



vCapture Statement of Work

January 28, 2021

Summary

The vCapture product from PaperFree, is the only U.S. based, commercially available, remote data entry solution that provides 100% security of confidential taxpayer information. This is accomplished due to its unique and proprietary software which ensures that no identifying information ever leaves the confines of the Department. Tax documents are first scanned onsite by the Department and then fields within scanned documents are separated by the proprietary vCapture software into individual field level image "snippets" so that they can be transmitted out of context to preserve the confidentiality of the information. Sensitive fields such as social security numbers or account numbers are further split into two separate snippets and are never presented in their entirety to external data entry operators to further guarantee their confidentiality.

Using vCapture's unique and proprietary software, snippets are then identified with only a random number and are then further scrambled together in a completely random order so that it is impossible to re-assemble them outside the confines of the Department's facility. Snippets are encrypted and then sent to a secure remote vCapture server for data entry using an "outgoing only" SSL internet connection to fully comply with the security requirements of the Department.

Alternative outsourced data entry solutions may either require the delivery of actual paper documents, the electronic transmission of the entire scanned image, or possibly the electronic transmission of portions of the scanned images. However, in all of these other approaches available in the Industry today, each option still requires that identifying information be transmitted such that if either the security of the transmission or the remote site were compromised, then it would be still be likely possible to re-assemble the confidential taxpayer information found on the documents. The vCapture product is unique in that it never requires identifying information to be transmitted outside the confines of the Department and therefore guarantees 100% security. The Indiana Department of Revenue, Georgia Department of Revenue, Mississippi Department of Revenue and Pennsylvania Department of Revenue have all independently concluded that vCapture is, in fact, a unique offering in the Industry and that it qualifies for sole source justification per their requirements.

Security

The vCapture solution contains unique and proprietary technology that provides the highest level of security available because sensitive information never leaves the confines of the Department's facility.



- Fields within scanned documents are separated into individual image "snippets" so that they can be transmitted out of context to preserve the confidentiality of the information.
- Sensitive fields such as social security numbers or account numbers are split into two separate snippets and are never presented in their entirety to further guarantee confidentiality.
- Snippets are identified with only a random number and then randomly scrambled together and pooled so that they cannot be re-assembled outside the confines of the Department's facility.
- Pooled snippets are encrypted and sent to a secure remote server for data entry using an "outgoing only" SSL internet connection to fully comply with security requirements of the Department.

Workforce

PaperFree maintains the largest and most available Pennsylvania resident based workforce to provide the timely processing necessary to handle the Department's peak processing requirements.

- Over 2000 active Pennsylvania resident Internet workers provide a near limitless virtual workforce.
- Qualified Pennsylvania workers are brought onto key the Department's data, any overflow is keyed by qualified workers in the lower 48 contiguous United States.
- Work is performed 24 hours a day, 7 days a week, 365 days per year.

Integration

PaperFree has developed a unique, proprietary integration module specific to the Pennsylvania Department of Revenue for its chosen data capture software provider, Captiva Intelligent Capture. This integration module can only be used in conjunction with the vCapture product, it is not compatible with any other remote data entry offering.

Timeframe

The period of service for this engagement is as follows:

- Start Date: 7-1-2021
- End Date: 12-31-2021
 - With 4 - 1 year renewals

Deliverables

PaperFree agrees to provide the following for the Pennsylvania Department of Revenue:

- All necessary software required for the vCapture service
- All necessary labor to perform data entry and verification from image snippets
- All necessary installation, configuration, integration of the base service software as well as necessary 24/7 support services.



Consideration

The vCapture SaaS and remote data entry workforce is priced as follows:

- Base annual service fee (covers all costs associated with SaaS software, licensing fees, complete disaster recovery system for vCapture cloud services, and 24/7 dedicated support, operational, and administrative services. This base fee is due in full at the start of each new contract year.
 - Initial Contract Period: 7-1-2021 through 12-31-2021 \$ 223,512.50
 - 1st renewal: 1-1-2022 through 12-31-2022 \$ 457,716.25
 - 2nd renewal: 1-1-2023 through 12-31-2023 \$ 480,685.06
 - 3rd renewal: 1-1-2024 through 12-31-2024 \$ 504,806.84
 - 4th renewal: 1-1-2025 through 12-31-2025 \$ 530,139.33
- Remote Data Entry cost per character. This is per dual source verified character that is keyed via remote workforce and return as verified –
 - Initial Contract Period: \$.00266/per dual sourced character
 - First Year Renewal: \$.00279/per dual sourced character
 - Second Year Renewal: \$.00293/per dual sourced character
 - Third Year Renewal: \$.00307/per dual sourced character
 - Fourth Year Renewal: \$.00323 /per dual sourced character

Contacts

The PaperFree Contract Administrator for this engagement is:

James E. Robinson, Principal

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The PaperFree Project Manager for this engagement is:

Nicole Hansell, EVP

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The PaperFree Technical Support Manager for this engagement is:

