

Full Contract



INTERNATIONAL INFORMATION INCORPORATED

December 15, 1966

Covington and Burling
701 Union Trust Building
Washington, D. C. 20005

Subject: Financial Proposal for Legal Information Storage and Retrieval
System Proposal #6060

Gentlemen:

We are pleased to submit the following financial proposal for the development and operation of a legal Information Storage and Retrieval (IS&R) system.

The overall development and operation is divided into a two-stage program and will extend from November 16, 1966 to March 7, 1968.

1. The first phase is the initial development and processing of materials for the immediate requirements of Covington and Burling and tobacco industry counsel. This phase will begin as of November 17, 1966, when we began work pursuant to your letter of intent of November 16, 1966 and will extend to the first week in March, 1967.
2. The second phase will begin after a review and evaluation of the first phase and will be the operational stage of the program.

A minimum of 5,000 articles or documents will be entered into the system by March 7, 1967. It is estimated that the maximum number in the system at the time of full operation in March 1967, will be 10,000 accessions.

Abstracting, Indexing, Scanning and Related Services.

Since the number of documents to be entered into the system by March 1, 1967 can vary by 100%, the following method of pricing has been employed. A "time and materials" method of pricing is suggested to accommodate the uncertainties in the abstracting, indexing, and scanning program. These uncertainties in-

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cludes:

1. The number of articles entered in the system on a current basis.
2. An increase or decrease in the scope of coverage of literature.
3. Additional services that may be required by Covington and Burling.

Prices:

- Class 27 Labor (administrative) \$22.50/hr.
- Class 37 Labor (abstracting, indexing, editing, scanning, etc.) . . 14.50/hr.
- Class 47 Labor (proofreading, english editing) 10.50/hr.

The above prices include typing, flexowriting (paper-tape-preparation for computer) and general overhead.

Materials (materials that are to be used directly on project, i.e., xerox, journals, references) Cost plus a handling charge not to exceed 20%

Travel Travel by public conveyance shall be charged at cost; travel by private conveyance shall be charged at the rate of twelve cents per mile plus tolls and parking fees; lodgings, subsistence and incidental expenses shall be charged at the rate of \$20.00 per day for overnight trips and \$12.00 per day for one-day trips.

Materials and equipment from 3M Company for microfilming \$500.00/month rental

Labor: Class 43 (Microfilming) \$ 5.30/hr.

Storage and Retrieval Service

(to be provided on subcontract to Systems Science Corporation)

Storage and retrieval services will be billed on unit rates as well as an initial fee and fixed monthly fee. These charges are as follows:

Initial charge for program set up \$2,000.00

Charge for entering abstracts to reduced machine sensible form \$1.00/document

Between November 17, 1966 and March 1, 1967 the minimum amount to be expended by Covington & Burling for storage and retrieval services is \$7,000.00; the maximum is \$12,000.00.

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From March 1, 1967 a fixed monthly fee of \$3,500.00 will be charged for the following basic services:

1. Entry of up to 150 documents per month
2. Inquiries of up to 350 per month
3. Stand by services between 8 AM and 12 Midnight Monday thru Friday. Saturday stand by will be from 8 AM to 4 PM unless prior notice is received that stand by will be required between 4 PM and Midnight. This additional service will be provided free of charge.
4. A listing of all new documents added to the system at the end of each month.
5. A cumulative list of documents contained in the system complete with abstracts to be prepared once every 6 months.

Services exceeding those included in the base rate will be billed as follows:

1. Each document to be entered in excess of 150 during any one month will be billed at a rate of \$1.00 per document.
2. Each inquiry in excess of 350 during any one month will be billed at a rate of \$1.75 per inquiry.
3. Stand by services beyond the normal hours of 8 AM and 12 Midnight Monday thru Saturday will be charged at a rate of \$6.00 per hour and will require 24 hours prior notice.

Covington & Burling and other Tobacco Industry counsel may avail themselves of the inquiry services prior to March 1, 1967 and after February 1, 1967 by paying the per unit price for each inquiry they would normally pay in excess of the normal minimum charge.

