MEMORANDUM

To: James Reardon, Commissioner of Finance & Management

From: Nathan Lavery, Fiscal Analyst

Date: December 7, 2011

Subject: JFO #2534

No Joint Fiscal Committee member has requested that the following item be held for review:

JFO #2534 – $363,768 grant from the U.S. Small Business Administration to the Vermont Department of Economic, Housing and Community Development. These funds will be used to help businesses defray the costs of participating in international trade shows, trade missions, and international business matchmaking services for the purpose of increasing exports in precision manufacturing, aeronautics, and specialty foods and tourism.

[JFO received 11/07/11]

The Governor’s approval may now be considered final. Please inform the Secretary of Administration and your staff of this action.

cc: Noelle MacKay, Commissioner
MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: November 10, 2011
Subject: Grant Request

Enclosed please find five (5) items that the Joint Fiscal Office has received from the administration, including two limited service position requests.

**JFO #2534** — $363,768 grant from the U.S. Small Business Administration to the Vermont Department of Economic, Housing and Community Development. These funds will be used to help businesses defray the costs of participating in international trade shows, trade missions, and international business matchmaking services for the purpose of increasing exports in precision manufacturing, aeronautics, and specialty foods and tourism.

*JFO received 11/07/11*

**JFO #2535** — One limited service position in the Department of Health. This position will develop, organize and optimize a variety of Geographic Information System (GIS) applications and data sets. Funding for this position has already been approved (JFO 2022, 2406), but the duties were performed by a contractor. Approving this request would convert this contracted position to a limited service position.

*JFO received 11/10/11*

**JFO #2536** — One limited service position in the Agency of Administration. This position will provide administrative support for the Exchange Planning grant. Funding for this position has already been approved (JFO 2468).

*JFO received 11/10/11*

**JFO #2537** — $70,000 grant from the U.S. Department of Agriculture to the Vermont Agency of Agriculture, Food & Markets. These funds will be used to contract for the design of water quality monitoring stations on 5-10 farm sites, and to provide construction inspection services, as part of the Water Quality Monitoring project.

*JFO received 11/10/11*

**JFO #2538** — $75,365 grant from the U.S. Centers for Disease Control and Prevention (CDC) to the Vermont Department of Health. These funds will be used to contract with the Coalition for a Tobacco Free Vermont and the Center for Public Health and Tobacco Policy at New England Law to expand Vermont’s Tobacco Control Program. The contractors will provide training, research-based communication tools, and a statewide assessment of tobacco retail outlet numbers, as well as helping the department secure voluntary
participation by state funded colleges/universities in a 100% smoke-free campus policy. This grant is awarded under the Affordable Care Act (ACA).

[JFO received 11/10/11]

Please review the enclosed materials and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by November 23 we will assume that you agree to consider as final the Governor’s acceptance of these requests.
**STATE OF VERMONT**

**FINANCE & MANAGEMENT GRANT REVIEW FORM**

**Grant Summary:** This federal grant is aimed at increasing exports in precision manufacturing, aeronautics, specialty foods and tourism trade. To do this the funds will be used on participation in foreign trade missions, grants to cover related U.S. Commercial Service activities, coordinated trade show exhibits as well as other export related projects and reverse trade missions.

| Date: | 10/27/2011 |
| Department: | ACCD-Department of Economic, Housing and Community Development |
| Legal Title of Grant: | State Trade and Export Promotion Grant Program (STEP) |
| Federal Catalog #: | 59.061 |
| Grant/Donor Name and Address: | U.S. Small Business Administration, Office of International Trade, 409 3rd St., S.W., Washington DC 20416 |

**Grant Period:** From: 9/30/2011 To: 9/29/2012

**Grant/Donation**

<table>
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<tr>
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**Position Information:**

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**Additional Comments:** There is a $121,250 State match that is mostly in-kind. This in-kind match includes a partner in-kind match of $22,356 from the Vermont Chamber of Commerce.
October 13, 2011

Request Memo

TO: Jeb Spaulding, Secretary of Administration

FROM: Patricia Moulton Powden, Deputy Secretary
Agency of Commerce and Community Development

RE: Small Business Administration State Trade Export Promotion Grant (STEP)

Dear Secretary Spaulding,

The Agency of Commerce & Community Development has received a $363,768 grant from the Small Business Administration (SBA) to help Vermont small businesses reach global markets.

The grant was awarded through the SBA’s State Trade and Export Promotion Program (STEP), a $30 million national grant program authorized under President Obama’s Small Business Jobs Act of 2010. It will be administered by the Vermont Global Trade Partnership, the state’s global business assistance program housed in the Department of Economic, Housing and Community Development within ACCD.

The funds will be used to help businesses defray the costs of participation in international trade shows, trade missions and international business matchmaking services. Targeted sectors for coordinated projects under the grant include aerospace, precision manufacturing, specialty foods and hospitality and tourism.

In addition to funding specific project activities, the grant will also support sub grants to offset costs of website foreign language translation fees; design of international marketing media; trade show exhibition expenses; and participation in export and trade finance training workshops for Vermont businesses.

The duration of the grant is from 9/28/2011-9/29/2012 and funds must be completely expended in that one-year period.

State matching funds totaling $121,250 will be required for this grant, comprised of:

1. Cash Match: $6854—From the Vermont Global Trade Partnership’s budget

2. State In-Kind Salary Match: $98,894 from ACCD employees working on STEP grant-related projects

Additionally, there will be Partner In-Kind Match of $22,356 contributed by the Vermont Chamber of Commerce.

