	0740	0854045	0345	220345	0000	00000000	000000	00000	0000	5,000.00
4	007	0610	0854345	0345	220345	0000	00000000	000000	00000	0000	4,516.00
LINE TOTAL:											59,373.00
2 68066.02 PARTS, POLICE ROBOTIC FX NEGOTIATOR	260,000	USD	1.00	260,000.00							
SUGGESTED VENDOR:		REQUESTED BY: Esther M Shelby									
DIST	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	
1	007	0100	0573267	0340	220340	P005	00000000	000000	00000	0000	260,000.00
LINE TOTAL:											260,000.00
REQUISITION TOTAL:											260,003.00

Where a commodity is for a particular or unique use other than standard quality, grades, color, size or other characteristics, give details of how it will be and for what purpose.
 Requisitions prepared incorrectly will be returned to the using department.

Scope of Work
Robotic FX Negotiator

General Scope of Work

The contractor will provide the City of Chicago with Robotic FX Negotiator robots and related items.

Locations

All items under this contract will be delivered at the contractor's expense to the location(s) requested by the Department.

Site Visits/ Pre-Bid Meetings

D N A

Contractor Qualifications

Contractor must provide all Robotic brand robots as related equipment and services. The contractor must be approved by Robotic FX as a distributor and maintenance provider for these units.

Employee Qualifications

D N A

Performance Standards

Compensation and Increases

Working Hours

Work is to be completed at the contractor's facility during hours determined by the contractor.

Contract Terms and Extensions

The terms of the contract will be for the initial purchase with additional purchasing authorized for a period of five years.

Additional Devices/Upgrade

For the life of the contract, the City may purchase additional FX Negotiators and accessories as allowed by future Department of Homeland Security Urban Area Security Initiatives (UASI) funding. The City will be offered the latest technological devices.

MBE/WBE/DBE Compliance

Negotiations will be conducted.

User Department Contacts

The contractor can contact the below listed person with any issues:

Lt. Joe Serb
Critical Incident Response Program Coordinator
Special Operations Section
3340 W. Fillmore
Chicago, Illinois 60624
312 746-7150
Joseph.Serb@ChicagoPolice.org

Insurance and Safety

D N A

Price Lists/ Catalogs

D N A

Warranty/Guarantee

Robotic FX will service all normal "wear and tear" on the robots, OCU and batteries for one year. Coverage for accessory items is an additional charge. Any abuse deemed "excessive" by robotic FX, Inc. will not be covered under the terms of this agreement.

Diagrams/Technical Drawings

D N A

Technical Standards

The original order for this item will consist of two Robotic FX Negotiator robots equipped as listed on attached specification sheet. Future purchases may be ordered with other configurations.

Detailed Specification

Robot must have the following characteristics and capabilities:

1. **Telemetry.** Telemetry is required and is the ability for a robot and controller to communicate with one another bi-directionally. Robots with telemetry send data in both directions. Telemetry is necessary for reliability and safety. Telemetry allows the robot's battery to be displayed on the OCU. On a more sophisticated level, telemetry is required when robots are equipped with a weapons platform. For example an OC Sprayer, Taser, Disruptor or other forms of weaponry require safety features that only telemetry can provide.
2. **Video.** Robot must include a standard drive camera, infrared drive camera, rear-fixed day/night camera and pan/tilt day/night camera with continuous 360 degree pan and 90 degree tilt. All cameras must be water tight and ruggedized.
3. **Stair Climbing.** Robot must be able to approach and climb up and down metal stairs (45 degree incline minimum). Robot must also be able to right itself if turned on its back.
4. **Audio.** 2-way, digitally encrypted audio communication between the robot and OCU is required.
5. **Upgradeability.** The robotic system must be upgradeable with plug & play payloads. Possible upgrades will include Pan & Tilt Taser, Mini-Disruptor (not recoilless) and an EOD Arm.
6. **Batteries.** The robot must run for 3 to 6 hours without having to change or recharge batteries. Battery status must be indicated on the OCU. Must have the ability to recharge used batteries within 45 to 90 minutes.
7. **Range/Distance.** Range must be at least 1,000 feet, line of sight, with reasonable reception indoors. Optional long range whip antennas for longer distances must be available.
8. **Durability.** The robot must have the ability to be re-used without significant degradation or downtime. Service agreement must be included covering the cost of repair related to all normal "wear and tear" on the Robot, OCU and Batteries for one year.
9. **Weight/Size.** Large enough to approach and climb stairs effectively, but small enough to drive under a truck or SUV and lightweight enough (no more than 35 lbs.) so one (1) person can easily pickup and carry the robot.
10. **Environment.** Robot must be able to operate in all types of weather conditions such as rain, snow, heat or cold.

