FINANCIAL STATUS REPORT
(Short Form)
(Follow instructions on the back)

ORIGINAL

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency	OMB Approval No.	Page 1 of 1 Pages
General Service Administration	Election Reform Payments HAVA SEC 102	39.011	

3. Recipient Organization (Name and complete address, including ZIP code)

Arizona Office of the Secretary of State, 1700 W. Washington, 7th Floor, Phoenix, Arizona 85007

4. Employer Identification Number	5. Recipient Account Number or Identifying Number	6. Final Report	7. Basis
86-60047941	INDEX: 29171 PCA: 20000	[ ] Yes [X] No	[X] Cash [ ] Accrual

8. Funding/Grant Period (See Instructions) From: (Month, Day, Year)	To: (Month, Day, Year)	9.Period Covered by this Report From: Month, Day, Year)	To:(Month), Day, Year)
April 28, 2003	No Year Fund	10-01-03	9-30-04

10. Transactions:	I Previously Reported	II This Period	III Cumulative
a. Total outlays			0.00
b. Recipient share of outlays *		800,000.00	800,000.00
c. Federal share of outlays	0.00	1,564,188.00	1,564,188.00
d. Total unliquidated obligations			0.00
e. Recipient share of unliquidated obligations			0.00
f. Federal share of unliquidated obligations			0.00
g. Total federal share (sum of lines c and f)			1,564,188.00
h. Total federal funds authorized for this funding period			1,564,188.00
i. Unobligated balance of federal funds (Line h minus line g)			0.00

11. Indirect Expense	a. Type of Rate (Place "X" in appropriate box)			
	[ ] Provisional	[ ] Predetermined	[ ] Final	[ ] Fixed
	b. Rate	c. Base	d. Total Amount	e. Federal Share

12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation

Sec. 10 (b) State Matching Funds = $800,000 (This funding is the 5% state matching funds calculated to include the projected federal money yet to be released by the Election Assistance Commission. This $800,000 constitutes the State of Arizona's 5% match of the appropriated federal monies from Congress thus far.)

13. Certification **I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents**

Typed or Printed Name and Title	Telephone (area code, number and extension)
Kevin P. Tyne, Assistant Secretary of State	(602) 542-4919
Signature of Authorized Certifying Official	**Date Report Submitted**
Kevin P. Tyne	January 20, 2004

Secretary of State HAVA - SEC 102
Expenses by Vendor Detail
July 1, 2003 through January 20, 2004

Type	Date	Num	Memo	Amount	Balance
Coconino County Elections					
Check	10/29/2003	2190...	replace voting equipment (punch card)	676,452.03	676,452.03
Total Coconino County Elections				676,452.03	676,452.03
Gila County Elections					
Check	10/29/2003	2190...	Advance fees for voiting equipment	383,941.25	383,941.25
Total Gila County Elections				383,941.25	383,941.25
Greenlee County Elections					
Check	10/29/2003	2190...	advance fees for voting equipment replace punch card equip	136,783.45	136,783.45
Total Greenlee County Elections				136,783.45	136,783.45
La Paz County Board of Supervisors					
Check	10/29/2003	2190...	Adv fees for voting equip split w/ state matching funds	122,029.91	122,029.91
Total La Paz County Board of Supervisors				122,029.91	122,029.91
Santa Cruz County Board of Supervisors					
Check	10/29/2003	2190...	Advance fees to replace voting equipment	244,981.36	244,981.36
Total Santa Cruz County Board of Supervisors				244,981.36	244,981.36
TOTAL				**1,564,188.00**	**1,564,188.00**

ITEM	QTY	DESCRIPTION	UNIT PRICE	EXTENSION
		Line Item 100		
		Precinct Ballot Counters		
1	81	***AccuVote-OS*** Precinct Ballot Tabulator:	$4,200.00	$340,200.00
		Includes: Ballot Box per unit		
		Carrying Case per unit		
		Memory Card per unit		
		Batch Start Cards - 100		
		Precinct Ending Cards - 100		
		Marking Pens - 81 dozen		
		Ballot Transfer Bag - 81		
		Demo Ballots - 100		
		Two Year Hardware Warranty		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Additional Line 100 Items		
2	18	Additional ***AccuVote-OS*** Precinct Ballot Tabulators	$4,200.00	$75,600.00
3		*Additional AccuVotes include all elements as precinct AccuVotes		
4	0	Carrying Case - each additional AccuVote comes with carrying case	$91.00	$0.00
5	90	Memory Card	$250.00	$22,500.00
6	4	Precinct Ender Cards - package of 25	$15.00	$60.00
7	10	Marking Pens - package of 12	$5.00	$50.00
8	4	Ballot Transfer Bag	$29.95	$119.80
9	4	Demonstration Ballots - package of 25	$40.00	$160.00
10	405	Paper Rolls	$0.99	$400.95
11	160	Printer Ribbon	$5.99	$958.40
12	0	Secrecy Sleeve - 11"	$3.69	$0.00
13	0	Secrecy Sleeve - 14"	$3.79	$0.00
14	0	Secrecy Sleeve - 18"	$3.99	$0.00
15	99	Hardware Maintenance Years 3 thru 5 @ $125/unit x 3 yrs	$375.00	$37,125.00
		Line Item 300		
		Central Count Voting Equipment		
16	2	***AccuFeed*** Units includes:		$5,990.00
		Two Year Hardware Warranty		
	2	Additional ***AccuVote-OS*** Central Count Tabulators	$4,200.00	$8,400.00
17	2	Hardware Maintenance Years 3 thru 5	$375.00	$750.00
		Line Item 400		
		Election Management System		
18	1	***GEMS*** Software Application		$106,977.38
	1	Central Server System		
		Manufacturer Warranties Included		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Two Year Software Warranty		
19	3	Software Lic/Maint Years 3 thru 5	$13,500.00	$40,500.00
20		**SubTotal**		**$639,791.53**
21		**Taxes @ 6.53%**		**$36,660.50**
22		**Vote Counting System Total Investment**		**$676,452.03**

* Shipping and insurance included for all equipment

VERIFIED
William Mele 10-29-05

POSTED
10/29/03 $21,902085
DATE
BY

RECEIVED
SECRETARY OF STATE
2003 OCT 15 AM 11:21

OCT 07 2003
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MEMORANDUM OF UNDERSTANDING/CONTRACT FOR PROJECT ADIOS CHAD

This Agreement is made this 7th day of October, 2003, between the State of Arizona by and through the Secretary of State and Coconino County, a political subdivision of the State of Arizona.

I. Recitals

1. Adios Chad is a statewide contract effort to facilitate replacement of voting systems in the nine Arizona counties where punch card voting systems were used in the 2000 General Election. The replacement of punch card voting systems is an integral part of the State's compliance with the Help America Vote Act 2002 (HAVA).

2. The State of Arizona is a leader in the country in the implementation of HAVA.

3. The State of Arizona by and through the Secretary of State wishes to increase the commonality among voting equipment in Arizona counties to facilitate and increase compliance with election standards, gain economies of scale, and increase cooperation between counties.

4. The Secretary of State's Office will act as a contract administrator for a statewide contract for voting machines and related products to maximize the purchasing power of the State and the counties. The County will own, and operate the new voting system. The County will work with the vendor to maintain the new voting systems and will retain control of election services selected at the county level.

5. It is the intention of Secretary of State and the County that the procurement of the Election Management Systems (EMS), Central Count and Optical Character Reader equipment will be accomplished by the County in fiscal year 2004.

6. It is the intention of Secretary of State and the County that the procurement of the Direct Recording Electronic (DRE) equipment will be accomplished and the equipment installed by the County in time for the general election of 2006 or when the Secretary of State makes funds available.

7. The State of Arizona issued a request for proposal for voting equipment on June 27, 2003. The contract that will result from that request for proposal will be the means for County to purchase voting equipment with HAVA funds.

II. Agreement

1. The County Board of Supervisors will be responsible for the County's compliance with this Agreement and the County reporting requirements outlined in the **State Plan attached hereto and incorporated as apart hereof**, in return for which the County will receive HAVA funds for its purchase of qualifying voting equipment.

2. The County will use State of Arizona contract AD030150 for the purchases of voting equipment, if utilizing HAVA funds.

3. HAVA funds may be used by County to purchase the following types of equipment and services:

- One OCR machine per precinct including modems
- One DRE machine per precinct
- One EMS per county including hardware and software
- One Central Count system scaled to fit the needs of county
- Spare equipment scaled to fit the needs of the county
- Other parts and accessories as necessary for typical use of said voting equipment
- 1st Year maintenance/support/training

HAVA reimbursable equipment listed in this section is limited to the types and quantities shown above. Any additional equipment that the County wishes to purchase will be with non-HAVA County funds.

4. The County will follow the funding process described in section III below. The Secretary of State will be solely responsible for the distribution of HAVA funds. Funds will be distributed by the Secretary of State based on the priorities established in the state plan and the availability of funds from the Federal Government. The Secretary of State and the State of Arizona shall have no liability under this Agreement except to distribute HAVA funds in accordance with the State Plan.

5. The County will submit a proposed project plan to the Secretary of State before the start of its voting equipment replacement project. The proposed project plan will include at least a list of items required, a proposed budget, and a schedule of major milestones with anticipated completion dates.

6. County must also submit a copy if its budget that contains the 2000 election cycle spending amounts to establish baseline amounts for the efforts already in practice. It is incumbent upon the County to maintain the baseline budget for its elections. HAVA funding may not be used to replace any current spending by the County for elections

7. The County shall use established accounting and project management practices for all aspects of the project and shall retain all data, books, and other records related to this Agreement for a period of five years after completion of the project. All records shall be subject to inspection and audit by the Secretary of State, or designee, at reasonable times.

8. As part of the consideration for HAVA funding the County will provide the Secretary of State with reports, as requested from time to time, concerning the status of the County's progress on Adios Chad, explaining any schedule variances.

9. The County agrees to have appropriate personnel complete all of the vendor's training related to the operation and use of the voting equipment and software prior to using the new voting equipment.

10. The County is responsible for additional funding which may be required for specific implementation for any items that are not reimbursable according to the state plan and this Agreement.

11. The County and the Secretary of State's Office will perform a post implementation evaluation of the project.

12. Upon completion of the project, the County will approve and accept the project as complete. The County will be responsible for ongoing maintenance and operational costs of all equipment after HAVA funds are depleted.

13. Compliance with the terms of this Agreement and with the project management and time schedules will establish County eligibility to receive payments from the state election fund. Any portions not in compliance, or not completed on the time schedule will delay payments until such time the County has complied with the necessary requirements. Failure to comply with this Agreement for more than six months may release the state election fund from commitment to provide such funds.

14. This agreement shall be in effect through the Federal fiscal year 2006.

15. To provide uniformity within this agreement, the counties and the State shall enter into a "user group" which will help facilitate modifications and enhancements to the Adios Chad systems.

III. Funding Process

1. The County will submit a detailed request for voting equipment it plans to purchase to the Secretary of State's Office, as prescribed in Section II. Agreement, Item #3, of this memorandum of understanding.

2. The Secretary of State's Office will review and approve/disapprove requests. If approved, the Secretary of State may also adjust the reimbursement amount to the County based on the availability of funds and the priorities established in the state plan.

3. The County will generate a purchase order for the voting equipment and submit the purchase order to the Secretary of State for approval prior to actually ordering the equipment.

4. Upon approval of the purchase order, the Secretary of State's Office will cause the approved amount to be transferred to the County within 30 days.

5. The County will purchase the voting equipment through the statewide contract reference above, take appropriate steps to accept or reject delivery of the items purchased and be responsible for the maintenance of the purchased items.

IV. Miscellaneous

1. In the event the Secretary of State determines as a result of an audit conducted pursuant to this Agreement that County is not in compliance with each of the requirements of this Agreement and the plan submitted by the County or an excess payment has been made to the County under this Agreement County shall repay to the Secretary of State a portion of the funds provided which reflects the proportion of the requirements with which County is not in compliance, or the extent of the excess payment.

