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April 16, 2004

Ms. G. Kay Stephenson
President and CEO
SMARTCOP, INC.
270 North Palafax Street
Pensacola, FL 32501

Dear Ms. Stephenson:

This is in response to your letter dated August 7, 2003, relating to the acquisition of a Computer Aided Dispatch System (System) by the New York State Police (NYSP).

Section 1.2 of the Request for Proposal (RFP) states in part, "Any vendor wishing to participate in the proposal process must be capable of demonstrating their proposed system in a live environment prior to the final selection process. During the vendor's demonstration, they must demonstrate all requirements as set forth within this RFP." Section 1.4 also states that, "NYSP reserves the right to ...[r]equire a vendor(s) to demonstrate proposed CAD system(s) at a location designated by NYSP. Any vendor so demonstrating a proposed system that in the opinion of NYSP does not meet each of the mandatory requirements outlined in the RFP, or does not perform as described by the vendor in the response proposal may be disqualified by NYSP from further consideration." This section was also restated in the response to inquiries sent to all proposers dated March 20, 2003. Based on these sections, it appears clear that the NYSP was looking for a System, which met all the mandatory requirements of the RFP at the time of vendor demonstration.

SMARTCOP's proposal scored the highest rating based on their written response. However, during the product demonstration, NYSP determined the proposed system failed to meet the requirements of the RFP and supplied you with their noted deficiencies. Your response on August 12, 2003, to certain identified deficiencies indicated SMARTCOP's intent to provide compliance at time of installation, and your letter to the Comptroller's Office dated August 7, 2003, reiterated SMARTCOP's position. This is not in compliance with the RFP, which required a successful demonstration of all required features at the vendor demonstration.

Based on our review of the submitted documentation, as well as the overall process used for selecting the requested System, we are satisfied that NYSP acted properly in rejecting your proposal. We are, therefore, approving the contract submitted to our Office between the NYSP and Valor Systems.

Sincerely,

A handwritten signature in black ink, appearing to read "Joan M. Sullivan". The signature is fluid and cursive, with the first name "Joan" being the most prominent.

Joan M. Sullivan
Assistant Comptroller

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