11. **Self-Contained Case with Charger.** Storage/travel case must be water resistant and easily and safely store the Robot, OCU, up to four (4) spare batteries, and associated components. An internal battery charging system must be included to charge and maintain the robot, OCU and spare batteries while not being used. The case will include external LED's to indicate the charge status of each battery stored in the case including the robot and OCU.
12. **Non-Lethal Weapon.** An OC sprayer attachment is required that is capable of dispensing continuous or short burst amounts of OC (pepper) spray. All sprayer control must be accomplished via the OCU. Both OC and Inert refills canisters are to be included.
13. **Haz-Mat Sensor Array.** The robot must be equipped with Chemical, Gas and Radiation Detection. The radiation detector must measure alpha, beta, gamma, and x-radiation (in mR/hr). The Chemical Sensor must simultaneously sample the presence of blood, blister, and nerve agents. The gas monitor should be a PID (Photoionization Detector) with five internal gas sensors (O₂, LEL, VOC, and two toxic gas sensors). All sensor data must be displayed on the OCU in easy to read text format. An "auto-alert" feature is required that automatically notifies the operator in the event that potentially dangerous levels of chemicals, gas and/or radiation are present. Sensors must be able to be easily removed from the robot and used as handheld sensors.

7441 Southwest Highway - Worth, IL 60482
Phone (708) 448-4264 **Fax** (708) 448-4456

ROBOTICFX, INC.

Attention: Michael P. Palumbo

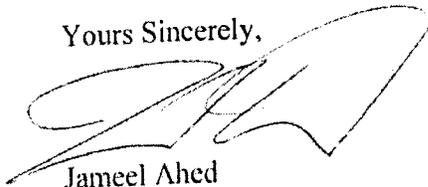
Contract Administrator
Chicago Police Department
Finance Division
Room 3059 NE
3510 South Michigan Avenue
Chicago, IL 60653

Subject: Robotic FX Negotiator Tactical Robot

Please accept this letter as Robotic FX's confirmation that they are the manufacturer and sole distributor of the Negotiator Robot and its related accessories, modules, service tools and replacement parts.

Do not hesitate to contact me if you have any questions regarding this matter.

Yours Sincerely,



Jameel Ahed
President

ROBOTICFX, INC.

7441 Southwest Hwy. - Worth, IL 60482
 Phone: 708-448-4264 - Fax: 708-448-4456
 Email: sales@roboticfx.com

QUOTE

Date	Quote #
06/28/07	RFBQ1247

Sold To: Chicago Police Department
 Mike Palumbo
 3510 S. Michigan Ave., Room 3059
 NE
 Chicago, IL 60624

Phone: 312-745-5794
Fax: 312-745-6841

Ship To: Chicago Police Department
 Mike Palumbo
 3510 S. Michigan Ave., Room 3059
 NE
 Chicago, IL 60624