2. This Agreement shall be governed by the laws of the State of Arizona.

Secretary of State State Of Arizona	County of Coconino
By: Janice K. Brewer	By:
Print: Janice K. Brewer	Print: Matthew G. Ryan

Coconino Progress Schedule

Task	Duration	Start	Finish
PROJECT KICKOFF	**7 days**	**10/1/2003**	**10/10/2003**
Determine Equipment Needs	5 days	9/9/2003	9/19/2003
Prepare PRIM Document	5 days	10/15/2003	11/1/2003
Kick Off Meeting	1 day	10/9/2003	10/10/2003
Order GEMS Hardware/Data Communications	1 day	10/1/2003	10/4/2003
Order AccuVote-OS Tabulator	1 day	10/1/2003	10/4/2003
Order miscellaneous cables, powercords, etc.	1 day	10/1/2003	10/14/2003
COUNTIES ORDER BALLOT ENVELOPES	**1 day**	**10/16/2003**	**10/17/2003**
SITE SURVEYS	**5 days**	**9/22/2003**	**12/18/2003**
HARDWARE & SOFTWARE DELIVERY	**10 days**	**11/13/2003**	**11/28/2003**
Server Delivery	**7 days**	**11/13/2003**	**11/24/2003**
Stage GEMS Server	1 day	11/13/2003	11/14/2003
Test GEMS Server	1 day	11/14/2003	11/17/2003
Deliver Server to County	5 days	11/17/2003	11/24/2003
Deliver OS Units	5 days	11/20/2003	11/28/2003
SYSTEM TESTING	**9 days**	**12/9/2003**	**12/22/2003**
Perform Server Tests	9 days	12/9/2003	12/22/2003
GEMS Application Testing on Server	9 days	12/9/2003	12/22/2003
AccuVote OS Testing	9 days	12/9/2003	12/22/2003
Intergration Testing	9 days	12/9/2003	12/22/2003
TRAINING	**30 days**	**12/8/2003**	**1/21/2004**
Train Technical Staff	Ongoing	11/20/2003	2/15/2004
Training & Materials for Election Staff	5 days	12/8/2003	12/15/2003
Materials for Voter Education Outreach Programs	1 day	12/8/2003	12/9/2003
"Train the Trainer" & Materials for Poll Worker Training	7 days	1/26/2004	1/26/2004
Perform Full Poll Worker Training	1 day	1/27/2004	1/27/2004
ELECTION SETUP	**22 days**	**12/1/2003**	**1/2/2004**
Last Day to File as Candidate	1 day	12/24/2003	12/24/2003
Receive Election Data from State	1 day	12/28/2003	12/28/2003
Diebold to Receive Election Data from County	1 day	12/29/2003	12/29/2003
Diebold to Build February 2004 Database	5 days	12/29/2003	1/5/2003
Prepare Ballot Proofs	4 days	1/2/2004	1/6/2004
Ballots Approved by County	1 day	1/4/2004	1/6/2004
County to Receive Test Decks (if printed by Diebold)	1 day	1/10/2004	1/14/2004
Print "early" ballots and deliver	9 days	1/6/2004	1/14/2004
Print "poll" ballots and deliver		1/6/2004	1/21/2004
Sample Ballots Completed	2 days	12/17/2003	12/19/2003
ELECTION IMPLEMENTATION	**21 days**	**1/5/2004**	**2/3/2004**
Prepare Memory Cards for Voting Units	4 days	1/5/2004	1/9/2004
Perform Logic & Accuracy Testing	4 days	1/10/2004	1/15/2004
Set Up Early Voting Equipment	1 day	1/16/2004	1/19/2004
Early Voting	13 days	1/19/2004	2/1/2004
Sample Ballots Mailed - last day to request Early Voting	1 day	1/23/2004	1/26/2004
Deliver Polling Place Supplies	2 days	1/29/2003	2/2/2004
Set Up Voting Day Equipment	3 days	1/29/2004	2/3/2004
FEB. 3, 2004 PRESIDENTIAL PREFERENCE ELECTION	**1 day**	**2/3/2004**	**2/4/2004**
Open Polls	1 day	2/3/2004	2/4/2004
Vote	1 day	2/3/2004	2/4/2004
Close Polls	1 day	2/3/2004	2/4/2004
Tally Precinct Results	1 day	2/3/2004	2/4/2004
Tally Absentee Results	1 day	2/3/2004	2/4/2004
Transmit Results to County	1 day	2/3/2004	2/4/2004
Post Countywide Results	1 day	2/3/2004	2/4/2004

Coconino Progress Schedule

POST ELECTION DAY	3 days	2/4/2004	2/9/2004
Audit Election Results	1 day	2/4/2004	2/5/2004
Conduct Recount as Required	1 day	2/5/2004	2/6/2004
Evaluate Processes and Procedures	1 day	2/6/2004	2/9/2004
Last Day to Certifiy Election	1 day	2/16/2004	2/16/2004

JAN BREWER
SECRETARY OF STATE
STATE OF ARIZONA

October 29, 2003

Mr. Clark Partridge
100 N. 15th Avenue, Suite 302
Phoenix, AZ 85007

Dear Clark,

As a follow up to our conversation, we have concluded the negotiations with the nine Arizona counties with regard to the "Adios Chad Project." This project replaces all punch card voting system equipment in the nine counties pursuant to the Help America Vote Act of 2002 (HAVA).

Please find enclosed copies of a signed Memorandum of Understanding with all nine counties, which includes a specific fund distribution process. We have followed that process and complied with all state laws and regulations, and we are now ready to distribute the monies to the counties.

We have also attached documents which detail the final equipment order and the exact dollar amount for each county, per the state contract under RFP No. AD030150 dated September 1, 2003. Our office has pre-approved these equipment orders to ensure that such purchases are compliant with HAVA.

We would request your assistance in processing these claims as expeditiously as possible.

Your cooperation is greatly appreciated.

Sincerely,

Kevin P. Tyne
Assistant Secretary of State

State Capitol: 1700 W. Washington Street, 7th Floor
Phoenix, Arizona 85007-2888
Telephone (602) 542-4285 Fax (602) 542-1575

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GSA

GSA Office of the Chief Financial Officer

July 28, 2003

RECEIVED
AUG 13 2003
ARIZONA SECRETARY OF STATE

The Honorable Janet Napolitano
Governor of Arizona
Phoenix, AZ 85007

Dear Governor Napolitano:

This letter describes the final distribution of funds by the General Services Administration (GSA), in carrying out our responsibilities under Title 1 of Public Law (P.L.) 107-252, the Help America Vote Act (HAVA, "the Act"). The Act tasks GSA with responsibility for disbursing funds to the States, the District of Columbia and the Territories to implement various improvements to the Federal election process, including the replacement of voting equipment. Please see the enclosed letter (Enclosure 1) for background information on the program, original plans for applying for funds, timeline, et cetera.

Payments

Arizona applied and certified timely to Sections 101 and 102 of HAVA, Title I. GSA, as described in Enclosure 1, processed an initial payment of $5,000,000.00, which was transferred electronically on 4/28/2003 to the account specified by Janice Brewer, State Election Director. Once all of the State applications were received and verified, GSA determined the final distribution of funds to the States, according to HAVA instructions, and processed the final payments. An additional payment of $2,015,557.00 was made to the same account specified, again by Electronic Funds Transfer (EFT), and GSA verified receipt of the funds to that account on Monday, June 16, 2003. Thus, Arizona received a total of $7,015,557.00, consisting of a Section 101 payment of $5,451,369.00, and a Section 102 payment of $1,564,188.00. We will assume that your Chief Election Official and designee for payment of funds is Janice Brewer, State Election Director, unless you notify us differently.

The Section 101 payment is for one or more of the following purposes, as indicated by Arizona's certification of Section 101:

- Complying with the requirements of Title III of the Act;
- Improving the administration of elections for Federal office;
- Educating voters concerning voting procedures, voting rights, and voting technology;

U.S. General Services Administration
1800 F Street, NW Rm 2140
Washington, DC 20405-0002
www.gsa.gov

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- Training election officials, poll workers, and election volunteers;
- Developing the State plan for requirements payments to be submitted under Part 1 of Subtitle D of Title II (Sections 251-257) of the Act;
- Improving, acquiring, leasing, modifying, or replacing voting systems and technology and methods for the casting and counting of votes;
- Improving the accessibility and quantity of polling places, including providing physical access for individuals with disabilities, providing non-visual access for individuals with visual impairments, and providing assistance to Native Americans, Alaska Native citizens, and to individuals with limited proficiency in the English language; and/or
- Establishing a toll-free telephone hotline that voters may use to report possible voting fraud and voting rights violations, to obtain general election information, and to access detailed automated information on their own voter registration status, specified polling place locations, and other relevant information.

The Section 102 payment is for the following purpose as indicated by Arizona's certification of Section 102, for 490 total qualifying precincts, consisting of 490 punch card precincts and 0 lever voter system precincts:

- A State is obligated to use the funding (either directly or as a reimbursement for costs incurred on or after January 1, 2001) to replace punch card voting systems or lever voting systems in precincts within that State that used such systems in the November 2000 election ("qualifying precincts").
- A State that receives funding for this program must ensure that all of the punch card voting systems or lever systems in the qualifying precincts within that State will be replaced in time for the regularly scheduled general election for Federal office to be held in November 2004 (unless a waiver is obtained under Section 102(a)(3)(B)).
- Section 102(a)(3)(B) says that States may request a waiver by certifying to the Administrator of General Services not later than January 1, 2004, that the State will not meet the deadline specified above, for good cause and including in the certification the reasons for the failure to meet such deadline, the State shall ensure that all of the punch card voting systems or lever voting systems in the qualifying precincts within the State will be replaced in time for the first election for Federal office held after January 1, 2006.
- Section 102(d) deals with repayment of funds for failure to meet the deadline, and says that if a State receiving Section 102 funds fails to meet the deadlines stated above, the State shall pay to the Administrator an amount equal to the noncompliant precinct percentage of the amount of the funds provided to the State under the program. This amount will be $3,192.22 per noncompliant precinct.
- The State will continue to comply with current voting laws stated in Section 906; and,
- The replacement voting systems will meet the requirements of Title III, Section 301.

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Method of Calculations

The following describes the method of calculations for distribution of the HAVA Title I funds, which was reviewed and cleared with both House and Senate staff, our General Counsel's office, and our Inspector General's office.

Total Availability. The total amount available for distribution is $649,500,000, calculated by taking the total $650,000,000 appropriated for this purpose in Public Law 108-7, and subtracting the $500,000 allowed for GSA administrative costs.[1] For initial calculations, this amount is divided evenly between Sections 101 and 102 at $324,750,000 per section.

Section 101. Step one of two gives one-half of one percent of $324,750,000 to each State and the District of Columbia ($1,623,750) and one tenth of one percent of the total ($324,750) to Guam, Puerto Rico, the U.S. Virgin Islands and America Samoa. The total distributed under step one is $84,110,250.

The second step allocates funds from the $324,750,000 not allocated in the first step (totaling $240,639,750) based on each State and Territory's proportionate share of the voting age population as reported in the 2000 Census (total 212,050,630, including Territories). The sum of the funds allocated in the first step and the second step equals $324,750,000.

Section 102. First, $4000 was allocated to each State for each precinct that used punch card or lever voting machines in the 2000 election, as certified by the State, totaling $376,312,000. The State totals were then reduced on a pro rata basis to 86.29807 percent of the original total, so that the nationwide total of funds allocated did not exceed $324,750,000.

Section 103. Section 103 of the Act guarantees that each State will receive a minimum payment of $5,000,000 and each territory will receive a minimum payment of $1,000,000. If a State were to receive less than $5,000,000 (or a Territory less than $1,000,000) for both programs, based on the calculations described above for Sections 101 and 102, that State's or Territory's payment was increased to the minimum. The remaining States' payments under Sections 101 and 102 were reduced on a pro rata basis, per Section 103(b), so that the total did not exceed the $649,500,000 total availability. The amount of the reduction to the remaining States' payments was $44,460,348. This required a pro rata reduction of 7.52341 percent to the remaining State's Sections 101 and 102 payments. After all reductions, the net amount per qualifying precinct for voting machine replacement is $3,192.22.

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[1] GSA's administrative costs will be substantially less than $500,000, and the amount not used by GSA will be transferred to the Election Assistance Commission when it becomes operational.

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Reporting and Conformance

By January 21, 2004, States will provide reports to GSA on actual expenditures as of December 31, 2003. Each funding recipient will be required to submit verification of actual purchases and expenditures. States should report using Standard Form 269 for Sections 101 and 102 categories. A separate form should be used for each section. Information regarding actual funds expended will be reconciled against funding provided. GSA will provide this information to the Election Assistance Commission once it becomes operational, and reporting dates are subject to change by the Commission.

State recipients of these funds are required to conform to the following Office of Management and Budget (OMB) grant guidelines found at http://www.whitehouse.gov/omb/circulars/index.html :

- OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments (Cost Principles)
- OMB Circular A-102, Grants and Cooperative Agreements With State and Local Governments (Administrative Requirements)
- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments ("Common Rule", Administrative Requirement, 53 FR 8087, March 11, 1988)
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Single Audits, Audit Requirements).
- In addition, Title I funds are subject to the Cash Management Improvement Act (CMIA) that is generally applicable to all Federal grants. State Treasurers/Chief Financial Officers are very familiar with CMIA and should be able to offer guidance on requirements.

The Catalog of Federal Domestic Assistance number assigned to this project is 39.011, Election Reform Payments. Please see the following reference for further information:

- http://www.cfda.gov/public/viewprog.asp?progid=1668

Audits

Title IX, Section 902 of Public Law 107-252, states that with respect to any grant or payment made in accordance with this Act by GSA, the Election Assistance Commission must be regarded as the office making the grant or payment, for the purposes of audits.

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Assistance

If you have any questions or comments, please feel free to contact me at 202.501.0719, or Stephen Kulenguski at 202.501.4496. Questions about transfers of funds may be addressed to Sharon Pugh or Brad Farris at 816.823.3108 in our regional Finance Center. The GSA Regional Administrator for Arizona is Peter G. Stamison, telephone 415.522.3001. Thank you.

Sincerely,

Deborah J. Schilling

Deborah J. Schilling
Director of Budget

Enclosures

Copies sent to:
Chief Election Official, Janice Brewer, State Election Director
Chief Financial Officer, David Petersen, State Treasurer
Regional Administrators

ITEM	QTY	DESCRIPTION	UNIT PRICE	EXTENSION
		Line Item 100		
		Precinct Ballot Counters		
1	40	*AccuVote-OS* Precinct Ballot Tabulator:	$4,200.00	$168,000.00
		Includes: Ballot Box per unit		
		Carrying Case per unit		
		Memory Card per unit		
		Batch Start Cards - 100		
		Precinct Ending Cards - 100		
		Marking Pens - 40 dozen		
		Ballot Transfer Bag - 40		
		Demo Ballots - 100		
		Two Year Hardware Warranty		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Additional Line 100 Items		
2	7	Additional *AccuVote-OS* Precinct Ballot Tabulators	~~$4,200.00~~	$29,400.00
3		*Additional AccuVotes include all elements as precinct AccuVotes		
4	0	Carrying Case - each additional AccuVote comes with carrying case	$91.00	$0.00
5	45	Memory Card	$250.00	$11,250.00
6	0	Precinct Ender Cards - package of 25	$15.00	$0.00
7	1	Marking Pens - package of 12	$5.00	$5.00
8	0	Ballot Transfer Bag	$29.95	$0.00
9	0	Demonstration Ballots - package of 25	$40.00	$0.00
10	200	Paper Rolls	$0.99	$198.00
11	80	Printer Ribbon	$5.99	$479.20
12	0	Secrecy Sleeve - 11"	$3.69	$0.00
13	0	Secrecy Sleeve - 14"	$3.79	$0.00
14	0	Secrecy Sleeve - 18"	$3.99	$0.00
15	47	Hardware Maintenance Years 3 thru 5 @ $125/unit x 3 yrs	$375.00	$17,625.00
		Line Item 300		
		Central Count Voting Equipment		
16	2	*AccuFeed* Units includes:		$5,990.00
		Two Year Hardware Warranty		
	2	Additional *AccuVote-OS* Central Count Tabulators	$4,200.00	$8,400.00
17	2	Hardware Maintenance Years 3 thru 5	$375.00	$750.00
		Line Item 400		
		Election Management System		
18	1	*GEMS* Software Application		$86,977.38
	1	Central Server System		
		Manufacturer Warranties Included		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Two Year Software Warranty		
19	3	Software Lic/Maint Years 3 thru 5	$9,900.00	$29,700.00
20		**SubTotal**		**$358,774.58**
21		**Taxes @ 8.10%**		**$25,166.67**
22		**Vote Counting System Total Investment**		**$383,941.25**

* Shipping and insurance included for all equipment

VERIFIED
W Selin Mode 10-29-03

VOTED
W # 21-9020858
JC 10-29/03

Dixie Mundy, Director
dmundy@co.gila.az.us
928.425.3231, ext. 8708

David Rogers
Election Specialist
drogers@co.gila.az.us
928.425.3231, ext. 8750

Denise Ordorica, Assistant
dordorica@co.gila.az.us
928.425.3231, ext. 8709

Josephine Goode
Voter Outreach Assistant
jgoode@co.gila.az.us
928.425.3231, ext. 8709

GILA COUNTY DIVISION OF ELECTIONS
1400 EAST ASH STREET, GLOBE AZ 85501
FAX 928.425.0319 TDD 928.425.0839
www.gilacountyaz.gov

September 29, 2003

FedEx Airbill #8409 1488 7938
Honorable Jan Brewer
Arizona Secretary of State
1700 West Washington, 7th Floor
Phoenix, AZ 85007

Re: Adios Chad

Dear Secretary Brewer:

Enclosed find the Gila County Memorandum of Understanding/Contract for Project Adios Chad. Please note that the Gila County Board of Supervisors chose not to make changes to the original contract draft. Once the contract is fully executed please provide me a copy for our files.