Please allow ACCD to accept these funds for the uses specified above.
STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE  (Form AA-1)

BASIC GRANT INFORMATION

1. Agency: Commerce & Community Development
2. Department: Economic Housing & Community Development
3. Program: International Trade
4. Legal Title of Grant: State Trade and Export Promotion Grant Program
5. Federal Catalog #: 59.061

6. Grant/Donor Name and Address:
   US Small Business Administration


8. Purpose of Grant:
   Utilizing STEP Grant funding, the State of Vermont seeks to grow exports for its precision manufacturing,
aeronautics and aerospace industries, specialty foods industry and tourism trade. Projects developed with the
aid of this grant will include foreign trade missions, grants to cover services provided by the U.S. Commercial
Service, coordinated trade show exhibitions, projects that increase direct and indirect supply chain exporting;
and reverse trade missions.

9. Impact on existing program if grant is not Accepted:
   State of Vermont will not be able to participate in project to increase it's exports

10. BUDGET INFORMATION

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>SFY 1 FY 2012</th>
<th>SFY 2 FY 2013</th>
<th>SFY 3 FY 2014</th>
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<td>Grants</td>
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<td>State Funds:</td>
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<tr>
<td>Cash</td>
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<td>Federal Funds:</td>
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<td>(Statewide Indirect)</td>
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<td>(Departmental Indirect)</td>
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<td>Other Funds:</td>
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<td>Grant (source In Kind VT Chamber)</td>
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<tr>
<td><strong>Total</strong></td>
<td>$359,817</td>
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Appropriation No: 7110010410  Amount: $363,768

Department of Finance & Management
Version 1.6_4/1/2011  Page 1 of 2  RECPD OCT 18 2011
STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

PERSONAL SERVICE INFORMATION

11. Will monies from this grant be used to fund one or more Personal Service Contracts? ☒ Yes ☐ No
If “Yes”, appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: Agreed by: N.S.M (initial)

12. Limited Service Position Information:

<table>
<thead>
<tr>
<th># Positions</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Total Positions

12a. Equipment and space for these positions:

☐ Is presently available. ☐ Can be obtained with available funds.

13. AUTHORIZATION AGENCY/DEPARTMENT

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):

Signature: [Signature]
Title: [Deputy Secretary]
Date: 10/19/11

14. SECRETARY OF ADMINISTRATION

☑ Approved: [Signature] Date: 10/31/11

15. ACTION BY GOVERNOR

☑ Accepted

☐ Rejected

Date: 11/2/11

16. DOCUMENTATION REQUIRED

Required GRANT Documentation

☒ Request Memo
☐ Dept. project approval (if applicable)
☒ Notice of Award
☒ Grant Agreement
☒ Grant Budget

☐ Notice of Donation (if any)
☐ Grant (Project) Timeline (if applicable)
☐ Request for Extension (if applicable)
☐ Form AA-1PN attached (if applicable)

End Form AA-1

(*) The term “grant” refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5).
Chapter 1 Technical Proposal

Overview

Utilizing STEP Grant funding, the State of Vermont seeks to grow exports for its precision manufacturing, aeronautics and aerospace industries, specialty foods industry and tourism trade. Projects developed with the aid of this grant will include foreign trade missions, grants to cover services provided by the U.S. Commercial Service, coordinated trade show exhibitions, projects that increase direct and indirect supply chain exporting; and reverse trade missions. Work made possible by these grant funds will enable a State-Federal-local partnership of trade development professionals to work cooperatively to serve Vermont’s small business community. The breadth of activity and effectiveness of projects stated in this proposal would not be possible but for the use of STEP Grant funds.

Introduction

Vermont’s Current Trade and Export Activity

Defining the Need to Increase Trade/Export Activity among Small Businesses

The State of Vermont has the smallest population of the New England states with just over 600,000 people situated on 9,614 square miles. Yet, Vermont exports are over $4 billion in goods alone annually and Vermont is ranked #1 in overall value of per capita exports in the U.S.¹

Translated; Vermont is a small, rural state that exports a lot.

The majority of these exports are high-value sales from one, large company. Vermont’s remaining exports; about $1.4 billion are from SME’s.

Small businesses totaled 79,079 in the state in 2008. Of these, 18,616 were businesses with fewer than 500 employees, and they accounted for 61.4% of private-sector jobs in the state. In total,

small firms make up 96.5% of the state’s employers. Nearly half of Vermont businesses are owned or controlled by women, 9.2 percent of businesses in the state are veteran-owned.

Projects completed under the STEP Grant will expand Vermont’s economy through increasing trade in goods and services. The project will connect experienced and new-to-export businesses with technical assistance resources and hands-on opportunities to grow sales and retain and add jobs in Vermont.

Existing Trade/Export Promotion Programs in Vermont

The Vermont Global Trade Partnership (VGTP) is Vermont’s center for international business assistance. Formed in 2004, the VGTP provides technical assistance and trade counseling, export leads, workshops, coordinated trade missions and trade shows, and many other useful services to help Vermont companies seeking to succeed in international markets.

The U.S. Commercial Service Montpelier U.S. Export Assistance Center (USEAC) is co-located with the VGTP. Sharing the mission to serve small and medium sized exporters, the USEAC adds considerable value and breadth to the VGTP’s technical assistance capabilities. In return, the VGTP is an important multiplier and promoter of the U.S. Commercial Service and its offerings. The programs leverage each other’s professional staff, resources and core competencies to increase their mutual capacity.