Phone: 312-745-5794
Fax: 312-745-6841

Terms	Rep	P.O. Number	Ship Via
See Below	MM		UPS Ground

Ln #	Qty	Description	Unit Price	Ext. Price
1	2	Mobility Upgrade	\$6,132.00	\$12,264.00
2	2	Base Robot System and OCU	\$10,095.00	\$20,190.00
3	2	Fast Charger - 110 VAC	\$758.00	\$1,516.00
4	2	NiMH Extended Use Robot - OCU Battery	\$570.00	\$1,140.00
5	2	Rear Mount Fixed Day/Night Camera System	\$3,607.00	\$7,214.00
6	2	Inspector Pan / Tilt Day-Night Camera System	\$6,060.00	\$12,120.00
7	2	Low Light Internal IR Illuminated Camera System	\$2,141.00	\$4,282.00
8	2	Long-Range Whip Antenna Set	\$475.00	\$950.00
9	2	Radiation Detection System	\$5,050.00	\$10,100.00
10	2	Chemical Detection System	\$35,350.00	\$70,700.00
11	2	Multi-RAE Plus Gas Detection System	\$8,585.00	\$17,170.00
12	2	Accessory Case with Battery Charger	\$1,970.00	\$3,940.00
13	2	Negotiator Travel Charger Case	\$3,535.00	\$7,070.00
14	2	OC Sprayer Refills LIVE - Case (12 cans, 1 LB ea.)	\$1,334.00	\$2,668.00
15	2	OC Sprayer Attachment	\$6,060.00	\$12,120.00
16	2	Annual Service Agreement	\$3,064.00	\$6,128.00

06/27/07

AUTHORIZED SIGNATURE: _____

DATE: _____

Page 1

Ln #	Qty	Description	Unit Price	Ext. Price
			SubTotal	\$189,572.00
			Sales Tax	\$0.00
			Shipping	\$0.00
			Total	\$189,572.00

- Lead time is 18 weeks for robot equipped with 6 Axis Arm. Standard lead time is 6-12 weeks.
- Lead Time begins once payment has been recieved.
- This quote will expire 14 days after above quotation date.
- There is a 3% service charge for using VISA / MASTERCARD payment method.

ALL ITEMS ARE MADE TO ORDER AND THEREFORE ARE NON-CANCELLABLE AND NON-RETURNABLE.
 PRICES SUBJECT TO CHANGE - PRICES BASED UPON TOTAL PURCHASE - ALL HARDWARE COMPONENTS PROPOSED ABOVE ARE COVERED BY A LIMITED 30 DAY WARRANTY, COVERING PARTS AND LABOR ON A DEPOT BASIS - WE SPECIFICALLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OR WITH REGARD TO ANY LICENSED PRODUCTS. WE SHALL NOT BE LIABLE FOR ANY LOSS OF PROFITS, BUSINESS, GOODWILL, INTERRUPTION OF BUSINESS, NOR FOR INCIDENTAL OR CONSEQUENTIAL MERCHANTABILITY OR FITNESS OF PURPOSE, DAMAGES RELATED TO THIS AGREEMENT.

ROBOTICFX, INC.

7441 Southwest Hwy. - Worth, IL 60482
 Phone: 708-448-4264 - Fax: 708-448-4456
 Email: sales@roboticfx.com

QUOTE

Date	Quote #
06/04/07	RFBQ1279

Sold To: Chicago Police Department
 Mike Palumbo
 3510 S. Michigan Ave., Room 3059
 NE
 Chicago, IL 60624

Phone: 312-745-5794
Fax: 312-745-6841

Ship To: Chicago Police Department
 Mike Palumbo
 3510 S. Michigan Ave., Room 3059
 NE
 Chicago, IL 60624

Phone: 312-745-5794
Fax: 312-745-6841

Terms	Rep	P.O. Number	Ship Via
See Below	MM		UPS Ground

Ln #	Qty	Description	Unit Price	Ext. Price
1	1	Mobility Upgrade	\$6,071.00	\$6,071.00
2	1	Base Robot System and OCU	\$9,995.00	\$9,995.00
3	1	NiMH Extended Use HUD/Accessory Battery	\$300.00	\$300.00
4	1	Fast Charger - 110 VAC	\$750.00	\$750.00
5	1	Fast Charger - 12 VDC	\$800.00	\$800.00
6	1	NiMH Extended Use Robot - OCU Battery	\$564.00	\$564.00
7	1	6-Port Battery Charger / Tender	\$1,714.00	\$1,714.00
8	1	Rear Mount Fixed Day/Night Camera System	\$3,571.00	\$3,571.00
9	1	Inspector Pan / Tilt Day-Night Camera System	\$6,000.00	\$6,000.00
10	1	Camera Payload Expander	\$2,571.00	\$2,571.00
11	1	Low Light Internal IR Illuminated Camera System	\$2,120.00	\$2,120.00
12	1	Rear Mount Combination Light	\$2,357.00	\$2,357.00
13	1	Robot Microphone - Replacement	\$196.00	\$196.00
14	1	Outdoor Audio Headset	\$776.00	\$776.00
15	1	Wireless Throw Phone Attachment	\$4,471.00	\$4,471.00
16	1	Negotiator Outdoor Audio Package	\$4,500.00	\$4,500.00