Also enclosed are the county project plan and equipment requirement list. Several of our precincts are between 1½ to 2 hours driving time from Globe. For this reason I have listed seven additional AccuVote-OS Ballot Tabulators and carrying cases rather than the anticipated four. My requirement list does not include secrecy sleeves. Instead I have opted for other additional items.

Respectfully,

Gila County Division of Elections

Dixie Mundy

Dixie Mundy, Director

Enclosures

MEMORANDUM OF UNDERSTANDING/CONTRACT FOR PROJECT ADIOS CHAD

This Agreement is made this 23rd day of September, 2003, between the State of Arizona by and through the Secretary of State and Gila County, a political subdivision of the State of Arizona.

I. Recitals

1. Adios Chad is a statewide contract effort to facilitate replacement of voting systems in the nine Arizona counties where punch card voting systems were used in the 2000 General Election. The replacement of punch card voting systems is an integral part of the State's compliance with the Help America Vote Act 2002 (HAVA).

2. The State of Arizona is a leader in the country in the implementation of HAVA.

3. The State of Arizona by and through the Secretary of State wishes to increase the commonality among voting equipment in Arizona counties to facilitate and increase compliance with election standards, gain economies of scale, and increase cooperation between counties.

4. The Secretary of State's Office will act as a contract administrator for a statewide contract for voting machines and related products to maximize the purchasing power of the State and the counties. The County will own, and operate the new voting system. The County will work with the vendor to maintain the new voting systems and will retain control of election services selected at the county level.

5. It is the intention of Secretary of State and the County that the procurement of the Election Management Systems (EMS), Central Count and Optical Character Reader equipment will be accomplished by the County in fiscal year 2004.

6. It is the intention of Secretary of State and the County that the procurement of the Direct Recording Electronic (DRE) equipment will be accomplished and the equipment installed by the County in time for the general election of 2006 or when the Secretary of State makes funds available.

7. The State of Arizona issued a request for proposal for voting equipment on June 27, 2003. The contract that will result from that request for proposal will be the means for County to purchase voting equipment with HAVA funds.

II. Agreement

1. The County Board of Supervisors will be responsible for the County's compliance with this Agreement and the County reporting requirements outlined in the **State Plan attached hereto and incorporated as apart hereof**, in return for which the County will receive HAVA funds for its purchase of qualifying voting equipment.

2. The County will use State of Arizona contract AD030150 for the purchases of voting equipment, if utilizing HAVA funds.

3. HAVA funds may be used by County to purchase the following types of equipment and services:

- One OCR machine per precinct including modems
- One DRE machine per precinct
- One EMS per county including hardware and software
- One Central Count system scaled to fit the needs of county
- Spare equipment scaled to fit the needs of the county
- Other parts and accessories as necessary for typical use of said voting equipment
- 1st Year maintenance/support/training

HAVA reimbursable equipment listed in this section is limited to the types and quantities shown above. Any additional equipment that the County wishes to purchase will be with non-HAVA County funds.

4. The County will follow the funding process described in section III below. The Secretary of State will be solely responsible for the distribution of HAVA funds. Funds will be distributed by the Secretary of State based on the priorities established in the state plan and the availability of funds from the Federal Government. The Secretary of State and the State of Arizona shall have no liability under this Agreement except to distribute HAVA funds in accordance with the State Plan.

5. The County will submit a proposed project plan to the Secretary of State before the start of its voting equipment replacement project. The proposed project plan will include at least a list of items required, a proposed budget, and a schedule of major milestones with anticipated completion dates.

6. County must also submit a copy if its budget that contains the 2000 election cycle spending amounts to establish baseline amounts for the efforts already in practice. It is incumbent upon the County to maintain the baseline budget for its elections. HAVA funding may not be used to replace any current spending by the County for elections

7. The County shall use established accounting and project management practices for all aspects of the project and shall retain all data, books, and other records related to this Agreement for a period of five years after completion of the project. All records shall be subject to inspection and audit by the Secretary of State, or designee, at reasonable times.

8. As part of the consideration for HAVA funding the County will provide the Secretary of State with reports, as requested from time to time, concerning the status of the County's progress on Adios Chad, explaining any schedule variances.

9. The County agrees to have appropriate personnel complete all of the vendor's training related to the operation and use of the voting equipment and software prior to using the new voting equipment.

10. The County is responsible for additional funding which may be required for specific implementation for any items that are not reimbursable according to the state plan and this Agreement.

11. The County and the Secretary of State's Office will perform a post implementation evaluation of the project.

12. Upon completion of the project, the County will approve and accept the project as complete. The County will be responsible for ongoing maintenance and operational costs of all equipment after HAVA funds are depleted.

13. Compliance with the terms of this Agreement and with the project management and time schedules will establish County eligibility to receive payments from the state election fund. Any portions not in compliance, or not completed on the time schedule will delay payments until such time the County has complied with the necessary requirements. Failure to comply with this Agreement for more than six months may release the state election fund from commitment to provide such funds.

14. This agreement shall be in effect through the Federal fiscal year 2006.

15. To provide uniformity within this agreement, the counties and the State shall enter into a "user group" which will help facilitate modifications and enhancements to the Adios Chad systems.

III. Funding Process

1. The County will submit a detailed request for voting equipment it plans to purchase to the Secretary of State's Office, as prescribed in Section II. Agreement, Item #3, of this memorandum of understanding.

2. The Secretary of State's Office will review and approve/disapprove requests. If approved, the Secretary of State may also adjust the reimbursement amount to the County based on the availability of funds and the priorities established in the state plan.

3. The County will generate a purchase order for the voting equipment and submit the purchase order to the Secretary of State for approval prior to actually ordering the equipment.

4. Upon approval of the purchase order, the Secretary of State's Office will cause the approved amount to be transferred to the County within 30 days.

5. The County will purchase the voting equipment through the statewide contract reference above, take appropriate steps to accept or reject delivery of the items purchased and be responsible for the maintenance of the purchased items.

IV. Miscellaneous

1. In the event the Secretary of State determines as a result of an audit conducted pursuant to this Agreement that County is not in compliance with each of the requirements of this Agreement and the plan submitted by the County or an excess payment has been made to the County under this Agreement County shall repay to the Secretary of State a portion of the funds provided which reflects the proportion of the requirements with which County is not in compliance, or the extent of the excess payment.

2. This Agreement shall be governed by the laws of the State of Arizona.

Secretary of State
State Of Arizona

By: Janice K. Brewer

Print: Janice K. Brewer

Gila County Board of Supervisors

By: Ronald Christensen

Print: Ronald Christensen, Chairman

Attest: John F. Nelson

Print: John F. Nelson, Clerk

Approved as to Form:

Bryan Chambers

Print: Bryan Chambers
Deputy County Attorney

Gila County Progress Schedule

Task	Duration	Start	Finish
PROJECT KICKOFF	**7 days**	**10/1/2003**	**10/10/2003**
Determine Equipment Needs	5 days	9/21/2003	9/26/2003
Prepare PRIM Document	5 days	10/15/2003	11/1/2003
Kick Off Meeting	1 day	10/9/2003	10/10/2003
Order GEMS Hardware/Data Communications	1 day	10/1/2003	10/4/2003
Order AccuVote-TS Ballot Stations	1 day	10/9/2003	10/10/2003
Order AccuVote VIBS Units	1 day	10/9/2003	10/10/2003
Order AccuVote-OS Tabulator	1 day	10/1/2003	10/4/2003
Order SmartCard Burners & Cards	1 day	10/9/2003	10/10/2003
Order miscellaneous cables, powercords, etc.	1 day	10/1/2003	10/14/2003
COUNTIES ORDER BALLOT ENVELOPES	**1 day**	**10/16/2003**	**10/17/2003**
SITE SURVEYS	**5 days**	**9/22/2003**	**12/18/2003**
HARDWARE & SOFTWARE DELIVERY	**10 days**	**11/13/2003**	**11/28/2003**
Server Delivery	**7 days**	**11/13/2003**	**11/24/2003**
Stage GEMS Server	1 day	11/13/2003	11/14/2003
Test GEMS Server	1 day	11/14/2003	11/17/2003
Deliver Server to County	5 days	11/17/2003	11/24/2003
Deliver TS Units	5 days	11/20/2003	11/28/2003
Deliver OS Units	5 days	11/20/2003	11/28/2003
Deliver VIBS and other accessories	5 days	11/20/2003	11/28/2003
SYSTEM TESTING	**9 days**	**12/9/2003**	**12/22/2003**
Perform Server Tests	9 days	12/9/2003	12/22/2003
GEMS Application Testing on Server	9 days	12/9/2003	12/22/2003
AccuVote OS & TS Testing	9 days	12/9/2003	12/22/2003
Intergration Testing	9 days	12/9/2003	12/22/2003
TRAINING	**30 days**	**12/8/2003**	**1/21/2004**
Train Technical Staff	Ongoing	11/20/2003	2/15/2004
Training & Materials for Election Staff	5 days	12/8/2003	12/15/2003
Materials for Voter Education Outreach Programs	1 day	12/8/2003	12/9/2003
"Train the Trainer" & Materials for Poll Worker Training	7 days	1/11/2003	1/17/2003
Perform Full Poll Worker Training	2 days	1/20/2003	1/21/2003
ELECTION SETUP	**22 days**	**12/1/2003**	**1/2/2004**
Last Day to File as Candidate	1 day	12/24/2003	12/24/2003
Receive Election Data from State	1 day	12/28/2003	12/28/2003
Diebold to Receive Election Data from County	1 day	12/29/2003	12/29/2003
Diebold to Build February 2004 Database	5 days	12/29/2003	1/5/2003
Prepare Ballot Proofs	4 days	1/2/2004	1/6/2004
Ballots Approved by County	1 day	1/4/2004	1/6/2004
County to Receive Test Decks (if printed by Diebold)	1 day	1/10/2004	1/14/2004
Print "early" ballots and deliver	9 days	1/6/2004	1/14/2004
Print "poll" ballots and deliver	15 days	1/6/2004	1/21/2004
Sample Ballots Completed	2 days	12/17/2003	12/19/2003
ELECTION IMPLEMENTATION	**21 days**	**1/5/2004**	**2/3/2004**
Prepare Memory Cards for Voting Units	4 days	1/5/2004	1/9/2004
Perform Logic & Accuracy Testing	4 days	1/10/2004	1/15/2004
Set Up Early Voting Equipment	1 day	1/16/2004	1/19/2004
Early Voting	13 days	1/19/2004	2/1/2004
Sample Ballots Mailed - last day to request Early Voting	1 day	1/23/2004	1/26/2004
Deliver Polling Place Supplies	2 days	1/29/2003	2/2/2004
Set Up Voting Day Equipment	3 days	1/29/2004	2/3/2004
FEB. 3, 2004 PRESIDENTIAL PREFERENCE ELECTION	**1 day**	**2/3/2004**	**2/4/2004**
Open Polls	1 day	2/3/2004	2/4/2004
Vote	1 day	2/3/2004	2/4/2004

Gila County Progress Schedule

Close Polls	1 day	2/3/2004	2/4/2004
Tally Precinct Results	1 day	2/3/2004	2/4/2004
Tally Absentee Results	1 day	2/3/2004	2/4/2004
Transmit Results to County	1 day	2/3/2004	2/4/2004
Post Countywide Results	1 day	2/3/2004	2/4/2004
POST ELECTION DAY	**3 days**	**2/4/2004**	**2/9/2004**
Audit Election Results	1 day	2/4/2004	2/5/2004
Conduct Recount as Required	1 day	2/5/2004	2/6/2004
Evaluate Processes and Procedures	1 day	2/6/2004	2/9/2004
Last Day to Certifiy Election	1 day	2/16/2004	2/16/2004

Gila County Equipment Requirement List

40	AccuVote - OS Precinct Ballot Tabulators including:		$ 221,607.31
	Ballot Box	included	
	Carrying Case	included	
	Memory Card	included	
	Batch Start Cards - 100	included	
	Precinct Ender Cards - 100	included	
	Marking Pens - 40 dozen	included	
	Ballot Transfer Bag - 40	included	
	Demo Ballots - 100	included	
	Two Year Hardware Warranty	included	
	Project Management	included	
	Installation	included	
	Training	included	
	On-Site Support for 2004 Elections	included	
	Shipping/Insurance	included	
7	Additional AccuVote - OS Precinct Ballot Tabulators	$ 4,200.00	$ 29,400.00
7	Shipping/Insurance	$ 23.00	$ 161.00
7	Carrying Case	$ 91.00	$ 637.00
20	Memory Card	$ 250.00	$ 5,000.00
5	Marking Pens - package of 12	$ 5.00	$ 25.00
20	Paper Rolls	$ 0.99	$ 19.80
10	Printer Ribbon	$ 5.99	$ 59.90
47	Hardware Maintenance Years 3 thru 5 @ $125/unit	$ 375.00	$ 17,625.00
2	AccuFeed Units including:	$ 2,995.00	$ 5,990.00
	Two Year Hardware Warranty		
2	Hardware Maintenance Years 3 thru 5	$ 375.00	$ 750.00
1	GEMS Software Application	$ 86,977.38	$ 86,977.38
	Central Server System		
	Manufacturer Warranties Included		
	Project Management		
	Installation		
	Training		
	On-Site Support for 2004 Elections		
	Two Year Software Warranty		
3	Software Lic/Maint Years 3 thru 5	$ 9,900.00	$ 29,700.00
	GRAND TOTAL		$ 397,952.39

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GSA

GSA Office of the Chief Financial Officer

July 28, 2003

RECEIVED
AUG 13 2003
ARIZONA SECRETARY OF STATE

The Honorable Janet Napolitano
Governor of Arizona
Phoenix, AZ 85007

Dear Governor Napolitano:

This letter describes the final distribution of funds by the General Services Administration (GSA), in carrying out our responsibilities under Title 1 of Public Law (P.L.) 107-252, the Help America Vote Act (HAVA, "the Act"). The Act tasks GSA with responsibility for disbursing funds to the States, the District of Columbia and the Territories to implement various improvements to the Federal election process, including the replacement of voting equipment. Please see the enclosed letter (Enclosure 1) for background information on the program, original plans for applying for funds, timeline, et cetera.