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3 26% of Vermont businesses are woman-owned. 20.2% of Vermont businesses are equally male/female-owned. Source: SBA Office of Advocacy; Small Business Profile: Vermont.
Vermont Chamber of Commerce

The International Trade Division of the Vermont Chamber of Commerce (VCC) helps businesses expand their markets, products and services to China, Taiwan and beyond. The Vermont Chamber of Commerce maintains an office in Shanghai, China, and has a close partnership with representatives in Taipei, Taiwan.

Currently, Vermont is the only state Chamber of Commerce in the nation with permanent trade offices in Shanghai.

In partnership, the three Programs provide:

- Trade Technical Assistance and Trade Counseling
- Trade Missions
- Trade Development Programs and Seminars
- Qualified referrals to trade development resource partners such as SBA, SBDC, Manufacturing Extension Partnership (VMEC), Ex-Im Bank and to each other.

Obstacles, Shortfalls and Continuing Difficulties

Despite having three, capable entities that complement each other’s offerings providing various trade development services in Vermont—these three organizations boil down to a state-wide capacity of three people. With the reality of shrinking budgets in Vermont, trade development is largely an unfunded mandate in the state and private sectors. Resource partnerships are essential to increase capacity; additional funding to initiate collaborative projects that directly benefit small businesses in the state would be a key ingredient to success in job creation and business expansion through exports in Vermont.

Small businesses in Vermont are for the most part very small, and decision-makers in these companies are generally responsible for multiple business functions, including sales and marketing. Small businesses in Vermont often don’t have the budget, or capacity to market themselves effectively at international trade shows or to pursue effective foreign market sales trips on their own. STEP funding would make possible the development of turn-key events
including booth space, signage, market-appropriate materials, business matchmaking and technical support, and importantly; the grant support to enable small businesses to travel and participate in these market expanding activities.

High goals have been set for the outcomes of this STEP Grant. If at any time in the context of any project stated in the grant desired outcomes are not being reached, the reasons will be analyzed and methods will be amended to support successful outcomes. In the unlikely event that success of a project is still not possible, the STEP Project Manager under this grant will contact the Grants Management Officer at SBA to determine if funds can be redirected towards an alternate project with a greater possibility of success.
### 2011 STEP Grant Budget

<table>
<thead>
<tr>
<th>Object Classification</th>
<th>Personnel</th>
<th>Fringe Benefits</th>
<th>Travel</th>
<th>Equipment</th>
<th>Supplies</th>
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<th>Other</th>
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<td>$229 x 5 days x 3 people=$3435</td>
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</table>

**State cash match $6854, State salary match $92,040, Partner in-kind match from the Vermont Chamber of Commerce $22,356.00**

- **Shanghai—Aviation & Aerospace Show**
  - Airfare $1200 x 17 people = $20,400
  - Ground Transportation $400
  - Lodging (Staff & Project Partners only) $229 x 5 days x 3 people = $3435
  - M&E (Staff & Project Partners only) $131 x 6 days x 3 people = $2358

- **UK—Farnborough International Airshow**
  - Airfare—$800 x 24 people = $19,200
  - Ground Transportation—$400
  - Lodging (Staff & Project Partners only) $161 x 4 people x 8 days = $5152
  - M&E (Staff & Project Partners only) $95 x 4 people x 8 days = $3040

- **Ottawa, Canada—VT Group Travel Tour Event**
  - Rental Car & Gas (Montpelier, VT-Ottawa and Return Trip, Staff/Project Partners) $250 x 2 cars = $500
  - Lodging (Staff, Project Partners & Businesses) $202 x 1 day x 15 people = $3030
  - M&E (Staff & Project Partners only) $98 x 1 day x 5 people = $490

- **Montreal, Canada—SIAL Canada trade show**
  - Rental Car & Gas (Montpelier, VT-Montreal and Return Trip, Staff/Project Partners) $350 x 1 car = $350
  - Lodging (Staff, Project Partners & Businesses) $228 x 5 days x 13 people = $14,820
  - M&E (Staff & Project Partners only) $117 x 5 days x 3 people = $1755

- **Washington, DC—STEP Grant Training for Project Manager**
  - Airfare $400 x 1 person = $400

**1. Vermont Chamber of Commerce contract to provide U.S. & China-based support staff; VCC China office consulting retainer: $10,240, and China office: $7200; U.S. consulting fees for dedicated VCC staff support for all STEP projects: $45/hour x 40 x 52 weeks = $93,600 Total VCC: $111,040**

**2. U.S. Commercial Service/Gold Key Service $500 x 20 companies = $10,000**

**3. ITAR & IPR technical assistance consulting for China aerospace mission = $8176**

**1) Trade Show/Event Marketing Materials & Signage $2000/event x 4 events = $8000**

**2) Translation/interpretation services $1000/event x 4 events = $4000**

**3) Trade Show booth costs and shipping, $25,000/show x 4 events = $100,000**

**4) VT branded trade show "pull-up" displays, $600 x 4 = $2400; Piers Prospects database $15,000/year x 1 year = $15,000; Trade Mission networking receptions/dinners (excluding alcohol purchases) $4500 per reception x 4 events = $18,000**
Chapter 1 Technical Proposal

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Currently, Vermont is the only state Chamber of Commerce in the nation with permanent trade offices in Shanghai.

In partnership, the three Programs provide:

- Trade Technical Assistance and Trade Counseling
- Trade Missions
- Trade Development Programs and Seminars
- Qualified referrals to trade development resource partners such as SBA, SBDC, Manufacturing Extension Partnership (VMEC), Ex-Im Bank and to each other.