06/04/07

AUTHORIZED SIGNATURE: _____

DATE: _____

Page 1

Ln #	Qty	Description	Unit Price	Ext. Price
17	1	HUD-RX system	\$6,429.00	\$6,429.00
18	1	In-Vehicle Control (IVC) System	\$9,706.00	\$9,706.00
19	1	Wearable OCU	\$9,706.00	\$9,706.00
20	1	Universal Clamp System	\$2,143.00	\$2,143.00
21	1	Additional Universal Clamp	\$1,179.00	\$1,179.00
22	1	Video Upgrade - Digital Stage	\$45,000.00	\$45,000.00
23	1	Long-Range Whip Antenna Set	\$470.00	\$470.00
24	1	Tether	\$7,059.00	\$7,059.00
25	1	Radiation Detection System	\$5,000.00	\$5,000.00
26	1	Chemical Detection System	\$35,000.00	\$35,000.00
27	1	Multi-RAE Plus Gas Detection System	\$8,500.00	\$8,500.00
28	1	HazMat Smart-Strip Smart M-8	\$100.00	\$100.00
29	1	Radiation Detection Interface Only	\$4,000.00	\$4,000.00
30	1	Multi-RAE Plus Interface Only	\$4,400.00	\$4,400.00
31	1	6-Axis EOD Articulated Arm	\$44,995.00	\$44,995.00
32	1	Accessory Case with Battery Charger	\$1,950.00	\$1,950.00
33	1	Negotiator Travel Charger Case	\$3,500.00	\$3,500.00
34	1	Accessory Case	\$1,414.00	\$1,414.00
35	1	Negotiator Travel Case	\$2,279.00	\$2,279.00
36	1	OC Sprayer Refills LIVE - Case (12 cans, 1 LB ea.)	\$1,320.00	\$1,320.00
37	1	OC Sprayer Attachment	\$6,000.00	\$6,000.00
38	1	OC Inert Spray - Training Refills - Case (12 cans, 1 LB ea.)	\$1,320.00	\$1,320.00
39	1	2 Year Service Agreement	\$5,700.00	\$5,700.00
40	1	Annual Service Agreement	\$3,064.00	\$3,064.00
41	1	Complete Track Replacement (1 pair)	\$1,000.00	\$1,000.00
42	1	Arm Track Replacement (1 pair)	\$471.00	\$471.00
43	1	Jabra Replacement Headset	\$102.00	\$102.00
44	1	Main Track Replacement (1 pair)	\$582.00	\$582.00

Ln #	Qty	Description	Unit Price	Ext. Price
45	1	Spare Key Set	\$35.00	\$35.00
			SubTotal	\$259,180.00
			Sales Tax	\$0.00
			Shipping	\$0.00
			Total	\$259,180.00

- Lead time is 18 weeks for robot equipped with 6 Axis Arm. Standard lead time is 6-12 weeks.
- Lead Time begins once payment has been recieved.
- This quote will expire 14 days after above quotation date.
- There is a 3% service charge for using VISA / MASTERCARD payment method.

ALL ITEMS ARE MADE TO ORDER AND THEREFORE ARE NON-CANCELLABLE AND NON-RETURNABLE.
 PRICES SUBJECT TO CHANGE - PRICES BASED UPON TOTAL PURCHASE - ALL HARDWARE COMPONENTS PROPOSED ABOVE ARE COVERED BY A LIMITED 30 DAY WARRANTY, COVERING PARTS AND LABOR ON A DEPOT BASIS - WE SPECIFICALLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OR WITH REGARD TO ANY LICENSED PRODUCTS. WE SHALL NOT BE LIABLE FOR ANY LOSS OF PROFITS, BUSINESS, GOODWILL, INTERRUPTION OF BUSINESS, NOR FOR INCIDENTAL OR CONSEQUENTIAL MERCHANTABILITY OR FITNESS OF PURPOSE, DAMAGES RELATED TO THIS AGREEMENT.

