

TO: James L. App, City Manager

FROM: James Throop, Director of Administrative Services

SUBJECT: Utility Bill Printing and Mailing Services

DATE: May 17, 2011

Needs: For the City Council to consider a contract for utility bill print and mailing services.

Facts:

1. The City distributed a Request for Proposal (RFP) for utility bill print and mailing services. The Administrative Services Department reviews these services every 5 years, as staff time allows. The prior RFP for bill print and mailing services was distributed in 2004.
2. The RFP was posted on both the City's website and the California Society of Municipal Finance Officers website, and was also noticed in The Tribune on February 18, 2011.
3. The following six firms submitted proposals:

Alexander Enterprises, Computer Services
Central Valley Presort, Inc.
CSG Systems, Inc.
DIVDAT, Inc.
i3logix, Inc.
InfoSend, Inc.
4. The proposals were evaluated by a review committee of three consisting of the Finance Manager, Administrative Assistant to the Director and Accounting Assistant II on the basis of contractor's demonstrated experience, cost of providing the services, references, and compliance with bid instructions.
5. The staff review was undertaken independently of each other. Only after compilation of the results did one staff person know how the other rated each firm.
6. DIVDAT, Inc. was rated the highest overall and their proposal was the lowest cost for all of the work to be performed. The proposal included a component for mail inserts, archive fee, and search and view service. See attached cost summary.
7. DIVDAT, Inc. headquartered in Ferndale, Michigan, with their local sales representative in Walnut Creek, California, and their assigned production facility in Las Vegas, Nevada, is the recommended provider. DIVDAT was founded in 1971 and their corporate philosophy is to remain responsive to client needs, while providing them with industry leading technology and service.

Analysis and
Conclusion:

The proposal before Council is to authorize a contract with DIVDAT, Inc. for the utility bill print and mailing services.

The City desires to have not only the lowest cost of providing utility bill print and mailing, but also a firm with the latest technology. DIVDAT has been in business since 1971 and has been successful in delivering a complete range of data management and distribution services throughout the nation. The expertise and corporate size of DIVDAT allows for production and distribution of over 8 million documents each month for its clients.

Another facet of the decision process was seeking a company with a successful history of printing and mailing services for municipalities or other government agencies. Staff contacted the references submitted by DIVDAT, Inc. with a checklist of questions. Those references included City of Fresno, City of Grass Valley and the Marin Municipal District. Staff found those clients to be very satisfied with DIVDAT's knowledge of the industry, quality of the products, latest technology, efficiency of operations, and customer service.

Attached is a matrix which provides not only the cost for each product requested, from each RFP submission, but also which products were available from the each submission.

Policy
Reference:

City of Paso Robles Purchasing and Payment Procedures Manual.

Fiscal
Impact:

In the past 12 months, the City paid approximately \$63,000 for utility bill print and mailing services, including \$40,000 for postage. DIVDAT, Inc.'s proposal to provide utility bill print and mailing services for the City of Paso Robles is expected to reduce the Water/Sewer funds annual costs by an estimated \$3,000 or 5%.

Options:

- a. Adopt Resolution No. 11-XXX authorizing the Director of Administrative Services to execute said contract with DIVDAT, Inc. to provide bill print and mailing services as identified in their proposal, or;
- b. Amend, modify or reject the above option.

RFP - Utility Billing Print and Mail Services

Evaluation of Sample Billing:
10,400 Bills with blue return envelope
no multi-page bills
client-provided inserts - 10,400
contractor-provided inserts - 10,400
archive/search & view for 3 months
set-up fee for 1st month
2 hours special format/programming
more update (scan all documents/20 changes)

One-Time Implementation Fee	\$	One-Time Fee	Alexanders Rates	Alexanders Totals	CSG Rates	CSG Totals	Central Valley Pres	Central Valley Pres	DVPat Rates	DVPat Totals	i3logix Rates	i3logix Totals	InfoSend Rates	InfoSend Totals
Includes all phases of the project prior to the production phase: Initial programming, testing, and implementation.														
Professional Services Charges	\$	Per Hour		500.00 \$	500.00				waived		\$	1,000.00 \$	1,000.00	waived
For requested programming changes after initial implementation.														
Professional Services Charges	\$	Per Month		125.00 \$	250.00	\$	85.00 \$	170.00	\$	60.00 \$	120.00	\$	150.00 \$	-
Monthly minimum base charge									0 \$	-				
Cost of Materials														
Statement Paper Stock Cost	\$	Per Sheet												
8.5 x 11", 24 pound paper stock with a micro-perforation.														
Outgoing Envelope Cost	\$	Per Envelope		0.063 \$	655.20				0.0254 \$	264.16	included		0.014 \$	145.60
Double window #10 envelope with security tint.									0.0199 \$	206.96		0.025875 \$	269.10	0.014 \$
Return Envelope Cost	\$	Per Envelope		0.048 \$	499.20				0.0252 \$	262.08		0.0299 \$	310.96	0.024 \$
Single window #9 envelope.														
Flat Envelope Cost	\$	Per Envelope		0.029 \$	301.60									
Applies only to multi-page bills that do not fit in the standard double window #10 envelope.														
				0.092					0.16			0.076		0.012
Service Fees														
1 Page Bill Service Fee	\$	Per 1 Page Bill												
Includes file transmission, data processing, 2 color bill printing, bar code, mail preparation (folding, inserting a 1-page bill, front and back, and the return envelope into an outgoing envelope), and delivery to the USPS.														
Additional Bill Pages Service Fee	\$	Per Additional Page		0.089 \$	925.60		0.12 \$	1,248.00	0.09-0.02 paper st	\$	728.00	0.0545 \$	566.80	0.058 \$
Per-page cost to print and insert additional pages if the bill contains more than 1 page.														
Postage	\$	Per 1 Page Bill		0.041			0.035		0.0299		0.05402		0.058	
Per one page statement with outgoing and return envelope.														
Optional Marketing Insert Fee	\$	Per Additional Insert		0.0338					0.0335		0.0335		0.0335	
Charge for including client-provided marketing insert. For example: City of Paso Robles Water Conservation Flyer.														
Optional Marketing Insert Fee	\$	Per Additional Insert		0.027 \$	280.80		0.01 \$	104.00	0.005 \$	52.00	0.008 \$	83.20	0.01 \$	104.00
Change for including client-provided marketing insert. For example: City of Paso Robles Water Conservation Flyer.														
Optional Marketing Insert Fee	\$	Per Additional Insert												
Charge for including contractor-provided marketing insert. For example: 1 page 8.5 x 11" one sided flyer, black ink, colored paper.														
Optional Move Update Service Fees	\$	Per Reported Change		0.039 \$	405.60		0.065 \$	676.00	0.06 \$	624.00	0.055 \$	572.00	0.1 \$	1,040.00
NCO/Link or ACS service	\$	Per Archived PDF												
Images must be stored in PDF format for 3 months.														
Search & View Service	\$	Per Record					0.015 \$	156.00	0.0035 \$	36.40	0.012 \$	124.80	0.005 \$	52.00
Vendor on-line search and view service	\$	Per Record												
Any Other Additional Charges	\$	Per Record												
Please explain				0.1 n/a										
Grand Totals														