Rental of Computer Program

The Computer program will be available on a rental basis \$2,000.00/month
(This is only available during operation of the total program as specified in the proposal.)

Sale of Computer Program

The computer program will be available for sale on the following basis.

1. If Systems Science Corporation is in default of their subcontract the sale price will be \$48,000.00 less 40% of the total fees paid by Covington & Burling for storage and retrieval services, but not less than \$12,000.00.

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2. If Systems Science Corporation fulfills its contractual obligation and purchase of the computer program is desired by Covington & Burling, the sale price will be \$48,000.00.

The discs containing the data will belong to Covington & Burling.

Xerox Copy Service

Xerox copies of all or any articles in the center will be charged at the following rates:

Xeroxed at the same time as will be done in the usual manner during operation \$0.10/page

Xeroxed on individual request (price includes procuring document from file) \$0.15/page

Translation Service

Articles in a foreign language that are requested to be translated will be done at 3i's commercial rate. The requests will, however, be given top priority over all other translation work.

Use of Information Retrieval Services

Use of information retrieval services will be limited to the persons included on an approved list supplied to 3i by Covington & Burling.

Answers to queries sent over TWX will be sent only to approved TWX numbers on the approved user list. Any requests to be forwarded to a TWX number not included on the list will be refused.

The approved list can be updated at anytime by forwarding a letter, signed by Covington & Burling.

Review of Overall Program and Cancellation

A review meeting will be held approximately March 7, 1967 and will include a review of the entire program as well as the pricing structure for all services.

At that time, or any subsequent time, the contract will be cancellable by Covington & Burling upon 30 days notice. If the contract is so cancelled, Covington & Burling will pay 3i \$6,000.00 per month until March 7, 1968, but 3i shall be obligated to provide its services to Covington & Burling, as requested, up to the level of \$6,000.00 per month.

Billing

3i will render monthly itemized bills for all charges provided for in this contract. Terms will be net 30 days. 3i will make its regular business records and accounts available to verify all charges upon Covington & Burling's request.

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Ongoing Operation of the IS&R System After March 7, 1967

Monthly Costs (approximate)

Class 27 labor: 80 hours @ \$22.50/hr.	1,800
Class 37 labor: 400 hours @ 14.50/hr.	5,800
Class 47 labor: 320 hours @ 10.50/hr.	3,360
Class 43 labor: 160 hours @ 5.30/hr.	848
Materials and travel	<u>1,000</u>
	12,800
Computer Fee (minimum charge)	<u>3,500</u>
	16,308

Above prices include publishing and printing 25 copies of a weekly bulletin.

Prices have been prepared on the assumption that there will be a certain percentage of overlap in the work now being prepared by 31.

Summary of Estimated Costs

Estimated cost of all services from November 7, 1966 to March 7, 1967:

Class 27 labor: 800 hours @ \$22.50/hr.	\$ 18,000
Class 37 labor: 8000 hours @ 14.50/hr.	116,000
Class 47 labor: 800 hours @ 10.50/hr.	8,400
Class 43 labor: 800 hours @ 5.30/hr.	<u>6,500</u>
Approximate sub total based on expected number of entries	\$153,140
Computer set up and initialization	2,000
Charge for entering materials in machine form (maximum)	<u>12,000</u>
Sub total	\$ 14,000
Grand total	\$167,140

This proposal shall remain in effect for a period of thirty days. We sincerely hope that it meets with your requirements, and we anticipate with pleasure the opportunity of working with Covington & Burling. Your signature on the bottom of this letter will indicate your acceptance of this proposal and will be sufficient authorization for us to proceed with this work on your behalf. We look forward to hearing from you.

Very truly yours,

INTERNATIONAL INFORMATION INCORPORATED

Gerald L. Brodsky
Executive Director

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APPROVED AND ACCEPTED:

COVINGTON & BURLING

By _____

Title _____

Date _____

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