NOTICE OF GRANT AGREEMENT

Part I - Notice of Grant Award to the City of Chicago, Illinois

This Grant Agreement is made and entered by and between the Illinois Emergency Management Agency (Grantor), 110 East Adams Street, Springfield, Illinois 62701-1109, and the City of Chicago, Illinois, through the Office of Emergency Management and Communications (Grantee), 121 North LaSalle Street, Chicago, Illinois 60602.

WHEREAS this Grant is to utilize funds from the Department of Homeland Security (DHS) Fiscal Year 2005 Appropriation for the Urban Area Security Initiative (UASI) (CFDA #97.008) to continue to develop and enhance the UASI program for the City of Chicago.

THEREFORE, the Grantor is hereby making available to the Grantee the amount not exceeding \$22,465,000 for the period from the date of final execution to December 31, 2006. The Grantee hereby agrees to use the funds provided under the agreement for the purposes set forth herein and agrees to comply with all terms and conditions of this agreement. This period of award may be amended if there is a delay in the release of these funds from the Federal Government.

It is agreed between the parties, that the agreement, as written, is the full and complete agreement between the parties and that there are no oral agreements or understanding between the parties other than what has been reduced to writing herein.

This Grant Agreement and Attachments constitute the entire agreement between the parties. Each budget detail worksheet submitted by the Grantee and approved by the Grantor as an authorized expenditure of this Grant shall be considered an attachment of this Grant Agreement.

Part II - Term

The term of this Grant Agreement shall be from the date of final execution by the Grantor through December 31, 2006.

Part III - Scope of Work

The scope of this grant includes: the enhancement of a public safety information system (Studio 1A), equipping first responder vehicles with wireless computers with voice/text/image/video data capabilities, conducting training of ODP-approved courses, conducting the required IED exercise, the continuation of an Urban Area-wide interoperable communications system to include transition City departments to common UHF frequencies, assessment of key critical infrastructure with recommendations for hardening of selected sites, equipping the City's first responders, and an allowance for management and administration of the grant. **The Grantee budget detail worksheet and narrative is provided in Attachment A.**

Part IV - Compensation Amount

The total compensation and reimbursement payable by the Grantor to the Grantee shall not exceed the sum of **\$22,465,000.**

Part V - Terms and Conditions

FISCAL FUNDING: The Grantor's obligations hereunder shall cease immediately, without penalty or further payment being required, in any year for which the General Assembly of the State of Illinois fails to make an appropriation sufficient to pay such obligation or DHS fails to provide the funds. The Grantor shall give the Grantee notice of such termination for funding as soon as practicable after Grantor becomes aware of the failure of funding. Grantee's obligation to perform shall cease upon notice by Agency of lack of appropriated funds.

METHOD OF COMPENSATION: The method of compensation shall be reimbursement in accordance with the invoice voucher procedures of the Office of the State of Illinois Comptroller. The Grantee agrees to maintain appropriate records of actual costs incurred and to submit expenditure information to the Grantor. No costs eligible under this agreement shall be incurred after December 31, 2006.

ACCOUNTING REQUIREMENTS: The Grantee shall maintain effective control and accountability over all funds, equipment, property, and other assets under the Grant Agreement as required by the Grantor. The Grantee shall keep records sufficient to permit the tracing of funds to ensure that expenditures are made in accordance with this Grant Agreement.

REPORTS: The Grantee shall submit a semi-annual programmatic activity narrative and financial report called the Bi-Annual Strategy Implementation Report (BSIR) to the Grantor every January 15 and July 15 throughout the performance period ending December 31, 2006. The financial report (BSIR) must include the amount of funding received, obligated and expended every December 31 (for the January 15 report) and June 30 (for the July 31 report). Noncompliance of the reporting requirements may be cause to terminate this Agreement.