Obstacles, Shortfalls and Continuing Difficulties

Despite having three, capable entities that complement each other's offerings providing various trade development services in Vermont—these three organizations boil down to a state-wide capacity of three people. With the reality of shrinking budgets in Vermont, trade development is largely an unfunded mandate in the state and private sectors. Resource partnerships are essential to increase capacity; additional funding to initiate collaborative projects that directly benefit small businesses in the state would be a key ingredient to success in job creation and business expansion through exports in Vermont.

Small businesses in Vermont are for the most part very small, and decision-makers in these companies are generally responsible for multiple business functions, including sales and marketing. Small businesses in Vermont often don't have the budget, or capacity to market themselves effectively at international trade shows or to pursue effective foreign market sales trips on their own. STEP funding would make possible the development of turn-key events
including booth space, signage, market-appropriate materials, business matchmaking and technical support, and importantly; the grant support to enable small businesses to travel and participate in these market expanding activities.

High goals have been set for the outcomes of this STEP Grant. If at any time in the context of any project stated in the grant desired outcomes are not being reached, the reasons will be analyzed and methods will be amended to support successful outcomes. In the unlikely event that success of a project is still not possible, the STEP Project Manager under this grant will contact the Grants Management Officer at SBA to determine if funds can be redirected towards an alternate project with a greater possibility of success.
**STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE**  (Form AA-1)

### BASIC GRANT INFORMATION

1. **Agency:** Commerce & Community Development  
2. **Department:** Economic Housing & Community Development  
3. **Program:** International Trade  
4. **Legal Title of Grant:** State Trade and Export Promotion Grant Program  
5. **Federal Catalog #:** 59.061  

**Grant/Donor Name and Address:**  
US Small Business Administration

**Grant Period:**  
From: 10/1/2011  
To: 9/30/2012

**Purpose of Grant:**  
Utilizing STEP Grant funding, the State of Vermont seeks to grow exports for its precision manufacturing, aeronautics and aerospace industries, specialty foods industry and tourism trade. Projects developed with the aid of this grant will include foreign trade missions, grants to cover services provided by the U.S. Commercial Service, coordinated trade show exhibitions, projects that increase direct and indirect supply chain exporting; and reverse trade missions.

**Impact on existing program if grant is not Accepted:**  
State of Vermont will not be able to participate in project to increase it's exports

### 10. BUDGET INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>SFY 1 FY 2012</th>
<th>SFY 2 FY 2013</th>
<th>SFY 3 FY 2014</th>
<th>Comments</th>
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<td>(Direct Costs)</td>
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<td>(Statewide Indirect)</td>
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<td>(Departmental Indirect)</td>
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<td><strong>Total</strong></td>
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**Appropriation No:** 7110010410  
**Amount:** $363,768

Department of Finance & Management  
Version 1.6_4/1/2011  
Page 1 of 2
### PERSONAL SERVICE INFORMATION

11. Will monies from this grant be used to fund one or more Personal Service Contracts?  
   - Yes  
   - No  

   If “Yes”, appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

   Appointing Authority Name:  
   Agreed by:  

12. Limited Service Position Information:  
   - # Positions  
   - Title  

   Total Positions

12a. Equipment and space for these positions:  
   - Is presently available  
   - Can be obtained with available funds

### AUTHORIZATION AGENCY/DEPARTMENT

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):

   Signature:  
   Title:  

   Date:

### SECRETARY OF ADMINISTRATION

(Approved:  
(Secretary or designee signature)  
Date:

### ACTION BY GOVERNOR

Check One Box:  
- Accepted  
- Rejected  

(Governor’s signature)  
Date:

### DOCUMENTATION REQUIRED

- Request Memo  
- Dept. project approval (if applicable)  
- Notice of Award  
- Grant Agreement  
- Grant Budget  

- Notice of Donation (if any)  
- Grant (Project) Timeline (if applicable)  
- Request for Extension (if applicable)  
- Form AA-1PN attached (if applicable)

End Form AA-1

(*) The term “grant” refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5).
NOTICE OF AWARD

1. AUTHORIZATION (Legislation/Regulation)
Small Business Jobs Act of 2010, Section 1207

2. Grant/Cooperative Agreement No.:
SBAHQ-11-IT-0037

3. RECIPIENT: (Name, Organizational Unit, Address)
ECONOMIC HOUSING AND COMMUNITY DEVELOPMENT, V
Attn: ROBIN MILLER
ONE NATIONAL LIFE DRIVE
MONTPELIER VT 056200501

4. PROJECT PERIOD (Mo./Day/Yr.)
From 09/30/2011 Through 09/29/2012

5. BUDGET PERIOD (Mo./Day/Yr.)
From 09/30/2011 Through 09/29/2012

6. FEDERAL CATALOG NO.
59.061
15060012JA00VT

5. AWARD AMOUNT
Amount of SBA Financial Assistance: $363,768.00

7. ADMINISTRATIVE CODES

11. RECOMMENDED FUTURE SUPPORT (Subject to the availability of funds and satisfactory progress of the project)

NAME: Miller
Last: Lawrence
First: Initial: I
ADDRESS: same as above

12. Approved Budget (Excludes SBA Direct Assistance)
X Total project costs including all other financial participation.

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<th>Federal Share</th>
<th>Non-Federal Share</th>
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<tr>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0.00</td>
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</tr>
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</table>

13. Remarks (Other Terms & Conditions Attached) X Yes No
Funds Are Not Available Until SBA Approves Application.

14. THIS AWARD IS SUBJECT TO THE FOLLOWING COST PRINCIPLES AND OMB UNIFORM ADMINISTRATIVE REQUIREMENTS:
X 2 CFR Part 225 - Cost Principles for State and Local Governments
X 2 CFR Part 230 - Cost Principles for Non-Profit Organizations
X 13 CFR Part 154 - Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments
X 2 CFR Part 215 - Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations
X OMB Circular A-112 - Audits of States, Local Governments, and other Non-Profit Orgs.