Payments

Arizona applied and certified timely to Sections 101 and 102 of HAVA, Title I. GSA, as described in Enclosure 1, processed an initial payment of $5,000,000.00, which was transferred electronically on 4/28/2003 to the account specified by Janice Brewer, State Election Director. Once all of the State applications were received and verified, GSA determined the final distribution of funds to the States, according to HAVA instructions, and processed the final payments. An additional payment of $2,015,557.00 was made to the same account specified, again by Electronic Funds Transfer (EFT), and GSA verified receipt of the funds to that account on Monday, June 16, 2003. Thus, Arizona received a total of $7,015,557.00, consisting of a Section 101 payment of $5,451,369.00, and a Section 102 payment of $1,564,188.00. We will assume that your Chief Election Official and designee for payment of funds is Janice Brewer, State Election Director, unless you notify us differently.

The Section 101 payment is for one or more of the following purposes, as indicated by Arizona's certification of Section 101:

- Complying with the requirements of Title III of the Act;
- Improving the administration of elections for Federal office;
- Educating voters concerning voting procedures, voting rights, and voting technology;

U.S. General Services Administration
1800 F Street, NW Rm 2140
Washington, DC 20405-0002
www.gsa.gov

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- Training election officials, poll workers, and election volunteers;
- Developing the State plan for requirements payments to be submitted under Part 1 of Subtitle D of Title II (Sections 251-257) of the Act;
- Improving, acquiring, leasing, modifying, or replacing voting systems and technology and methods for the casting and counting of votes;
- Improving the accessibility and quantity of polling places, including providing physical access for individuals with disabilities, providing non-visual access for individuals with visual impairments, and providing assistance to Native Americans, Alaska Native citizens, and to individuals with limited proficiency in the English language; and/or
- Establishing a toll-free telephone hotline that voters may use to report possible voting fraud and voting rights violations, to obtain general election information, and to access detailed automated information on their own voter registration status, specified polling place locations, and other relevant information.

The Section 102 payment is for the following purpose as indicated by Arizona's certification of Section 102, for 490 total qualifying precincts, consisting of 490 punch card precincts and 0 lever voter system precincts:

- A State is obligated to use the funding (either directly or as a reimbursement for costs incurred on or after January 1, 2001) to replace punch card voting systems or lever voting systems in precincts within that State that used such systems in the November 2000 election ("qualifying precincts").
- A State that receives funding for this program must ensure that all of the punch card voting systems or lever systems in the qualifying precincts within that State will be replaced in time for the regularly scheduled general election for Federal office to be held in November 2004 (unless a waiver is obtained under Section 102(a)(3)(B)).
- Section 102(a)(3)(B) says that States may request a waiver by certifying to the Administrator of General Services not later than January 1, 2004, that the State will not meet the deadline specified above, for good cause and including in the certification the reasons for the failure to meet such deadline, the State shall ensure that all of the punch card voting systems or lever voting systems in the qualifying precincts within the State will be replaced in time for the first election for Federal office held after January 1, 2006.
- Section 102(d) deals with repayment of funds for failure to meet the deadline, and says that if a State receiving Section 102 funds fails to meet the deadlines stated above, the State shall pay to the Administrator an amount equal to the noncompliant precinct percentage of the amount of the funds provided to the State under the program. This amount will be $3,192.22 per noncompliant precinct.
- The State will continue to comply with current voting laws stated in Section 906; and,
- The replacement voting systems will meet the requirements of Title III, Section 301.

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Method of Calculations

The following describes the method of calculations for distribution of the HAVA Title I funds, which was reviewed and cleared with both House and Senate staff, our General Counsel's office, and our Inspector General's office.

Total Availability. The total amount available for distribution is $649,500,000, calculated by taking the total $650,000,000 appropriated for this purpose in Public Law 108-7, and subtracting the $500,000 allowed for GSA administrative costs.[1] For initial calculations, this amount is divided evenly between Sections 101 and 102 at $324,750,000 per section.

Section 101. Step one of two gives one-half of one percent of $324,750,000 to each State and the District of Columbia ($1,623,750) and one tenth of one percent of the total ($324,750) to Guam, Puerto Rico, the U.S. Virgin Islands and America Samoa. The total distributed under step one is $84,110,250.

The second step allocates funds from the $324,750,000 not allocated in the first step (totaling $240,639,750) based on each State and Territory's proportionate share of the voting age population as reported in the 2000 Census (total 212,050,630, including Territories). The sum of the funds allocated in the first step and the second step equals $324,750,000.

Section 102. First, $4000 was allocated to each State for each precinct that used punch card or lever voting machines in the 2000 election, as certified by the State, totaling $376,312,000. The State totals were then reduced on a pro rata basis to 86.29807 percent of the original total, so that the nationwide total of funds allocated did not exceed $324,750,000.

Section 103. Section 103 of the Act guarantees that each State will receive a minimum payment of $5,000,000 and each territory will receive a minimum payment of $1,000,000. If a State were to receive less than $5,000,000 (or a Territory less than $1,000,000) for both programs, based on the calculations described above for Sections 101 and 102, that State's or Territory's payment was increased to the minimum. The remaining States' payments under Sections 101 and 102 were reduced on a pro rata basis, per Section 103(b), so that the total did not exceed the $649,500,000 total availability. The amount of the reduction to the remaining States' payments was $44,460,348. This required a pro rata reduction of 7.52341 percent to the remaining State's Sections 101 and 102 payments. After all reductions, the net amount per qualifying precinct for voting machine replacement is $3,192.22.

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[1] GSA's administrative costs will be substantially less than $500,000, and the amount not used by GSA will be transferred to the Election Assistance Commission when it becomes operational.

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Reporting and Conformance

By January 21, 2004, States will provide reports to GSA on actual expenditures as of December 31, 2003. Each funding recipient will be required to submit verification of actual purchases and expenditures. States should report using Standard Form 269 for Sections 101 and 102 categories. A separate form should be used for each section. Information regarding actual funds expended will be reconciled against funding provided. GSA will provide this information to the Election Assistance Commission once it becomes operational, and reporting dates are subject to change by the Commission.

State recipients of these funds are required to conform to the following Office of Management and Budget (OMB) grant guidelines found at http://www.whitehouse.gov/omb/circulars/index.html :

- OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments (Cost Principles)
- OMB Circular A-102, Grants and Cooperative Agreements With State and Local Governments (Administrative Requirements)
- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments ("Common Rule", Administrative Requirement, 53 FR 8087, March 11, 1988)
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Single Audits, Audit Requirements).
- In addition, Title I funds are subject to the Cash Management Improvement Act (CMIA) that is generally applicable to all Federal grants. State Treasurers/Chief Financial Officers are very familiar with CMIA and should be able to offer guidance on requirements.

The Catalog of Federal Domestic Assistance number assigned to this project is 39.011, Election Reform Payments. Please see the following reference for further information:

- http://www.cfda.gov/public/viewprog.asp?progid=1668

Audits

Title IX, Section 902 of Public Law 107-252, states that with respect to any grant or payment made in accordance with this Act by GSA, the Election Assistance Commission must be regarded as the office making the grant or payment, for the purposes of audits.

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Assistance

If you have any questions or comments, please feel free to contact me at 202.501.0719, or Stephen Kulenguski at 202.501.4496. Questions about transfers of funds may be addressed to Sharon Pugh or Brad Farris at 816.823.3108 in our regional Finance Center. The GSA Regional Administrator for Arizona is Peter G. Stamison, telephone 415.522.3001. Thank you.

Sincerely,

Deborah J. Schilling

Deborah J. Schilling
Director of Budget

Enclosures

Copies sent to:
Chief Election Official, Janice Brewer, State Election Director
Chief Financial Officer, David Petersen, State Treasurer
Regional Administrators

ITEM	QTY	DESCRIPTION	UNIT PRICE	EXTENSION
		Line Item 100		
		Precinct Ballot Counters		
1	8	***AccuVote-OS*** Precinct Ballot Tabulator:	$4,200.00	$33,600.00
		Includes: Ballot Box per unit		
		Carrying Case per unit		
		Memory Card per unit		
		Batch Start Cards - 100		
		Precinct Ending Cards - 100		
		Marking Pens - 8 dozen		
		Ballot Transfer Bag - 8		
		Demo Ballots - 100		
		Two Year Hardware Warranty		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Additional Line 100 Items		
2	4	Additional ***AccuVote-OS*** Precinct Ballot Tabulators	$4,200.00	$16,800.00
3		*Additional AccuVotes include all elements as precinct AccuVotes		
4	0	Carrying Case - each additional AccuVote comes with carrying case	$91.00	$0.00
5	20	Memory Card	$250.00	$5,000.00
6	0	Precinct Ender Cards - package of 25	$15.00	$0.00
7	2	Marking Pens - package of 12	$5.00	$10.00
8	2	Ballot Transfer Bag	$29.95	$59.90
9	0	Demonstration Ballots - package of 25	$40.00	$0.00
10	50	Paper Rolls	$0.99	$49.50
11	20	Printer Ribbon	$5.99	$119.80
12	0	Secrecy Sleeve - 11"	$3.69	$0.00
13	0	Secrecy Sleeve - 14"	$3.79	$0.00
14	0	Secrecy Sleeve - 18"	$3.99	$0.00
15	12	Hardware Maintenance Years 3 thru 5 @ $125/unit x 3 yrs	$375.00	$4,500.00
16	1	Extra Battery for AccuVote-OS	$37.00	$37.00
		Line Item 300		
		Central Count Voting Equipment		
17	1	***AccuFeed*** Units includes:		$2,995.00
		Two Year Hardware Warranty		
	1	Additional ***AccuVote-OS*** Central Count Tabulators	$4,200.00	$4,200.00
18	1	Hardware Maintenance Years 3 thru 5	$375.00	$375.00
		Line Item 400		
		Election Management System		
19	1	***GEMS*** Software Application		$46,664.83
	1	Central Server System		
		Manufacturer Warranties Included		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Two Year Software Warranty		
20	3	Software Lic/Maint Years 3 thru 5	$4,500.00	$13,500.00
21		**SubTotal**		**$127,911.03**
22		**Taxes @ 8.10%**		**$8,872.42**
23		**Vote Counting System Total Investment**		**$136,783.45**

* Shipping and insurance included for all equipment

VERIFIED
William Meeke 10-29-03

PROCESSED
W# 21-9020859
10/29/03 JC
DATE BY

RECEIVED
SECRETARY OF STATE
2003 OCT -3 PM 1:21

MEMORANDUM OF UNDERSTANDING/CONTRACT FOR PROJECT ADIOS CHAD

This Agreement is made this 25th day of September, 2003, between the State of Arizona by and through the Secretary of State and Greenlee County (County), a political subdivision of the State of Arizona.

I. Recitals

1. Adios Chad is a statewide contract effort to facilitate replacement of voting systems in the nine Arizona counties where punch card voting systems were used in the 2000 General Election. The replacement of punch card voting systems is an integral part of the State's compliance with the Help America Vote Act 2002 (HAVA).

2. The State of Arizona is a leader in the country in the implementation of HAVA.

3. The State of Arizona by and through the Secretary of State wishes to increase the commonality among voting equipment in Arizona counties to facilitate and increase compliance with election standards, gain economies of scale, and increase cooperation between counties.

4. The Secretary of State's Office will act as a contract administrator for a statewide contract for voting machines and related products to maximize the purchasing power of the State and the counties. The County will own, and operate the new voting system. The County will work with the vendor to maintain the new voting systems and will retain control of election services selected at the county level.

5. It is the intention of Secretary of State and the County that the procurement of the Election Management Systems (EMS), Central Count and Optical Character Reader equipment will be accomplished by the County in fiscal year 2004.

6. It is the intention of Secretary of State and the County that the procurement of the Direct Recording Electronic (DRE) equipment will be accomplished and the equipment installed by the County in time for the general election of 2006 or when the Secretary of State makes funds available.

7. The State of Arizona issued a request for proposal for voting equipment on June 27, 2003. The contract that will result from that request for proposal will be the means for County to purchase voting equipment with HAVA funds.