AUDITS AND INSPECTIONS: The Grantee will, as often as deemed necessary by the Grantor, DHS or any of their duly authorized representatives, permit the Grantor, DHS or any of their duly authorized representatives to have full access to and the right to examine any pertinent books, documents, papers and records of the Grantee involving transactions related to this grant agreement for three years from the date of submission of the final expenditure report or until related audit findings have been resolved, whichever is later. The Grantee certifies that all audits submitted under the provisions of Office of Management and Budget Circulars A-128 or A-133 have been approved by the Grantor. The Grantee acknowledges that these are federal pass-through funds that must be accounted for in the jurisdiction's Single Audit under the Single Audit Act of 1996, if required.

MODIFICATION AND AMENDMENT OF THE GRANT: This grant agreement is subject to revision as follows:

- A. Modifications may be required because of changes in State or Federal laws or regulations as determined by the Grantor. Any such required modification shall be incorporated into and will be part of this Agreement. The Grantor shall notify the Grantee of any pending implementation of or proposed amendment to such regulations before a modification is made to the Agreement.
- B. Modifications may be made upon written agreement of both Grantor and Grantee.

TERMINATION FOR CONVENIENCE: This agreement may be terminated in whole or in part by the Grantor for its convenience, provided that, prior to termination, the Grantee is given: 1) not less than ten (10) calendar days written notice by certified mail, return receipt requested, of the Grantor's intent to terminate, and 2) an opportunity for consultation with the Grantor prior to termination. In the event of partial or complete termination of this agreement pursuant to this paragraph, an equitable adjustment of costs shall be paid to the Grantee for expenses incurred under this agreement prior to termination.

TERMINATION FOR BREACH OR OTHER CAUSE: The Grantor may terminate this agreement without penalty to the Grantor or further payment required in the event of:

- A. Any breach of this agreement which, if it is susceptible of being cured, is not cured within 15 calendar days after receipt of the Grantor's notice of breach to the Grantee.
- B. Material misrepresentation or falsification of any information provided by the Grantee in the course of any dealing between the parties or between the Grantee and any State Agency.

Grantee's failure to comply with any one of the terms of this Grant Agreement shall be cause for the Grantor to seek recovery of all or part of the grant proceeds.

RETENTION OF PROPERTY RECORDS: Grantee agrees to maintain records for equipment, non-expendable personal property, and real property for a period of three years from the date of the completion of the project. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

NON-DISCRIMINATION: In carrying out the program, the Grantee shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, ancestry, age, physical or mental handicap unrelated to ability, marital status, or unfavorable discharge from military service. The Grantee shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, ancestry, age, physical or mental handicap unrelated to ability, marital status, or unfavorable discharge from military service. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The Grantee shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Government setting forth the provisions of this non-discrimination clause.

SEVERABILITY CLAUSE: If any provision under the Grant Agreement or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or its application of the Grant Agreement which can be given effect without the invalid provision or application.

DEBARMENT: The Grantee certifies neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the agreement by any Federal Agency or department.

WORKER'S COMPENSATION INSURANCE, SOCIAL SECURITY, RETIREMENT AND HEALTH INSURANCE BENEFITS, AND TAXES: The Grantee shall provide worker's compensation insurance where the same is required, and shall accept full responsibility for the payment of unemployment insurance, premiums for worker's compensation, social security and retirement and health insurance benefits, as well as all income tax deductions and any other taxes or payroll deductions required by law for employees of the Grantee who are performing services specified by the grant agreement.

WAIVERS: No waiver of any condition of this grant agreement may be effective unless in writing from the Director of the Grantor.

Part VI - Assurances

The Grantee assures that no official or employee of the Grantee who is authorized in the Grantee's official capacity to negotiate, make, accept, or approve, or to take part in such decisions regarding a contract for acquisition/development of property in connection with this agreement, shall have any financial or other personal interest in any such contract for the acquisition/development.

The Grantee will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

The Grantee will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

The Grantee will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

The Grantee will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

Part VII - Certification

The Grantee certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, nor has any official, agent, or employee of the Grantee committed bribery or attempted bribery on behalf of the Grantee and pursuant to the direction or authorization of a responsible official of the Grantee.

The Grantee hereby certifies that it has not been barred from bidding on, or receiving State or local government contracts as a result of illegal bid rigging or bid rotating as defined in the Criminal Code of 1961 (720 ILCS 5/33E-3 and 33E-4).