15. THIS AWARD IS SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE

16. CRS - EIN
03-6000064

17. COUNTY NAME
WASHINGTON

18. CONGRESSIONAL DISTRICT NO.
VT-01

19a. CITY CODE
46000

b. COUNTY CODE
043

20. BUDGET CODE
SBAHQ-11-IT-0037

21. AGENCY OFFICIAL: (Signature, Name and Title)
Teresa Clouser

22. DATE ISSUED (Mo./Day/Yr.)
09/30/2011

23. RECIPIENT OFFICIAL: (Signature, Name and Title)
Lawrence Miller

24. DATE OF SIGNATURE (Mo./Day/Yr.)
09/30/2011
THIS AWARD IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING.

A. The program legislation and / or regulation cited in block 1.

B. This award notice including terms and conditions, if any, noted under block 13, Remarks.

C. SBA Federal Assistance Regulations or Manual issuances in effect at the beginning date of the budget period.

D. The applicable program announcement, if any.

E. SBA Policy Guidelines in effect as of the beginning date of the budget period.

F. SBA Administrative Regulations / Guidelines in effect as of the beginning date of the budget period.

In the event that there are any conflicting or otherwise inconsistent policies applicable to this award, the above order of precedence shall prevail. Acceptance of ALL terms and conditions is acknowledged by the Recipient's Signature in block 23.
DUNS Number: 809800667
Delivery: 08/20/2011
Delivery Location Code: 506001
Small Business Administration
Office of International Trade
409 3rd St., S.W.
Washington DC 20416 USA

Payment:
Small Business Administration

Accounting Info:
1111.020100DA.506001.20300.4101.610001.0000000

Period of Performance: 09/30/2011 to 09/29/2012

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<th>ITEM OR SERVICE (Include Specifications and Special Instructions)</th>
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<th>UNIT</th>
<th>UNIT PRICE</th>
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Obligated Amount: $363,768.00

The total amount of award: $363,768.00. The obligation for this award is $363,768.00.
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<th>Catalog of Federal Domestic Assistance Number</th>
<th>Estimated Unobligated Funds</th>
<th>New or Revised Budget</th>
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<td>Federal (c)</td>
<td>Non-Federal (d)</td>
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<td>1. Client Resources, Marketing, Translation, Database</td>
<td>$29,400.00</td>
<td>$6,854.00</td>
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<tr>
<td>2. Trade Show Travel, Receptions, Booth Fees, Match-making Services</td>
<td>$215,152.00</td>
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<td>$301,212.00</td>
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<td>3. Consultation Contracts, ITAR Technical Assistance and IPR Retainers</td>
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<td>4.</td>
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### SECTION B - BUDGET CATEGORIES

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<td>Indirect Charges</td>
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<td>TOTALS (sum of 6i and 6j)</td>
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### SECTION C - NON-FEDERAL RESOURCES

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<th>(a) Grant Program</th>
<th>(b) Applicant</th>
<th>(c) State</th>
<th>(d) Other Sources</th>
<th>(e) TOTALS</th>
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<td>$6,854.00</td>
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<td>9. Trade Show Travel, Receptions, Booth Fees, Match-making Services</td>
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<td>$63,704.00</td>
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<td>10. Consultation Contracts, ITAR technical assistance and IPR Services Retainer</td>
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### SECTION D - FORECASTED CASH NEEDS

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<td>14. Non-Federal</td>
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<td>15. TOTAL (sum of lines 13 and 14)</td>
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### SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT

<table>
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<th>(a) Grant Program</th>
<th>FUTURE FUNDING PERIODS (YEARS)</th>
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<td>17. Trade Show Travel, Receptions, Booth Fees, Match-making Services</td>
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<td>18. Consultation Contracts, ITAR Technical Assistance and IPR Retainer</td>
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<td>20. TOTAL (sum of lines 16 - 19)</td>
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### SECTION F - OTHER BUDGET INFORMATION

21. Direct Charges: 
22. Indirect Charges: 
23. Remarks: 

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Standard Form 424A (Rev. 7-97) 
Prescribed by OMB (Circular A-102) Page 2
U.S. Small Business Administration
State Trade and Export Promotion Grant Program

PROGRAM ANNOUNCEMENT
No. OIT-STEP-2011-01

STATE OF VERMONT
Vermont Global Trade Partnership/Vermont Agency of Commerce & Community Development

Lawrence Miller, Secretary
Agency of Commerce and Community Development
State of Vermont
National Life Building, 6th Floor
Montpelier, VT 05620-0501

Phone: (802) 828-5204
Fax: (802) 828-3258
lawrence.miller@state.vt.us

Signature: Lawrence Miller, Secretary
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  Existing Trade/Export Promotion Programs in Vermont ..............................................................4
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Project Plan

1. Aeronautics, Aerospace

There are over 200 small, rural Vermont companies that thrive in the aerospace and aviation sectors of the Vermont economy. Included in these sectors are; general aviation, commuter aviation, commercial transport, manufacturers of composites, plastics, polymers and ceramics, precision machining manufacturers, airports, educational institutions and manufacturers of sensors, electronics and robotics. Aeronautics and aerospace products and parts comprised Vermont's 7th largest export category in 2010, with export sales of $49.5 million USD.