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QUOTE#: 01282021003

vCapture™ Quote

Initial Contract Period: 07/01/2021 – 12/31/2021

| Work Type | Time Period | Estimated Characters | Cost per Character | Annual Cost |
|----------------|------------------------|----------------------|--------------------|----------------------|
| Internal PTRR | 07/1/2021 – 12/31/2021 | 35,000,000 | \$ 0.00266 | \$ 93,100.00 |
| Internal Audit | 07/1/2021 – 12/31/2021 | 150,000,000 | \$ 0.00266 | \$ 399,000.00 |
| | | | (Sub Total) | \$ 492,100.00 |
| | | | | |
| External | 07/1/2021 – 12/31/2021 | 12,500,000 | \$ 0.00266 | \$ 33,250.00 |
| | | | (Sub Total) | \$ 33,250.00 |
| | | | | |
| Corp Tax | 07/1/2021 – 12/31/2021 | 12,500,000 | \$ 0.00266 | \$ 33,250.00 |
| | | | (Sub Total) | \$ 33,250.00 |
| | | | | |
| TOTAL | 07/1/2021 – 12/31/2021 | | | \$ 558,600.00 |

Year One Renewal: 01/01/2022 – 12/31/2022

| Work Type | Time Period | Estimated Characters | Cost per Character | Annual Cost |
|----------------|-----------------------|----------------------|--------------------|------------------------|
| Internal PTRR | 1/1/2022 – 12/31/2022 | 70,000,000 | \$ 0.00279 | \$ 195,300.00 |
| Internal Audit | 1/1/2022 – 12/31/2022 | 300,000,000 | \$ 0.00279 | \$ 837,000.00 |
| | | | (Sub Total) | \$ 1,032,300.00 |
| | | | | |
| External | 1/1/2022 – 12/31/2022 | 25,000,000 | \$ 0.00279 | \$ 69,750.00 |
| | | | (Sub Total) | \$ 69,750.00 |
| | | | | |
| Corp Tax | 1/1/2022 – 12/31/2022 | 25,000,000 | \$ 0.00279 | \$ 69,750.00 |
| | | | (Sub Total) | \$ 69,750.00 |
| | | | | |
| TOTAL | 1/1/2022 – 12/31/2022 | | | \$ 1,171,800.00 |

Year Two Renewal: 01/01/2023 – 12/31/2023

| Work Type | Time Period | Estimated Characters | Cost per Character | Annual Cost |
|----------------|-----------------------|----------------------|--------------------|------------------------|
| Internal PTRR | 1/1/2023 – 12/31/2023 | 70,000,000 | \$ 0.00293 | \$ 205,100.00 |
| Internal Audit | 1/1/2023 – 12/31/2023 | 300,000,000 | \$ 0.00293 | \$ 879,000.00 |
| | | | (Sub Total) | \$ 1,084,100.00 |
| | | | | |
| External | 1/1/2023 – 12/31/2023 | 25,000,000 | \$ 0.00293 | \$ 73,250.00 |
| | | | (Sub Total) | \$ 73,250.00 |
| | | | | |
| Corp Tax | 1/1/2023 – 12/31/2023 | 25,000,000 | \$ 0.00293 | \$ 73,250.00 |
| | | | (Sub Total) | \$ 73,250.00 |
| | | | | |
| TOTAL | 1/1/2023 – 12/31/2023 | | | \$ 1,230,600.00 |

Year Three Renewal: 01/01/2024 – 12/31/2024

| Work Type | Time Period | Estimated Characters | Cost per Character | Annual Cost |
|----------------|-----------------------|----------------------|--------------------|------------------------|
| Internal PTRR | 1/1/2024 – 12/31/2024 | 70,000,000 | \$ 0.00307 | \$ 214,900.00 |
| Internal Audit | 1/1/2024 – 12/31/2024 | 300,000,000 | \$ 0.00307 | \$ 921,000.00 |
| | | | (Sub Total) | \$ 1,135,900.00 |
| | | | | |
| External | 1/1/2024 – 12/31/2024 | 25,000,000 | \$ 0.00307 | \$ 76,750.00 |
| | | | (Sub Total) | \$ 76,750.00 |
| | | | | |
| Corp Tax | 1/1/2024 – 12/31/2024 | 25,000,000 | \$ 0.00307 | \$ 76,750.00 |
| | | | (Sub Total) | \$ 76,750.00 |
| | | | | |
| TOTAL | 1/1/2024 – 12/31/2024 | | | \$ 1,289,400.00 |

Year Four Renewal: 01/01/2025 – 12/31/2025

| Work Type | Time Period | Estimated Characters | Cost per Character | Annual Cost |
|----------------|-----------------------|----------------------|--------------------|------------------------|
| Internal PTRR | 1/1/2025 – 12/31/2025 | 70,000,000 | \$ 0.00323 | \$ 226,100.00 |
| Internal Audit | 1/1/2025 – 12/31/2025 | 300,000,000 | \$ 0.00323 | \$ 969,000.00 |
| | | | (Sub Total) | \$ 1,195,100.00 |
| | | | | |
| External | 1/1/2025 – 12/31/2025 | 25,000,000 | \$ 0.00323 | \$ 80,750.00 |
| | | | (Sub Total) | \$ 80,750.00 |
| | | | | |
| Corp Tax | 1/1/2025 – 12/31/2025 | 25,000,000 | \$ 0.00323 | \$ 80,750.00 |
| | | | (Sub Total) | \$ 80,750.00 |
| | | | | |
| TOTAL | 1/1/2025 – 12/31/2025 | | | \$ 1,356,500.00 |

Signed:

Date: 1/28/2021



James E. Robinson
President|CEO