II. Agreement

1. The County Board of Supervisors will be responsible for the County's compliance with this Agreement and the County reporting requirements outlined in the **State Plan attached hereto and incorporated as apart hereof**, in return for which the County will receive HAVA funds for its purchase of qualifying voting equipment.

2. The County will use State of Arizona contract AD030150 for the purchases of voting equipment, if utilizing HAVA funds.

3. HAVA funds may be used by County to purchase the following types of equipment and services:
   - One OCR machine per precinct including modems
   - One DRE machine per precinct
   - One EMS per county including hardware and software
   - One Central Count system scaled to fit the needs of county
   - Spare equipment scaled to fit the needs of the county
   - Other parts and accessories as necessary for typical use of said voting equipment
   - 1st Year maintenance/support/training

   HAVA reimbursable equipment listed in this section is limited to the types and quantities shown above. Any additional equipment that the County wishes to purchase will be with non-HAVA County funds.

4. The County will follow the funding process described in section III below. The Secretary of State will be solely responsible for the distribution of HAVA funds. Funds will be distributed by the Secretary of State based on the priorities established in the state plan and the availability of funds from the Federal Government. The Secretary of State and the State of Arizona shall have no liability under this Agreement except to distribute HAVA funds in accordance with the State Plan.

5. The County will submit a proposed project plan to the Secretary of State before the start of its voting equipment replacement project. The proposed project plan will include at least a list of items required, a proposed budget, and a schedule of major milestones with anticipated completion dates.

6. County must also submit a copy if its budget that contains the 2000 election cycle spending amounts to establish baseline amounts for the efforts already in practice. It is incumbent upon the County to maintain the baseline budget for its elections. HAVA funding may not be used to replace any current spending by the County for elections

7. The County shall use established accounting and project management practices for all aspects of the project and shall retain all data, books, and other records

related to this Agreement for a period of five years after completion of the project. All records shall be subject to inspection and audit by the Secretary of State, or designee, at reasonable times.

8. As part of the consideration for HAVA funding the County will provide the Secretary of State with reports, as requested from time to time, concerning the status of the County's progress on Adios Chad, explaining any schedule variances.

9. The County agrees to have appropriate personnel complete all of the vendor's training related to the operation and use of the voting equipment and software prior to using the new voting equipment.

10. The County is responsible for additional funding which may be required for specific implementation for any items that are not reimbursable according to the state plan and this Agreement.

11. The County and the Secretary of State's Office will perform a post implementation evaluation of the project.

12. Upon completion of the project, the County will approve and accept the project as complete. The County will be responsible for ongoing maintenance and operational costs of all equipment after HAVA funds are depleted.

13. Compliance with the terms of this Agreement and with the project management and time schedules will establish County eligibility to receive payments from the state election fund. Any portions not in compliance, or not completed on the time schedule will delay payments until such time the County has complied with the necessary requirements. Failure to comply with this Agreement for more than six months may release the state election fund from commitment to provide such funds.

14. This agreement shall be in effect through the Federal fiscal year 2006.

15. To provide uniformity within this agreement, the counties and the State shall enter into a "user group" which will help facilitate modifications and enhancements to the Adios Chad systems.

III. Funding Process

1. The County will submit a detailed request for voting equipment it plans to purchase to the Secretary of State's Office, as prescribed in Section II. Agreement, Item #3, of this memorandum of understanding.

2. The Secretary of State's Office will review and approve/disapprove requests. If approved, the Secretary of State may also adjust the reimbursement amount to

the County based on the availability of funds and the priorities established in the state plan.

3. The County will generate a purchase order for the voting equipment and submit the purchase order to the Secretary of State for approval prior to actually ordering the equipment.

4. Upon approval of the purchase order, the Secretary of State's Office will cause the approved amount to be transferred to the County within 30 days.

5. The County will purchase the voting equipment through the statewide contract reference above, take appropriate steps to accept or reject delivery of the items purchased and be responsible for the maintenance of the purchased items.

IV. Miscellaneous

1. In the event the Secretary of State determines as a result of an audit conducted pursuant to this Agreement that County is not in compliance with each of the requirements of this Agreement and the plan submitted by the County or an excess payment has been made to the County under this Agreement County shall repay to the Secretary of State a portion of the funds provided which reflects the proportion of the requirements with which County is not in compliance, or the extent of the excess payment.

2. This Agreement shall be governed by the laws of the State of Arizona.

Secretary of State
State Of Arizona

By Janice K. Brewer

Greenlee County Board of Supervisors

By: Dixie L. Zumwalt
Dixie L. Zumwalt, Chairman

DIEBOLD
ELECTION SYSTEMS

RECEIVED
SECRETARY OF STATE
2003 OCT -3 PM 1:21

September 26, 2003

Yvonne Pearson, Election Director
Greenlee County Elections
P.O. Box 908
Clifton, Arizona 85533

Dear Yvonne,

Attached is the quote you requested. This reflects the request for 60 additional memory cards. We can discuss this further next week.

Sincerely,

Steve Knecht
Diebold Election Systems

415-893-9941 ofc
415-225-6591 cell
415-893-9951 fax

DIEBOLD
ELECTION SYSTEMS

9/26/2003

Greenlee County

ITEM	QTY	DESCRIPTION	UNIT PRICE	EXTENSION
		Line Item 100		
		Precinct Ballot Counters		
1	8	***AccuVote-OS*** Precinct Ballot Tabulator includes:		$66,956.03
		Ballot Box		
		Carrying Case		
		Memory Card		
		Batch Start Cards - 100		
		Precinct Ender Cards - 100		
		Marking Pens - 8 dozen		
		Ballot Transfer Bag - 8		
		Demo Ballots - 100		
		Two Year Hardware Warranty		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Shipping/Insurance		
		Addittional Line 100 Items		
2	2	Additional ***AccuVote-OS*** Precinct Ballot Tabulators	$4,200.00	$8,400.00
3	2	Shipping/Insurance	$23.00	$46.00
4	2	Carrying Case	$91.00	$182.00
5	60	Memory Card 128Kb	$250.00	$15,000.00
6	0	Precinct Ender Cards - package of 25	$15.00	$0.00
7	2	Marking Pens - package of 12	$5.00	$10.00
8	2	Ballot Transfer Bag	$29.95	$59.90
9	0	Demonstration Ballots - package of 25	$40.00	$0.00
10	20	Paper Rolls	$0.99	$19.80
11	10	Printer Ribbon	$5.99	$59.90
12	0	Secrecy Sleeve - 11"	$3.69	$0.00
13	0	Secrecy Sleeve - 14"	$3.79	$0.00
14	0	Secrecy Sleeve - 18"	$3.99	$0.00
15	1	Extra Battery for AccuVote-OS	$37.00	$37.00
16	10	Hardware Maintenance Years 3 thru 5 @ $125/unit x 3 yrs	$375.00	$3,750.00
		Line Item 300		
		Central Count Voting Equipment		
17	1	***AccuFeed*** Units includes:		$2,995.00
		Two Year Hardware Warranty		
18	1	Hardware Maintenance Years 3 thru 5	$375.00	$375.00
		Line Item 400		

DIEBOLD
ELECTION SYSTEMS

		Election Management System		
19	1	***GEMS*** Software Application		$46,664.83
	1	Central Server System		
		Manufacturer Warranties Included		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Two Year Software Warranty		
20	3	Software Lic/Maint Years 3 thru 5	$4,500.00	$13,500.00
21			**SubTotal**	**$158,055.46**
22			**Taxes @ 8.10%**	**$11,374.87**
23			**Vote Counting System Total Investment**	**$169,430.33**

RECEIVED
SECRETARY OF STATE
2003 OCT -3 PM 1:21

GREENLEE COUNTY ELECTIONS
PROJECT PLAN
September 30, 2003

Project Task	Start	Finish
Memorandum of Understanding		09/30/03
Diebold Kick Off Meeting	10/09/03	10/10/03
Order GEMS Hardware/Data Communications	10/01/03	10/06/03
Order AccuVote OS Tabulator	10/01/03	10/06/03
Order Miscellaneous AccuVote related equipment	10/01/03	10/14/03
Site Surveys	10/01/03	12/18/03
Hardware & Software Delivery	11/13/03	11/28/03
System Testing	12/09/03	12/22/03
Diebold Training-Elections Staff, Board Workers, etc.	11/20/03	01/10/04
County Board Worker Training	01/20/04	01/27/04
Voter Education/Materials	12/01/03	01/15/04
Early Voting - PPE	01/19/04	01/30/04
Logic & Accuracy Testing	01/23/04	02/03/04
Polling Place Set-Up	02/02/04	02/02/04
Presidential Preference Election Day	02/03/04	02/03/04
DOJ Submission/Approval	10/06/03	12/31/03

GSA

GSA Office of the Chief Financial Officer

July 28, 2003

RECEIVED
AUG 13 2003
ARIZONA SECRETARY OF STATE

The Honorable Janet Napolitano
Governor of Arizona
Phoenix, AZ 85007

Dear Governor Napolitano:

This letter describes the final distribution of funds by the General Services Administration (GSA), in carrying out our responsibilities under Title 1 of Public Law (P.L.) 107-252, the Help America Vote Act (HAVA, "the Act"). The Act tasks GSA with responsibility for disbursing funds to the States, the District of Columbia and the Territories to implement various improvements to the Federal election process, including the replacement of voting equipment. Please see the enclosed letter (Enclosure 1) for background information on the program, original plans for applying for funds, timeline, et cetera.

Payments

Arizona applied and certified timely to Sections 101 and 102 of HAVA, Title I. GSA, as described in Enclosure 1, processed an initial payment of $5,000,000.00, which was transferred electronically on 4/28/2003 to the account specified by Janice Brewer, State Election Director. Once all of the State applications were received and verified, GSA determined the final distribution of funds to the States, according to HAVA instructions, and processed the final payments. An additional payment of $2,015,557.00 was made to the same account specified, again by Electronic Funds Transfer (EFT), and GSA verified receipt of the funds to that account on Monday, June 16, 2003. Thus, Arizona received a total of $7,015,557.00, consisting of a Section 101 payment of $5,451,369.00, and a Section 102 payment of $1,564,188.00. We will assume that your Chief Election Official and designee for payment of funds is Janice Brewer, State Election Director, unless you notify us differently.

The Section 101 payment is for one or more of the following purposes, as indicated by Arizona's certification of Section 101:

- Complying with the requirements of Title III of the Act;
- Improving the administration of elections for Federal office;
- Educating voters concerning voting procedures, voting rights, and voting technology;

U.S. General Services Administration
1800 F Street, NW Rm 2140
Washington, DC 20405-0002
www.gsa.gov

COPY

- Training election officials, poll workers, and election volunteers;
- Developing the State plan for requirements payments to be submitted under Part 1 of Subtitle D of Title II (Sections 251-257) of the Act;
- Improving, acquiring, leasing, modifying, or replacing voting systems and technology and methods for the casting and counting of votes;
- Improving the accessibility and quantity of polling places, including providing physical access for individuals with disabilities, providing non-visual access for individuals with visual impairments, and providing assistance to Native Americans, Alaska Native citizens, and to individuals with limited proficiency in the English language; and/or
- Establishing a toll-free telephone hotline that voters may use to report possible voting fraud and voting rights violations, to obtain general election information, and to access detailed automated information on their own voter registration status, specified polling place locations, and other relevant information.

The Section 102 payment is for the following purpose as indicated by Arizona's certification of Section 102, for 490 total qualifying precincts, consisting of 490 punch card precincts and 0 lever voter system precincts:

- A State is obligated to use the funding (either directly or as a reimbursement for costs incurred on or after January 1, 2001) to replace punch card voting systems or lever voting systems in precincts within that State that used such systems in the November 2000 election ("qualifying precincts").
- A State that receives funding for this program must ensure that all of the punch card voting systems or lever systems in the qualifying precincts within that State will be replaced in time for the regularly scheduled general election for Federal office to be held in November 2004 (unless a waiver is obtained under Section 102(a)(3)(B)).
- Section 102(a)(3)(B) says that States may request a waiver by certifying to the Administrator of General Services not later than January 1, 2004, that the State will not meet the deadline specified above, for good cause and including in the certification the reasons for the failure to meet such deadline, the State shall ensure that all of the punch card voting systems or lever voting systems in the qualifying precincts within the State will be replaced in time for the first election for Federal office held after January 1, 2006.
- Section 102(d) deals with repayment of funds for failure to meet the deadline, and says that if a State receiving Section 102 funds fails to meet the deadlines stated above, the State shall pay to the Administrator an amount equal to the noncompliant precinct percentage of the amount of the funds provided to the State under the program. This amount will be $3,192.22 per noncompliant precinct.
- The State will continue to comply with current voting laws stated in Section 906; and,
- The replacement voting systems will meet the requirements of Title III, Section 301.

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Method of Calculations

The following describes the method of calculations for distribution of the HAVA Title I funds, which was reviewed and cleared with both House and Senate staff, our General Counsel's office, and our Inspector General's office.

Total Availability. The total amount available for distribution is $649,500,000, calculated by taking the total $650,000,000 appropriated for this purpose in Public Law 108-7, and subtracting the $500,000 allowed for GSA administrative costs.[1] For initial calculations, this amount is divided evenly between Sections 101 and 102 at $324,750,000 per section.

Section 101. Step one of two gives one-half of one percent of $324,750,000 to each State and the District of Columbia ($1,623,750) and one tenth of one percent of the total ($324,750) to Guam, Puerto Rico, the U.S. Virgin Islands and America Samoa. The total distributed under step one is $84,110,250.

The second step allocates funds from the $324,750,000 not allocated in the first step (totaling $240,639,750) based on each State and Territory's proportionate share of the voting age population as reported in the 2000 Census (total 212,050,630, including Territories). The sum of the funds allocated in the first step and the second step equals $324,750,000.

Section 102. First, $4000 was allocated to each State for each precinct that used punch card or lever voting machines in the 2000 election, as certified by the State, totaling $376,312,000. The State totals were then reduced on a pro rata basis to 86.29807 percent of the original total, so that the nationwide total of funds allocated did not exceed $324,750,000.