A division of the Vermont Chamber, the Vermont Aviation and Aerospace Association (VAAA) is committed to promoting growth and job creation in Vermont's aerospace, aviation and related industries with a network of over 250 manufacturers and supply chain partners. With former Lt. Governor Brian Dubie and United States Senator Patrick Leahy as Chairs of the VAAA, the organization brings large out-of-state prime contractors like Lockheed Martin, Raytheon and Northrop Grumman to Vermont to open their supply chains to small, rural Vermont businesses. The Chamber and its trade development partners see the STEP Program as an opportunity to broaden the scope of this initiative and open up foreign supply chains to Vermont businesses.

a. Vermont Aerospace and Aviation Matchmaking Event, Burlington, VT—Date TBD

This will be a high-profile export matchmaking event that will showcase Vermont aerospace and aviation products. The event will feature speakers and matchmaking opportunities for Vermont businesses with leading international primes, OEMS and sub-primes that rely on the use of these products in their respective industries. Expected attendance is around 250 people. Event partners will be comprised of a State-Federal-Local outreach team which includes the Vermont Chamber of
Objective: Develop export sales for Vermont-based Aerospace and Aviation companies and suppliers through providing business matchmaking support and direct access to decision-makers from international primes and OEMs at a Vermont-based event. By bringing together qualified buyers, manufacturers and suppliers for meetings, the event will increase direct and indirect supply chain exporting from Vermont.

Activities: Coordinated outreach and marketing to companies for event participation, event planning/organization, speaker, international OEM, prime & sub-prime recruitment with assistance from the U.S. Commercial Service, business matchmaking assistance and business meeting facilitation, showcase/table top displays for Vermont businesses, publish directory of Vermont Aerospace & Aviation companies and translate participant’s materials as appropriate, technical assistance and trade counseling for participating Vermont businesses—including referrals to SBA programs and affiliates as needed, reverse trade mission/site visits on a case-by-case basis as requested and/or necessary to secure sales or vendor relationships, coordination of broad, international media exposure for participating businesses.

Output: Anticipated participation from at least 5 women-owned businesses\(^4\), 5 veteran-owned businesses and 150 rural businesses, 5 new vendor relationships for Vermont businesses, $3 million in short-term projected export sales, and 3 new international distributor relationships with more sales and contracts expected over time.

Outcome measures: Business participants will complete a profile stating their objectives in advance of the event for quality matchmaking purposes and will complete detailed

\(^4\) Five women-owned companies: Stephen's Precision, PCM Image-Tek, JJ Jimmo, HEB Manufacturing and Hawkeye International are already targeted as having interest to participate in this type of event.
post-event evaluation/summaries immediately after and 6 months after the event in order to track progress and follow-up needs regarding the stated output metrics. New to Export and New to Market companies will also be tracked. An annual survey of event and trade mission participants will be distributed and these businesses will be asked to report on additional sales and distributor contracts that were developed as a result of their participation.

**Time schedule:** The project timeline will run from October 2011-December 2011 with some flexibility in scheduling depending on grant approval and the release of STEP Grant funds. Event expenses are being donated by the Vermont Chamber of Commerce as in-kind support for this project.

b. **Aviation & Aerospace Technology Show, Shanghai—November 1, 2011**

Visitors to this show include personnel from the defense ministry, armed forces, airlines, transport ministry, airport authority, maintenance and engineering companies, research and training institutes. The exhibitor profile includes Aircraft components and parts, ground equipment, engines, control and navigation equipment, airport equipment, ground and traffic control, satellites, defense equipment and technology, aircraft services and maintenance. Vermont’s exports to China in 2010 totaled $329,337,156; of that, just under $6 million were exports of Vermont’s aviation and aerospace products. China is currently the world’s second largest aviation market after the U.S. and forecasts a market for 3,710 new airplanes worth about $390 billion over the next 20 years. There is enormous untapped potential for Vermont in this market.  

---

Utilizing STEP Grant funding for this project the VGTP, VAAA and USEAC will recruit for this trade show and organize all event details while leveraging Vermont’s network of trade resource partners for technical assistance services. Because of the sensitive regulatory nature of this sector selling into China we are writing a consulting retainer into the grant budget to provide for ITAR and Intellectual Property Rights technical assistance for participants in advance of the mission. Trade Promotion Grants made possible by STEP funds will support Vermont business travel and participation in a Vermont Pavilion at the show and will also support companies choosing to exhibit individually.

**Objective:** Develop export sales and distributor relationships for Vermont aviation, aerospace and related businesses at the show.

**Activities:** Outreach to and recruitment of participants, organization and logistics of booth, travel and accommodations arrangements, orientation and market briefing before the trip, development of signage and printed materials, displays for Vermont businesses, publish Chinese Language directory of Vermont Aerospace & Aviation companies and translate participant’s materials, technical assistance and trade counseling for participating Vermont businesses—including referrals to SBA programs and affiliates as needed, arrangements for business matchmaking at the show and/or Gold Key Matchmaking off-site through the U.S. Commercial Service, arrangements for a translator on-site at the event through the VCC’s Shanghai office, preparation for networking reception during the show, media releases and exposure throughout the trip.

**Output:** Participation from at least 15 companies with 20% participation from women and/or veteran-owned businesses, $10 million in short term export sales, 10 new distributor relationships with more sales and contracts expected over time.
**Outcome Measures:** Business participants will complete a profile stating their objectives in advance of the show for quality matchmaking purposes and will complete detailed post-event evaluation/summaries immediately after and 6 months after the event in order to track progress and follow-up needs regarding the stated output metrics. New to Export and New to Market companies will also be tracked. An annual survey of event and trade mission participants will be distributed and these businesses will be asked to report on additional sales and distributor contracts that were developed as a result of their participation.