The Grantee certifies that it will comply with all applicable State and Federal laws and regulations.

The Grantee certifies that it will return to the State all State or Federal grant funds that are not expended or are accidentally over-advanced. The State may recapture those funds not expended or accidentally over-advanced in accordance with State and Federal laws and regulations. The Grantee further certifies that its failure to comply with any one of the terms of this Grant Agreement shall be cause for the Grantor to seek recovery of all or part of the grant proceeds.

The Grantee certifies that it will establish safeguards to prohibit employees, contractors, and subcontractors from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

Under penalties of perjury, I certify that 36-6005820 is my correct Federal Taxpayer Identification Number and that IRS Instructions have been provided for proper completion of this certification. I am doing business as a (please check one):

- | | |
|--|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Real Estate Agent |
| <input type="checkbox"/> Sole Proprietorship | <input checked="" type="checkbox"/> Governmental Entity |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Tax Exempt Organization |
| <input type="checkbox"/> Corporation | (IRC 501(a) only) |
| <input type="checkbox"/> Not-for-profit Corporation | <input type="checkbox"/> Trust or Estate |
| <input type="checkbox"/> Medical and Health Care | |
| <input type="checkbox"/> Services Provider Corporation | |

Part VIII - Drug Free Certification

This certification is required by the Drug Free Workplace Act (30 ILCS 580). The Drug Free Workplace Act, effective January 1, 1992, requires that no Grantor or contractor shall receive a grant or be considered for the purposes of being awarded a contract for the procurement of any property or services from the State unless that Grantor or contractor has certified to the State that the Grantor or contractor will provide a drug free workplace. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of contract or grant payments, termination of the contractor or grant and debarment of contracting or grant opportunities with the State for at least one (1) year but not more than five (5) years.

For the purpose of this certification, "Grantor" or "contractor" means a corporation, partnership, or other entity with twenty-five (25) or more employees at the time of issuing the grant, or a department, division, or other unit thereof, directly responsible for the specific performance under a contract or grant of \$5,000 or more from the State.

The contractor/Grantor certifies and agrees that it will provide a drug free workplace by:

- (a) Publishing a statement:
- (1) Notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance, including cannabis, is prohibited in the Grantor's or contractor's workplace.
 - (2) Specifying the actions that will be taken against employees for violations of such

prohibition.

- (3) Notifying the employee that, as a condition of employment on such contract or grant, the employee will:
 - (A) abide by the terms of the statement; and
 - (B) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
- (b) Establishing a drug free awareness program to inform employees about:
 - (1) the dangers of drug abuse in the workplace;
 - (2) the Grantor's or contractor's policy of maintaining a drug free workplace;
 - (3) any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) the penalties that may be imposed upon an employee for drug violations
- (c) Providing a copy of the statement required by subparagraph (a) to each employee engaged in the contract or grant and to post the statement in a prominent place in the workplace.
- (d) Notifying the contracting or granting Agency within ten (10) days after receiving notice under part (B) of paragraph (3) of subsection (a) above from an employee or otherwise receiving actual notice of such conviction.
- (e) Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by section 5 of the Drug Free Workplace Act.
- (f) Assisting employees in selecting a course of action in the event drug counseling, treatment, and rehabilitation is required and indicating that a trained referral team is in place.
- (g) Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed by their duly authorized representatives.

Grantor: **IL Emergency Management Agency**

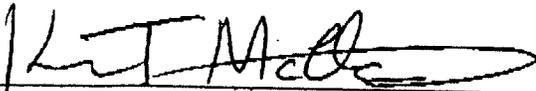
Grantee: **City of Chicago**

By: 
William C. Burke, Director

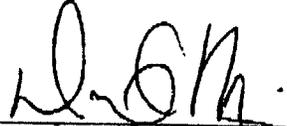
DATE: 10/3/05

By: 
Andrew Valasquez III, Executive Director

DATE: 9/21/05

By: 
Kevin McClain, Chief Legal Counsel

DATE: 9/29/05

By: 
Dennis C. Miner, Chief Finance

DATE: 9/29/05