Section 103. Section 103 of the Act guarantees that each State will receive a minimum payment of $5,000,000 and each territory will receive a minimum payment of $1,000,000. If a State were to receive less than $5,000,000 (or a Territory less than $1,000,000) for both programs, based on the calculations described above for Sections 101 and 102, that State's or Territory's payment was increased to the minimum. The remaining States' payments under Sections 101 and 102 were reduced on a pro rata basis, per Section 103(b), so that the total did not exceed the $649,500,000 total availability. The amount of the reduction to the remaining States' payments was $44,460,348. This required a pro rata reduction of 7.52341 percent to the remaining State's Sections 101 and 102 payments. After all reductions, the net amount per qualifying precinct for voting machine replacement is $3,192.22.

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[1] GSA's administrative costs will be substantially less than $500,000, and the amount not used by GSA will be transferred to the Election Assistance Commission when it becomes operational.

COPY

Reporting and Conformance

By January 21, 2004, States will provide reports to GSA on actual expenditures as of December 31, 2003. Each funding recipient will be required to submit verification of actual purchases and expenditures. States should report using Standard Form 269 for Sections 101 and 102 categories. A separate form should be used for each section. Information regarding actual funds expended will be reconciled against funding provided. GSA will provide this information to the Election Assistance Commission once it becomes operational, and reporting dates are subject to change by the Commission.

State recipients of these funds are required to conform to the following Office of Management and Budget (OMB) grant guidelines found at http://www.whitehouse.gov/omb/circulars/index.html :

- OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments (Cost Principles)
- OMB Circular A-102, Grants and Cooperative Agreements With State and Local Governments (Administrative Requirements)
- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments ("Common Rule", Administrative Requirement, 53 FR 8087, March 11, 1988)
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Single Audits, Audit Requirements).
- In addition, Title I funds are subject to the Cash Management Improvement Act (CMIA) that is generally applicable to all Federal grants. State Treasurers/Chief Financial Officers are very familiar with CMIA and should be able to offer guidance on requirements.

The Catalog of Federal Domestic Assistance number assigned to this project is 39.011, Election Reform Payments. Please see the following reference for further information:

- http://www.cfda.gov/public/viewprog.asp?progid=1668

Audits

Title IX, Section 902 of Public Law 107-252, states that with respect to any grant or payment made in accordance with this Act by GSA, the Election Assistance Commission must be regarded as the office making the grant or payment, for the purposes of audits.

COPY

Assistance

If you have any questions or comments, please feel free to contact me at 202.501.0719, or Stephen Kulenguski at 202.501.4496. Questions about transfers of funds may be addressed to Sharon Pugh or Brad Farris at 816.823.3108 in our regional Finance Center. The GSA Regional Administrator for Arizona is Peter G. Stamison, telephone 415.522.3001. Thank you.

Sincerely,

Deborah J. Schilling

Deborah J. Schilling
Director of Budget

Enclosures

Copies sent to:
Chief Election Official, Janice Brewer, State Election Director
Chief Financial Officer, David Petersen, State Treasurer
Regional Administrators

La Paz County Equipment Request

ITEM	QTY	DESCRIPTION	UNIT PRICE	EXTENSION
		Line Item 100		
		Precinct Ballot Counters		
1	13	*AccuVote-OS* Precinct Ballot Tabulator:	$4,200.00	$54,600.00
		Includes: Ballot Box per unit		
		Carrying Case per unit		
		Memory Card per unit		
		Batch Start Cards - 100		
		Precinct Ending Cards - 100		
		Marking Pens - 13 dozen		
		Ballot Transfer Bag - 13		
		Demo Ballots - 100		
		Two Year Hardware Warranty		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Additional Line 100 Items		
2	4	Additional *AccuVote-OS* Precinct Ballot Tabulators	$4,200.00	$16,800.00
3		*Additional AccuVotes include all elements as precinct AccuVotes		
4	0	Carrying Case - each additional AccuVote comes with carrying case	$91.00	$0.00
5	15	Memory Card	$250.00	$3,750.00
6	0	Precinct Ender Cards - package of 25	$15.00	$0.00
7	0	Marking Pens - package of 12	$5.00	$0.00
8	0	Ballot Transfer Bag	$29.95	$0.00
9	0	Demonstration Ballots - package of 25	$40.00	$0.00
10	65	Paper Rolls	$0.99	$64.35
11	25	Printer Ribbon	$5.99	$149.75
12	0	Secrecy Sleeve - 11"	$3.69	$0.00
13	0	Secrecy Sleeve - 14"	$3.79	$0.00
14	0	Secrecy Sleeve - 18"	$3.99	$0.00
15	17	Hardware Maintenance Years 3 thru 5 @ $125/unit x 3 yrs	$375.00	$6,375.00
		Line Item 300		
		Central Count Voting Equipment		
16	2	*AccuFeed* Units includes:		$5,990.00
		Two Year Hardware Warranty		
	2	Additional *AccuVote-OS* Central Count Tabulators	$4,200.00	$8,400.00
17	2	Hardware Maintenance Years 3 thru 5	$375.00	$750.00
		Line Item 400		
		Election Management System		
18	1	*GEMS* Software Application		$51,664.83
	1	Central Server System		
		Manufacturer Warranties Included		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Two Year Software Warranty		
19	3	Software Lic/Maint Years 3 thru 5	$5,400.00	$16,200.00
20		**SubTotal**		**$164,743.93**
21		**Taxes @ 8.71%**		**$12,869.12**
22		**Vote Counting System Total Investment**		**$177,613.05**

* Shipping and insurance included for all equipment

William Mahe 10-29-03

Split: Paid $122,029.91 - Sec 101
Paid $55,583.14 ← State Match funds
10/29/04 JC

Paid $122,029.91 - Sec 101

La Paz County Board of Supervisors

1108 Joshua Avenue
Parker, Arizona 85344

(928) 669-6115 TDD (928) 669-8400 Fax (928) 669-9709

Gene Fisher - District 1
Clifford Edey - District 2
Jay W. Howe - District 3
Donna J. Hale - Clerk of the Board
Huey P. Long - County Administrator

September 29, 2003

The Honorable Jan Brewer
Secretary of State
1700 W. Washington St., 7th Floor
Phoenix, AZ 85007-2888

Dear Secretary Brewer:

As requested, please find enclosed the *Memorandum of Understanding/Contract For Project Adios Chad.*

The La Paz County Board of Supervisors approved the MOU at a special meeting held on Monday, September 29, 2003.

As a result of a question during the conference call of September 24, 2003, among the nine punchcard counties and the Secretary of State's office, it is my understanding that an addendum will be sent to all punchcard counties relating to Section II, Item 3, whereby the last bullet point currently notes, "*1st Year maintenance/support/training*". Deputy Secretary of StateTyne agreed that this should read "1st *and 2nd Year maintenance/support/ training".*

Upon your execution of the MOU, I would appreciate a signed copy for our files.

Thank you for your time and attention regarding this matter.

Sincerely,

Donna J. Hale

Donna J. Hale
Clerk of the Board / Elections Director

/djh

Enclosure: MOU/Contract

c: Kevin Tyne, Deputy Secretary of State (w/o enclosure)

MEMORANDUM OF UNDERSTANDING/CONTRACT
FOR PROJECT ADIOS CHAD

This Agreement is made this 29th day of September, 2003, between the State of Arizona by and through the Secretary of State and (County), a political subdivision of the State of Arizona.

I. Recitals

1. Adios Chad is a statewide contract effort to facilitate replacement of voting systems in the nine Arizona counties where punch card voting systems were used in the 2000 General Election. The replacement of punch card voting systems is an integral part of the State's compliance with the Help America Vote Act 2002 (HAVA).

2. The State of Arizona is a leader in the country in the implementation of HAVA.

3. The State of Arizona by and through the Secretary of State wishes to increase the commonality among voting equipment in Arizona counties to facilitate and increase compliance with election standards, gain economies of scale, and increase cooperation between counties.

4. The Secretary of State's Office will act as a contract administrator for a statewide contract for voting machines and related products to maximize the purchasing power of the State and the counties. The County will own, and operate the new voting system. The County will work with the vendor to maintain the new voting systems and will retain control of election services selected at the county level.

5. It is the intention of Secretary of State and the County that the procurement of the Election Management Systems (EMS), Central Count and Optical Character Reader equipment will be accomplished by the County in fiscal year 2004.

6. It is the intention of Secretary of State and the County that the procurement of the Direct Recording Electronic (DRE) equipment will be accomplished and the equipment installed by the County in time for the general election of 2006 or when the Secretary of State makes funds available.

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- One EMS per county including hardware and software
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- Spare equipment scaled to fit the needs of the county
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HAVA reimbursable equipment listed in this section is limited to the types and quantities shown above. Any additional equipment that the County wishes to purchase will be with non-HAVA County funds.

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7. The County shall use established accounting and project management practices for all aspects of the project and shall retain all data, books, and other records related to this Agreement for a period of five years after completion of the project. All records shall be subject to inspection and audit by the Secretary of State, or designee, at reasonable times.

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9. The County agrees to have appropriate personnel complete all of the vendor's training related to the operation and use of the voting equipment and software prior to using the new voting equipment.

10. The County is responsible for additional funding which may be required for specific implementation for any items that are not reimbursable according to the state plan and this Agreement.

11. The County and the Secretary of State's Office will perform a post implementation evaluation of the project.

12. Upon completion of the project, the County will approve and accept the project as complete. The County will be responsible for ongoing maintenance and operational costs of all equipment after HAVA funds are depleted.

13. Compliance with the terms of this Agreement and with the project management and time schedules will establish County eligibility to receive payments from the state election fund. Any portions not in compliance, or not completed on the time schedule will delay payments until such time the County has complied with the necessary requirements. Failure to comply with this Agreement for more than six months may release the state election fund from commitment to provide such funds.

14. This agreement shall be in effect through the Federal fiscal year 2006.

15. To provide uniformity within this agreement, the counties and the State shall enter into a "user group" which will help facilitate modifications and enhancements to the Adios Chad systems.

III. Funding Process

1. The County will submit a detailed request for voting equipment it plans to purchase to the Secretary of State's Office, as prescribed in Section II. Agreement, Item #3, of this memorandum of understanding.

2. The Secretary of State's Office will review and approve/disapprove requests. If approved, the Secretary of State may also adjust the reimbursement amount to the County based on the availability of funds and the priorities established in the state plan.

3. The County will generate a purchase order for the voting equipment and submit the purchase order to the Secretary of State for approval prior to actually ordering the equipment.

4. Upon approval of the purchase order, the Secretary of State's Office will cause the approved amount to be transferred to the County within 30 days.

5. The County will purchase the voting equipment through the statewide contract reference above, take appropriate steps to accept or reject delivery of the items purchased and be responsible for the maintenance of the purchased items.

IV. Miscellaneous

1. In the event the Secretary of State determines as a result of an audit conducted pursuant to this Agreement that County is not in compliance with each of the requirements of this Agreement and the plan submitted by the County or an excess payment has been made to the County under this Agreement County shall repay to the Secretary of State a portion of the funds provided which reflects the proportion of the requirements with which County is not in compliance, or the extent of the excess payment.

2. This Agreement shall be governed by the laws of the State of Arizona.

Secretary of State
State Of Arizona

By: Janice K. Brewer

Print: Janice K. Brewer

County of La Paz

By: Jay W. Howe
Jay W. Howe, Chairman

Print: Jay W. Howe

Approved as to Form:

R. Glenn Buckelew

R. Glenn Buckelew, County Attorney

GSA

GSA Office of the Chief Financial Officer

July 28, 2003

RECEIVED
AUG 13 2003
ARIZONA SECRETARY OF STATE

The Honorable Janet Napolitano
Governor of Arizona
Phoenix, AZ 85007

Dear Governor Napolitano:

This letter describes the final distribution of funds by the General Services Administration (GSA), in carrying out our responsibilities under Title 1 of Public Law (P.L.) 107-252, the Help America Vote Act (HAVA, "the Act"). The Act tasks GSA with responsibility for disbursing funds to the States, the District of Columbia and the Territories to implement various improvements to the Federal election process, including the replacement of voting equipment. Please see the enclosed letter (Enclosure 1) for background information on the program, original plans for applying for funds, timeline, et cetera.

Payments

Arizona applied and certified timely to Sections 101 and 102 of HAVA, Title I. GSA, as described in Enclosure 1, processed an initial payment of $5,000,000.00, which was transferred electronically on 4/28/2003 to the account specified by Janice Brewer, State Election Director. Once all of the State applications were received and verified, GSA determined the final distribution of funds to the States, according to HAVA instructions, and processed the final payments. An additional payment of $2,015,557.00 was made to the same account specified, again by Electronic Funds Transfer (EFT), and GSA verified receipt of the funds to that account on Monday, June 16, 2003. Thus, Arizona received a total of $7,015,557.00, consisting of a Section 101 payment of $5,451,369.00, and a Section 102 payment of $1,564,188.00. We will assume that your Chief Election Official and designee for payment of funds is Janice Brewer, State Election Director, unless you notify us differently.

The Section 101 payment is for one or more of the following purposes, as indicated by Arizona's certification of Section 101:

- Complying with the requirements of Title III of the Act;
- Improving the administration of elections for Federal office;
- Educating voters concerning voting procedures, voting rights, and voting technology;

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- Training election officials, poll workers, and election volunteers;
- Developing the State plan for requirements payments to be submitted under Part 1 of Subtitle D of Title II (Sections 251-257) of the Act;
- Improving, acquiring, leasing, modifying, or replacing voting systems and technology and methods for the casting and counting of votes;
- Improving the accessibility and quantity of polling places, including providing physical access for individuals with disabilities, providing non-visual access for individuals with visual impairments, and providing assistance to Native Americans, Alaska Native citizens, and to individuals with limited proficiency in the English language; and/or
- Establishing a toll-free telephone hotline that voters may use to report possible voting fraud and voting rights violations, to obtain general election information, and to access detailed automated information on their own voter registration status, specified polling place locations, and other relevant information.