**Time Schedule:** The project timeline will run from the time of STEP Grant approval through November 30, 2011 to allow time for mission follow-up.

c. **Farnborough International Airshow, Hampshire, UK—July 9-15, 2012**

A platform for 1,300+ exhibitors from the private, commercial, civil and military sectors, Farnborough International Airshow provides a showcase of modern and historic aircraft, equipment and technologies. The show is specifically designed to facilitate tailor-made opportunities to meet, negotiate and announce business transactions and the show includes a “Meet the Buyers” matchmaking program.

In addition, the U.S. Commercial Service provides a team of Commercial Specialists at the show to help U.S. exhibitors make connections with agents, distributors and end-users from throughout the world.

Vermont’s exports of aeronautics and aviation products to European countries total just over $9 million USD. US$47 billion worth of orders were announced during the trade week at the 2010 Farnborough International Airshow. It is the largest, most internationally attended aerospace event in the world.
Utilizing STEP Grant funding for this project the VGTP, VAAA and USEAC will recruit for this trade show and organize all event details while leveraging Vermont's network of trade resource partners for technical assistance services. Trade Promotion Grants made possible by STEP funds will support Vermont business travel and participation in a Vermont Pavilion at the show and will also support companies choosing to exhibit individually.

**Objective:** Develop export sales and distributor relationships for Vermont aviation, aerospace and related businesses at the show.

**Activities:** Outreach to and recruitment of participants, organization and logistics of booth, travel and accommodations arrangements, orientation and market briefing before the trip, development of signage and printed materials, displays for Vermont businesses, publish multilingual directory of Vermont Aerospace & Aviation companies and translate participant's marketing materials as needed, provide technical assistance and trade counseling for participating Vermont businesses, organize pre-mission trade finance and SBA Export Working Capital workshops for participants and other interested Vermont businesses, make arrangements for business matchmaking at the show and/or Gold Key Matchmaking off-site through the U.S. Commercial Service, prepare press kit and media releases and exposure during event week for the delegation and individual participants. Arrange for a Vermont business networking reception featuring a high level official such as United States Senator Patrick Leahy or Governor Peter Shumlin and leverage this opportunity to generate additional press coverage for the business participants and the Vermont booth at the show.
Output: Participation from at least 20 companies with 20% participation from women and/or veteran-owned businesses, $10 million in short term export sales, 10 new distributor relationships with more sales and contracts expected over time.

Outcome Measures: Business participants will complete a profile stating their objectives in advance of the show for quality matchmaking purposes and will complete detailed post-event evaluation/summaries immediately after and 6 months after the event in order to track progress and follow-up needs regarding the stated output metrics. New to Export and New to Market companies will also be tracked. To ensure on-going metrics gathering, an annual survey of event and trade mission participants will be distributed and these businesses will be asked to report on additional sales, distributor contracts and opportunities that were developed as a result of their participation in STEP Grant-supported activities.

Time Schedule: The project timeline will run from February 2012 through July 30, 2012 to allow time for mission follow-up. Outreach and an initial trade mission/show announcement will be circulated at the time of STEP Grant approval.

2. Hospitality/Tourism

Vermont is a great place to do business—and is also known as a great place to vacation. Visitors make an estimated 14.3 million trips to Vermont for leisure, business or personal travel each year. Their direct spending on goods and services in the state total $1.6 billion and supports 37,490 jobs for Vermonters (approximately 12% of all jobs). Sectors of the Vermont tourism economy, like retail and dining, are 2-3 times more dependent on visitor spending than the national average.
a. Vermont Group Tour Travel Event, Ottawa, Canada—Date TBD

With Vermont situated along the border, international visitors from Canada make approximately 2.8 million person trips to Vermont each year. The Vermont Department of Tourism and Marketing (VDTM) and the Vermont Chamber of Commerce see an opportunity to increase Canadian group tour travel through Vermont. Through a partnership, the groups propose to launch a pilot event in Ottawa that will feature 10 Vermont tourism businesses and will market Vermont as a destination to an audience of 50 tour operators, media and travel agencies. The event will be used as a template for future Vermont group tour outreach events throughout Canada.

**Objective:** Motivate Canadian tour operators and travel agencies to book Canadian group tours through Vermont. Generate media exposure for Vermont as a tourism destination.

**Activities:** Outreach to and recruitment of participants, organization and logistics of event, travel and accommodations arrangements, event coordination briefing with business participants before the trip, development of market-appropriate signage and printed materials and displays for the event and participating Vermont businesses, Work with the U.S. Commercial Service to generate a comprehensive target list of potential guests and contacts, prepare press kit and media releases and schedule interviews for VDTM and VCC leadership and individual participants. Follow up with individual familiarization tours for Canadian event participants.

**Output:** A 10% increase in Canadian group tour throughput in Vermont. Participation from 10 businesses with 20% participation from women and/or veteran-owned businesses and a 10% increase in travel tour receipts for each participating business by 12 months.

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6 A 'person trip' accounts for each individual in a travel party. If an individual makes multiple trips, he or she is counted as a visitor on each trip. A person trip is a more accurate measure of overall visitor traffic.
post event, 5 qualified trade operator leads for every participant with follow-up plans for familiarization tours in Vermont. Additional leads to share broadly with group tour professionals in Vermont.

**Outcome Measures:** Business participants will complete a profile stating their objectives in advance of the show for quality purposes and will complete detailed post-event evaluation/summaries immediately after and 6 months after the event in order to track progress and follow-up needs regarding the stated output metrics. VDTM’s Chief of Research and Operations tracks Vermont’s travel throughput by category as does the Vermont Tourism Data Center at the University of Vermont.