The Section 102 payment is for the following purpose as indicated by Arizona's certification of Section 102, for 490 total qualifying precincts, consisting of 490 punch card precincts and 0 lever voter system precincts:

- A State is obligated to use the funding (either directly or as a reimbursement for costs incurred on or after January 1, 2001) to replace punch card voting systems or lever voting systems in precincts within that State that used such systems in the November 2000 election ("qualifying precincts").
- A State that receives funding for this program must ensure that all of the punch card voting systems or lever systems in the qualifying precincts within that State will be replaced in time for the regularly scheduled general election for Federal office to be held in November 2004 (unless a waiver is obtained under Section 102(a)(3)(B)).
- Section 102(a)(3)(B) says that States may request a waiver by certifying to the Administrator of General Services not later than January 1, 2004, that the State will not meet the deadline specified above, for good cause and including in the certification the reasons for the failure to meet such deadline, the State shall ensure that all of the punch card voting systems or lever voting systems in the qualifying precincts within the State will be replaced in time for the first election for Federal office held after January 1, 2006.
- Section 102(d) deals with repayment of funds for failure to meet the deadline, and says that if a State receiving Section 102 funds fails to meet the deadlines stated above, the State shall pay to the Administrator an amount equal to the noncompliant precinct percentage of the amount of the funds provided to the State under the program. This amount will be $3,192.22 per noncompliant precinct.
- The State will continue to comply with current voting laws stated in Section 906; and,
- The replacement voting systems will meet the requirements of Title III, Section 301.

COPY

Method of Calculations

The following describes the method of calculations for distribution of the HAVA Title I funds, which was reviewed and cleared with both House and Senate staff, our General Counsel's office, and our Inspector General's office.

Total Availability. The total amount available for distribution is $649,500,000, calculated by taking the total $650,000,000 appropriated for this purpose in Public Law 108-7, and subtracting the $500,000 allowed for GSA administrative costs.[1] For initial calculations, this amount is divided evenly between Sections 101 and 102 at $324,750,000 per section.

Section 101. Step one of two gives one-half of one percent of $324,750,000 to each State and the District of Columbia ($1,623,750) and one tenth of one percent of the total ($324,750) to Guam, Puerto Rico, the U.S. Virgin Islands and America Samoa. The total distributed under step one is $84,110,250.

The second step allocates funds from the $324,750,000 not allocated in the first step (totaling $240,639,750) based on each State and Territory's proportionate share of the voting age population as reported in the 2000 Census (total 212,050,630, including Territories). The sum of the funds allocated in the first step and the second step equals $324,750,000.

Section 102. First, $4000 was allocated to each State for each precinct that used punch card or lever voting machines in the 2000 election, as certified by the State, totaling $376,312,000. The State totals were then reduced on a pro rata basis to 86.29807 percent of the original total, so that the nationwide total of funds allocated did not exceed $324,750,000.

Section 103. Section 103 of the Act guarantees that each State will receive a minimum payment of $5,000,000 and each territory will receive a minimum payment of $1,000,000. If a State were to receive less than $5,000,000 (or a Territory less than $1,000,000) for both programs, based on the calculations described above for Sections 101 and 102, that State's or Territory's payment was increased to the minimum. The remaining States' payments under Sections 101 and 102 were reduced on a pro rata basis, per Section 103(b), so that the total did not exceed the $649,500,000 total availability. The amount of the reduction to the remaining States' payments was $44,460,348. This required a pro rata reduction of 7.52341 percent to the remaining State's Sections 101 and 102 payments. After all reductions, the net amount per qualifying precinct for voting machine replacement is $3,192.22.

---

[1] GSA's administrative costs will be substantially less than $500,000, and the amount not used by GSA will be transferred to the Election Assistance Commission when it becomes operational.

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Reporting and Conformance

By January 21, 2004, States will provide reports to GSA on actual expenditures as of December 31, 2003. Each funding recipient will be required to submit verification of actual purchases and expenditures. States should report using Standard Form 269 for Sections 101 and 102 categories. A separate form should be used for each section. Information regarding actual funds expended will be reconciled against funding provided. GSA will provide this information to the Election Assistance Commission once it becomes operational, and reporting dates are subject to change by the Commission.

State recipients of these funds are required to conform to the following Office of Management and Budget (OMB) grant guidelines found at http://www.whitehouse.gov/omb/circulars/index.html :

- OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments (Cost Principles)
- OMB Circular A-102, Grants and Cooperative Agreements With State and Local Governments (Administrative Requirements)
- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments ("Common Rule", Administrative Requirement, 53 FR 8087, March 11, 1988)
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Single Audits, Audit Requirements).
- In addition, Title I funds are subject to the Cash Management Improvement Act (CMIA) that is generally applicable to all Federal grants. State Treasurers/Chief Financial Officers are very familiar with CMIA and should be able to offer guidance on requirements.

The Catalog of Federal Domestic Assistance number assigned to this project is 39.011, Election Reform Payments. Please see the following reference for further information:

- http://www.cfda.gov/public/viewprog.asp?progid=1668

Audits

Title IX, Section 902 of Public Law 107-252, states that with respect to any grant or payment made in accordance with this Act by GSA, the Election Assistance Commission must be regarded as the office making the grant or payment, for the purposes of audits.

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Assistance

If you have any questions or comments, please feel free to contact me at 202.501.0719, or Stephen Kulenguski at 202.501.4496. Questions about transfers of funds may be addressed to Sharon Pugh or Brad Farris at 816.823.3108 in our regional Finance Center. The GSA Regional Administrator for Arizona is Peter G. Stamison, telephone 415.522.3001. Thank you.

Sincerely,

Deborah J. Schilling

Deborah J. Schilling
Director of Budget

Enclosures

Copies sent to:
Chief Election Official, Janice Brewer, State Election Director
Chief Financial Officer, David Petersen, State Treasurer
Regional Administrators

ITEM	QTY	DESCRIPTION	UNIT PRICE	EXTENSION
		Line Item 100		
		Precinct Ballot Counters		
1	24	*AccuVote-OS* Precinct Ballot Tabulator:	$4,200.00	$100,800.00
		Includes: Ballot Box per unit		
		Carrying Case per unit		
		Memory Card per unit		
		Batch Start Cards - 100		
		Precinct Ending Cards - 100		
		Marking Pens - 24 dozen		
		Ballot Transfer Bag - 24		
		Demo Ballots - 100		
		Two Year Hardware Warranty		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Additional Line 100 Items		
2	4	Additional *AccuVote-OS* Precinct Ballot Tabulators	$4,200.00	~~$16,800.00~~
3		*Additional AccuVotes include all elements as precinct AccuVotes		
4	0	Carrying Case - each additional AccuVote comes with carrying case	$91.00	$0.00
5	30	Memory Card	$250.00	$7,500.00
6	0	Precinct Ender Cards - package of 25	$15.00	$0.00
7	5	Marking Pens - package of 12	$5.00	$25.00
8	0	Ballot Transfer Bag	$29.95	$0.00
9	0	Demonstration Ballots - package of 25	$40.00	$0.00
10	125	Paper Rolls	$0.99	$123.75
11	50	Printer Ribbon	$5.99	$299.50
12	0	Secrecy Sleeve - 11"	$3.69	$0.00
13	0	Secrecy Sleeve - 14"	$3.79	$0.00
14	0	Secrecy Sleeve - 18"	$3.99	$0.00
15	28	Hardware Maintenance Years 3 thru 5 @ $125/unit x 3 yrs	$375.00	$10,500.00
		Line Item 300		
		Central Count Voting Equipment		
16	2	*AccuFeed* Units includes:		$5,990.00
		Two Year Hardware Warranty		
	2	Additional *AccuVote-OS* Central Count Tabulators	$4,200.00	$8,400.00
17	2	Hardware Maintenance Years 3 thru 5	$375.00	$750.00
		Line Item 400		
		Election Management System		
18	1	*GEMS* Software Application		$62,541.83
	1	Central Server System		
		Manufacturer Warranties Included		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Two Year Software Warranty		
19	3	Software Lic/Maint Years 3 thru 5	$6,300.00	$18,900.00
20		**Sub-Total**		**$232,630.08**
21		**Taxes @6.1%**		**$12,351.28**
22		**Vote Counting System Total Investment**		**$244,981.36**

* Shipping and insurance included for all equipment

Willie Hoke 10-29-03

POSTED
WH 21 90 20 84
10/28/03

RECEIVED
SECRETARY OF STATE
2003 OCT -8 PM 1:07

MEMORANDUM OF UNDERSTANDING/CONTRACT FOR PROJECT ADIOS CHAD

This Agreement is made this _____ day of _____, 2003, between the State of Arizona by and through the Secretary of State and Santa Cruz County, Arizona, a political subdivision of the State of Arizona.

I. Recitals

1. Adios Chad is a statewide contract effort to facilitate replacement of voting systems in the nine Arizona counties where punch card voting systems were used in the 2000 General Election. The replacement of punch card voting systems is an integral part of the State's compliance with the Help America Vote Act 2002 (HAVA).

2. The State of Arizona is a leader in the country in the implementation of HAVA.

3. The State of Arizona by and through the Secretary of State wishes to increase the commonality among voting equipment in Arizona counties to facilitate and increase compliance with election standards, gain economies of scale, and increase cooperation between counties.

4. The Secretary of State's Office will act as a contract administrator for a statewide contract for voting machines and related products to maximize the purchasing power of the State and the counties. The County will own, and operate the new voting system. The County will work with the vendor to maintain the new voting systems and will retain control of election services selected at the county level.

5. It is the intention of Secretary of State and the County that the procurement of the Election Management Systems (EMS), Central Count and Optical Character Reader equipment will be accomplished by the County in fiscal year 2004.

6. It is the intention of Secretary of State and the County that the procurement of the Direct Recording Electronic (DRE) equipment will be accomplished and the equipment installed by the County in time for the general election of 2006 or when the Secretary of State makes funds available.

7. The State of Arizona issued a request for proposal for voting equipment on June 27, 2003. The contract that will result from that request for proposal will be the means for County to purchase voting equipment with HAVA funds.

II. Agreement

1. The County Board of Supervisors will be responsible for the County's compliance with this Agreement and the County reporting requirements outlined in the **State Plan attached hereto and incorporated as apart hereof**, in return for which the County will receive HAVA funds for its purchase of qualifying voting equipment.

2. The County will use State of Arizona contract AD030150 for the purchases of voting equipment, if utilizing HAVA funds.

3. HAVA funds may be used by County to purchase the following types of equipment and services:

- One OCR machine per precinct including modems
- One DRE machine per precinct
- One EMS per county including hardware and software
- One Central Count system scaled to fit the needs of county
- Spare equipment scaled to fit the needs of the county
- Other parts and accessories as necessary for typical use of said voting equipment
- 1st Year maintenance/support/training

HAVA reimbursable equipment listed in this section is limited to the types and quantities shown above. Any additional equipment that the County wishes to purchase will be with non-HAVA County funds.

4. The County will follow the funding process described in section III below. The Secretary of State will be solely responsible for the distribution of HAVA funds. Funds will be distributed by the Secretary of State based on the priorities established in the state plan and the availability of funds from the Federal Government. The Secretary of State and the State of Arizona shall have no liability under this Agreement except to distribute HAVA funds in accordance with the State Plan.

5. The County will submit a proposed project plan to the Secretary of State before the start of its voting equipment replacement project. The proposed project plan will include at least a list of items required, a proposed budget, and a schedule of major milestones with anticipated completion dates.

6. County must also submit a copy if its budget that contains the 2000 election cycle spending amounts to establish baseline amounts for the efforts already in practice. It is incumbent upon the County to maintain the baseline budget for its elections. HAVA funding may not be used to replace any current spending by the County for elections.

7. The County shall use established accounting and project management practices for all aspects of the project and shall retain all data, books, and other records related to this Agreement for a period of five years after completion of the project. All records shall be subject to inspection and audit by the Secretary of State, or designee, at reasonable times.

8. As part of the consideration for HAVA funding the County will provide the Secretary of State with reports, as requested from time to time, concerning the status of the County's progress on Adios Chad, explaining any schedule variances.

9. The County agrees to have appropriate personnel complete all of the vendor's training related to the operation and use of the voting equipment and software prior to using the new voting equipment.

10. The County is responsible for additional funding which may be required for specific implementation for any items that are not reimbursable according to the state plan and this Agreement.

11. The County and the Secretary of State's Office will perform a post implementation evaluation of the project.

12. Upon completion of the project, the County will approve and accept the project as complete. The County will be responsible for ongoing maintenance and operational costs of all equipment after HAVA funds are depleted.

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Sincerely,

Deborah J. Schilling

Deborah J. Schilling
Director of Budget

Enclosures

Copies sent to:
Chief Election Official, Janice Brewer, State Election Director
Chief Financial Officer, David Petersen, State Treasurer
Regional Administrators

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Secretary of State
State Of Arizona

By: Janice K. Brewer

Print: Janice K. Brewer

County of Santa Cruz County
State of Arizona

By:

Print: John Maynard
Chairman of the Board

Dated: September 30, 2003

COPY

GSA

GSA Office of the Chief Financial Officer

July 28, 2003

RECEIVED
AUG 13 2003
ARIZONA SECRETARY OF STATE

The Honorable Janet Napolitano
Governor of Arizona
Phoenix, AZ 85007

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Title IX, Section 902 of Public Law 107-252, states that with respect to any grant or payment made in accordance with this Act by GSA, the Election Assistance Commission must be regarded as the office making the grant or payment, for the purposes of audits.

COPY

Assistance

If you have any questions or comments, please feel free to contact me at 202.501.0719, or Stephen Kulenguski at 202.501.4496. Questions about transfers of funds may be addressed to Sharon Pugh or Brad Farris at 816.823.3108 in our regional Finance Center. The GSA Regional Administrator for Arizona is Peter G. Stamison, telephone 415.522.3001. Thank you.