**Time Schedule:** The event will be scheduled and work will begin at the time of STEP Grant approval.

3. **Specialty Foods**

Vermont is recognized across North America and in nearly a dozen countries for more than 1,500 exceptional food products. More than 385 businesses in Vermont generate over $1 billion in revenue and provide nearly 10% of manufacturing employment in the state.7

a. **SIAL Canada, May 9-11, 2012—Montreal, Canada**

SIAL Canada is an international tradeshow dedicated to food industry professionals which targets the North American market. Each year, over 530 agrifood exhibitors and 12,000 professionals come together for this event.

Utilizing STEP Grant funds, the Vermont Agency of Agriculture along with the Vermont Specialty Foods Association and the Vermont Small Business

7 *Source: Vermont Specialty Food Association, the nation’s oldest and most highly regarded specialty food association.*
Development Center propose to recruit participants for a “Best of Vermont” booth at SIAL Canada. Participants will benefit from business matchmaking made possible by the U.S. Foreign Agricultural Service and through these pre-scheduled meetings will meet clients and future clients from the food retail and foodservice industries in Canada. Additional matchmaking opportunities are available through SIAL’s B2B meeting program.

**Objective:** Generate $100,000 USD in short term export sales for Vermont specialty foods companies and 5 new distributor relationships with additional sales and contracts expected over time.

**Activities:** Outreach to and recruitment of participants, organization and logistics of booth, travel and accommodations arrangements, organize an orientation and market briefing before the trip inclusive of an overview of SBA programs and SBDC assistance, development of French-English signage, printed materials and displays for Vermont businesses, publish French-English marketing materials for the Vermont booth and translate participant’s marketing materials, provide technical assistance and trade counseling for participating Vermont businesses, contact the FAS and make arrangements for business matchmaking and/or buyers lists before the show, arrange for a translator at the booth, prepare press kit and media releases and exposure during event week for the delegation and individual participants. Arrange for transport of food samples and materials across the border. Remind delegation of new passport requirements.

**Output:** Participation from at least 10 businesses with 20% participation from women and/or veteran-owned businesses, 5 new distributor contracts and $100,000 in immediate sales orders. Develop a database of international specialty foods buyers at the show to share broadly with specialty food manufacturers and distributors in Vermont.
Outcome Measures: Business participants will complete a profile stating their objectives in advance of the show for quality matchmaking purposes and will complete detailed post-event evaluation/summaries immediately after and 6 months after the event in order to track progress and follow-up needs regarding the stated output metrics. New to Export and New to Market companies will also be tracked. An annual survey of event and trade mission participants will be distributed and these businesses will be asked to report on additional sales and distributor contracts that were developed as a result of their participation.

Time Schedule: Outreach and discussions with likely participants will begin at the time of STEP Grant approval. Official participant recruitment and work on the project will begin in January of 2012 and will continue through the end of June 2012 to allow time for immediate project follow up activities.

4. Trade Promotion Grants

Utilizing STEP grant funds, the Vermont Global Trade Partnership (VGTP) will provide Vermont businesses with grants to cover participation in projects planned under the STEP Grant, including foreign trade missions, foreign market sales trips; subscription to services provided by the U.S. Department of Commerce (Commercial Service); payment of website foreign language translation fees; design of international marketing media; trade show exhibition expenses; and participation in export and trade finance training workshops. These grants will be given on a reimbursement basis, with proof of participation in the services and activities they are intended for—and a signed contract indicating that the business agrees to complete evaluations and surveys when asked and provide sales and contract details to determine outcome over time of each event.
## Purchase Order 01220-0000000535

**Date:** 11/01/2011

### Payment Terms
- **Due Now:** November 1, 2011
- **Freight Terms:** Not Specified
- **PO Status:** Approved
- **Currency:** USD

### Buyer
- **Name:** Jeremy Fonte
- **Phone:** 802/828-5968

### Ship To
- **Address:** Joint Fiscal Committee
  - 1 Baldwin St
  - Montpelier VT 05633-5701
  - United States

### Bill To
- **Address:** Joint Fiscal Committee
  - 1 Baldwin St
  - Montpelier VT 05633-5701
  - United States

### Line-Sch Description | Quantity | UOM | Unit Price | Extended Amt Due Date
---|---|---|---|---
1- 1 | 2nd year monthly payment | 1.00 | EA | 5,400.00
  - 10/1/11 - 09/30/12 | 5,400.00 | 11/01/2011

**Item Total:** 5,400.00

**Total PO Amount:** 5,400.00
We supply voice, video and data unified communications products and services across existing systems to enhance collaboration and decision-making.

For more information about Leader products:
Go online to: www.leader.com
To order additional services: contact sales at (614) 890-1986 -or- sales@leader.com

TOTAL: $81.39

Thank you for your business.
We welcome your suggestions on how we can improve our service to you.
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**Total Minutes of Use and Billing for Call:** 0.35 $0.04

| 380108 | **Call Details:** | 10/28/2011 2:29:36PM | 10/28/2011 2:30:50PM | | |
Bill To:
Theresa Utton-Jerman (Legislative Joint Fiscal Office)
One Baldwin Street
Montpelier, Vermont 05633

LeaderPhone(r) Invoice Detail

Month: October 2011

Customer ID: 207690789

Invoice No.: 1011-445954
Customer Login Name: vjfo

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Total MOU and Bill Total:

| 855.53 | $81.39 |