Sincerely,

Deborah J. Schilling

Deborah J. Schilling
Director of Budget

Enclosures

Copies sent to:
Chief Election Official, Janice Brewer, State Election Director
Chief Financial Officer, David Petersen, State Treasurer
Regional Administrators

3:41 PM

01/20/04

Accrual Basis

SECRETARY OF STATE -HAVA
Expenses by Vendor Detail
July 1, 2003 through January 20, 2004

Type	Date	Num	Memo	Account	Amount	Balance
La Paz County						
Check	12/5/2003	2190...	Adv Fees For Voting Equipment (Spit w/ HAVA Sec. 102)	Other Expenses	55,583.14	55,583.14
Total La Paz County					55,583.14	55,583.14
Mohave County						
Check	12/5/2003	2190...	Advance Fees to County for Voting Equipment	Other Expenses	596,725.45	596,725.45
Total Mohave County					596,725.45	596,725.45
Pinal County						
Check	12/5/2003	2190...	Adv Fees for Voting Equipment (Split w/ HAVA 101)	Other Expenses	147,691.41	147,691.41
Total Pinal County					147,691.41	147,691.41
State Matching Funds						
Deposit	7/1/2003		Account Opening Balance	Sales	-800,000.00	-800,000.00
Total State Matching Funds					-800,000.00	-800,000.00
TOTAL					**0.00**	**0.00**

La Paz County Equipment Request

ITEM	QTY	DESCRIPTION	UNIT PRICE	EXTENSION
		Line Item 100		
		Precinct Ballot Counters		
1	13	*AccuVote-OS* Precinct Ballot Tabulator:	$4,200.00	$54,600.00
		Includes: Ballot Box per unit		
		Carrying Case per unit		
		Memory Card per unit		
		Batch Start Cards - 100		
		Precinct Ending Cards - 100		
		Marking Pens - 13 dozen		
		Ballot Transfer Bag - 13		
		Demo Ballots - 100		
		Two Year Hardware Warranty		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Additional Line 100 Items		
2	4	Additional *AccuVote-OS* Precinct Ballot Tabulators	$4,200.00	$16,800.00
3		*Additional AccuVotes include all elements as precinct AccuVotes		
4	0	Carrying Case - each additional AccuVote comes with carrying case	$91.00	$0.00
5	15	Memory Card	$250.00	$3,750.00
6	0	Precinct Ender Cards - package of 25	$15.00	$0.00
7	0	Marking Pens - package of 12	$5.00	$0.00
8	0	Ballot Transfer Bag	$29.95	$0.00
9	0	Demonstration Ballots - package of 25	$40.00	$0.00
10	65	Paper Rolls	$0.99	$64.35
11	25	Printer Ribbon	$5.99	$149.75
12	0	Secrecy Sleeve - 11"	$3.69	$0.00
13	0	Secrecy Sleeve - 14"	$3.79	$0.00
14	0	Secrecy Sleeve - 18"	$3.99	$0.00
15	17	Hardware Maintenance Years 3 thru 5 @ $125/unit x 3 yrs	$375.00	$6,375.00
		Line Item 300		
		Central Count Voting Equipment		
16	2	*AccuFeed* Units includes:		$5,990.00
		Two Year Hardware Warranty		
	2	Additional *AccuVote-OS* Central Count Tabulators	$4,200.00	$8,400.00
17	2	Hardware Maintenance Years 3 thru 5	$375.00	$750.00
		Line Item 400		
		Election Management System		
18	1	*GEMS* Software Application		$51,664.83
	1	Central Server System		
		Manufacturer Warranties Included		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Two Year Software Warranty		
19	3	Software Lic/Maint Years 3 thru 5	$5,400.00	$16,200.00
20		**SubTotal**		**$164,743.93**
21		**Taxes @ 8.71%**		**$12,869.12**
22		**Vote Counting System Total Investment**		**$177,613.05**

* Shipping and insurance included for all equipment

Willie Mike 10-29-03

Split: Paid $122,029.91 - Sec. 102
Paid $55,583.14 ← Stat Mat fun
10/29/04 JC

Paid $122,029.91 — Sec. 102

La Paz County Board of Supervisors

1108 Joshua Avenue
Parker, Arizona 85344

(928) 669-6115 TDD (928) 669-8400 Fax (928) 669-9709

Gene Fisher - District 1
Clifford Edey - District 2
Jay W. Howe - District 3
Donna J. Hale - Clerk of the Board
Huey P. Long - County Administrator

September 29, 2003

The Honorable Jan Brewer
Secretary of State
1700 W. Washington St., 7th Floor
Phoenix, AZ 85007-2888

Dear Secretary Brewer:

As requested, please find enclosed the *Memorandum of Understanding/Contract For Project Adios Chad.*

The La Paz County Board of Supervisors approved the MOU at a special meeting held on Monday, September 29, 2003.

As a result of a question during the conference call of September 24, 2003, among the nine punchcard counties and the Secretary of State's office, it is my understanding that an addendum will be sent to all punchcard counties relating to Section II, Item 3, whereby the last bullet point currently notes, "*1st Year maintenance/support/training*". Deputy Secretary of StateTyne agreed that this should read "1st *and 2nd Year maintenance/support/ training*".

Upon your execution of the MOU, I would appreciate a signed copy for our files.

Thank you for your time and attention regarding this matter.

Sincerely,

Donna J. Hale

Donna J. Hale
Clerk of the Board / Elections Director

/djh

Enclosure: MOU/Contract

c: Kevin Tyne, Deputy Secretary of State (w/o enclosure)

MEMORANDUM OF UNDERSTANDING/CONTRACT
FOR PROJECT ADIOS CHAD

This Agreement is made this 29th day of September, 2003, between the State of Arizona by and through the Secretary of State and (County), a political subdivision of the State of Arizona.

I. Recitals

1. Adios Chad is a statewide contract effort to facilitate replacement of voting systems in the nine Arizona counties where punch card voting systems were used in the 2000 General Election. The replacement of punch card voting systems is an integral part of the State's compliance with the Help America Vote Act 2002 (HAVA).

2. The State of Arizona is a leader in the country in the implementation of HAVA.

3. The State of Arizona by and through the Secretary of State wishes to increase the commonality among voting equipment in Arizona counties to facilitate and increase compliance with election standards, gain economies of scale, and increase cooperation between counties.

4. The Secretary of State's Office will act as a contract administrator for a statewide contract for voting machines and related products to maximize the purchasing power of the State and the counties. The County will own, and operate the new voting system. The County will work with the vendor to maintain the new voting systems and will retain control of election services selected at the county level.

5. It is the intention of Secretary of State and the County that the procurement of the Election Management Systems (EMS), Central Count and Optical Character Reader equipment will be accomplished by the County in fiscal year 2004.

6. It is the intention of Secretary of State and the County that the procurement of the Direct Recording Electronic (DRE) equipment will be accomplished and the equipment installed by the County in time for the general election of 2006 or when the Secretary of State makes funds available.

7. The State of Arizona issued a request for proposal for voting equipment on June 27, 2003. The contract that will result from that request for proposal will be the means for County to purchase voting equipment with HAVA funds.

II. Agreement

1. The County Board of Supervisors will be responsible for the County's compliance with this Agreement and the County reporting requirements outlined in the **State Plan attached hereto and incorporated as apart hereof,** in return for which the County will receive HAVA funds for its purchase of qualifying voting equipment.

2. The County will use State of Arizona contract AD030150 for the purchases of voting equipment, if utilizing HAVA funds.

3. HAVA funds may be used by County to purchase the following types of equipment and services:

- One OCR machine per precinct including modems
- One DRE machine per precinct
- One EMS per county including hardware and software
- One Central Count system scaled to fit the needs of county
- Spare equipment scaled to fit the needs of the county
- Other parts and accessories as necessary for typical use of said voting equipment
- 1st Year maintenance/support/training

HAVA reimbursable equipment listed in this section is limited to the types and quantities shown above. Any additional equipment that the County wishes to purchase will be with non-HAVA County funds.

4. The County will follow the funding process described in section III below. The Secretary of State will be solely responsible for the distribution of HAVA funds. Funds will be distributed by the Secretary of State based on the priorities established in the state plan and the availability of funds from the Federal Government. The Secretary of State and the State of Arizona shall have no liability under this Agreement except to distribute HAVA funds in accordance with the State Plan.

5. The County will submit a proposed project plan to the Secretary of State before the start of its voting equipment replacement project. The proposed project plan will include at least a list of items required, a proposed budget, and a schedule of major milestones with anticipated completion dates.

6. County must also submit a copy if its budget that contains the 2000 election cycle spending amounts to establish baseline amounts for the efforts already in practice. It is incumbent upon the County to maintain the baseline budget for its elections. HAVA funding may not be used to replace any current spending by the County for elections

7. The County shall use established accounting and project management practices for all aspects of the project and shall retain all data, books, and other records related to this Agreement for a period of five years after completion of the project. All records shall be subject to inspection and audit by the Secretary of State, or designee, at reasonable times.

8. As part of the consideration for HAVA funding the County will provide the Secretary of State with reports, as requested from time to time, concerning the status of the County's progress on Adios Chad, explaining any schedule variances.

9. The County agrees to have appropriate personnel complete all of the vendor's training related to the operation and use of the voting equipment and software prior to using the new voting equipment.

10. The County is responsible for additional funding which may be required for specific implementation for any items that are not reimbursable according to the state plan and this Agreement.

11. The County and the Secretary of State's Office will perform a post implementation evaluation of the project.

12. Upon completion of the project, the County will approve and accept the project as complete. The County will be responsible for ongoing maintenance and operational costs of all equipment after HAVA funds are depleted.

13. Compliance with the terms of this Agreement and with the project management and time schedules will establish County eligibility to receive payments from the state election fund. Any portions not in compliance, or not completed on the time schedule will delay payments until such time the County has complied with the necessary requirements. Failure to comply with this Agreement for more than six months may release the state election fund from commitment to provide such funds.

14. This agreement shall be in effect through the Federal fiscal year 2006.

15. To provide uniformity within this agreement, the counties and the State shall enter into a "user group" which will help facilitate modifications and enhancements to the Adios Chad systems.

III. Funding Process

1. The County will submit a detailed request for voting equipment it plans to purchase to the Secretary of State's Office, as prescribed in Section II. Agreement, Item #3, of this memorandum of understanding.

2. The Secretary of State's Office will review and approve/disapprove requests. If approved, the Secretary of State may also adjust the reimbursement amount to the County based on the availability of funds and the priorities established in the state plan.

3. The County will generate a purchase order for the voting equipment and submit the purchase order to the Secretary of State for approval prior to actually ordering the equipment.

4. Upon approval of the purchase order, the Secretary of State's Office will cause the approved amount to be transferred to the County within 30 days.

5. The County will purchase the voting equipment through the statewide contract reference above, take appropriate steps to accept or reject delivery of the items purchased and be responsible for the maintenance of the purchased items.

IV. Miscellaneous

1. In the event the Secretary of State determines as a result of an audit conducted pursuant to this Agreement that County is not in compliance with each of the requirements of this Agreement and the plan submitted by the County or an excess payment has been made to the County under this Agreement County shall repay to the Secretary of State a portion of the funds provided which reflects the proportion of the requirements with which County is not in compliance, or the extent of the excess payment.

2. This Agreement shall be governed by the laws of the State of Arizona.

Secretary of State
State Of Arizona

By: Janice K. Brewer

Print: Janice K. Brewer

County of La Paz

By: Jay W. Howe
Jay W. Howe, Chairman

Print: Jay W. Howe

Approved as to Form:

R. Glenn Buckelew

R. Glenn Buckelew, County Attorney

Pinal County Equipment Request

ITEM	QTY	DESCRIPTION	UNIT PRICE	EXTENSION
		Line Item 100		
		Precinct Ballot Counters		
1	65	*AccuVote-OS* Precinct Ballot Tabulator:	$4,200.00	$273,000.00
		Includes: Ballot Box per unit		
		Carrying Case per unit		
		Memory Card per unit		
		Batch Start Cards - 100		
		Precinct Ending Cards - 100		
		Marking Pens - 65 dozen		
		Ballot Transfer Bag - 65		
		Demo Ballots - 100		
		Two Year Hardware Warranty		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Additional Line 100 Items		
2	15	Additional *AccuVote-OS* Precinct Ballot Tabulators	$4,200.00	$63,000.00
3		*Additional AccuVotes include all elements as precinct AccuVotes		
4	0	Carrying Case - each additional AccuVote comes with carrying case	$91.00	$0.00
5	72	Memory Card	$250.00	$18,000.00
6	0	Precinct Ender Cards - package of 25	$15.00	$0.00
7	0	Marking Pens - package of 12	$5.00	$0.00
8	0	Ballot Transfer Bag	$29.95	$0.00
9	0	Demonstration Ballots - package of 25	$40.00	$0.00
10	325	Paper Rolls	$0.99	$321.75
11	130	Printer Ribbon	$5.99	$778.70
12	0	Secrecy Sleeve - 11"	$3.69	$0.00
13	0	Secrecy Sleeve - 14"	$3.79	$0.00
14	0	Secrecy Sleeve - 18"	$3.99	$0.00
15	80	Hardware Maintenance Years 3 thru 5 @ $125/unit x 3 yrs	$375.00	$30,000.00
		Line Item 300		
		Central Count Voting Equipment		
16	2	*AccuFeed* Units includes:		$5,990.00
		Two Year Hardware Warranty		
	2	Additional *AccuVote-OS* Central Count Tabulators	$4,200.00	$8,400.00
17	2	Hardware Maintenance Years 3 thru 5	$375.00	$750.00
		Line Item 400		
		Election Management System		
18	1	*GEMS* Software Application		$96,977.38
	1	Central Server System		
		Manufacturer Warranties Included		
		Project Management		
		Installation		
		Training		
		On-Site Support for 2004 Elections		
		Two Year Software Warranty		
19	3	Software Lic/Maint Years 3 thru 5	$11,700.00	$35,100.00
20		**SubTotal**		**$532,317.83**
21		**Taxes @ 8.60%**		**$40,116.23**
22		**Vote Counting System Total Investment**		**$572,434.06**

* Shipping and insurance included for all equipment

Willie Moore 10-29-03

Split
$424,742.15 - Sec 101
147,691.41 - STATE MA