CITY OF PASO ROBLES
Administrative Services Department
821 Pine Street, Suite A
Paso Robles, CA 93446

AGREEMENT FOR UTILITY BILL PRINT AND MAIL SERVICES

THIS AGREEMENT (hereinafter referred to as "Agreement") is made by and between the **City of El Paso de Robles**, a public body, corporate and politic, (herein "CITY") and **DIVDAT, Inc.**, a Michigan entity, (herein "Contractor"), wherein Contractor agrees to provide the City and City agrees to accept the services specified herein in connection with Utility Bill Print and Mail Services (the "Project").

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. CONTRACT ADMINISTRATOR. James Throop will administer this Agreement on behalf of City (herein "Contract Administrator"). _____ is the authorized representative for Contractor. Changes in designated representatives shall be made only after advance written notices to the other party.

2. NOTICES. Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first-class mail, postage prepaid, or otherwise delivered as follows:

CITY: City of El Paso de Robles
Attn: James Throop
821 Pine Street, Suite A
Paso Robles, CA 93446
Phone: (805) 237-3999
Facsimile: (805) 237-6565

CONTRACTOR: DIVDAT, Inc.
Attn: Carlyn Altheide
P O Box 30189
Walnut Creek, CA 94598
Phone: (925) 280-4597
Facsimile: (866) 786-3215

or at such other address or to such other person the parties may from time to time designate. Notices and consents under this section, which are sent by mail or facsimile, shall be deemed to be received five (5) days following their deposit in the U.S. mail or upon receipt if sent by facsimile.

3. EXHIBITS. Attached to this Agreement are the following Exhibits, which are incorporated herein by reference:

Exhibit 1. Description of Scope of Services to be performed by Contractor ("Services") and Proposal Pricing Schedule

Exhibit 2. Insurance Requirements

4. SCOPE OF SERVICES. Contractor shall provide the Services, and make submittals to City in accordance with Exhibit "1", subject to the direction of the City Contract Administrator, as provided from time to time. The Services are generally described as follows: Exhibit 1

5. TERM. Contractor has agreed to diligently perform the Services for a term of five (5) years. The City reserves the right to extend the term of this contract for two (2) additional years, unless otherwise directed by City or unless earlier terminated.

6. COMPENSATION OF CONTRACTOR.

A. The Contractor will be paid for performance of the Services in accordance with the payment schedule set forth in Exhibit "1".

B. Payment of undisputed amounts is due within thirty (30) days of receipt of invoices. Invoices shall reflect the services to which the request for payment is being invoiced in accordance with Exhibit "1".

C. Contractor shall be reimbursed at cost for the reimbursable out of pocket costs as detailed in Exhibit "1".

D. Payment to Contractor shall be considered as full compensation for all personnel, materials, supplies, and equipment used in performing the Services.

E. City's failure to discover or object to any unsatisfactory work or billing prior to payment will not constitute a waiver of City's right to: (1) Request Contractor to correct such work or billings; or (2) Seek any other legal remedy.

F. 1. Contractor shall not provide services beyond those identified in Exhibit 1 (hereafter referred to as "Additional Services") until Contractor has received written approval from the City Contract Administrator to perform same. Should the Contractor elect to proceed prior to receiving written approval by the City or Additional Services, the Contractor does so at Contractor's own risk.

2. City shall pay Contractor for authorized Additional Services on an hourly basis, in accordance with the schedule of fees attached hereto as Exhibit 1. City shall pay only for Additional Services authorized by the City Contract Administrator in writing or requested verbally by City and confirmed in writing by Contractor within five (5) working days.

7. SCHEDULE FOR PERFORMANCE OF SERVICES.

A. Contractor's Services under this agreement will be performed in accordance with the schedule in Exhibit 1, as that schedule may be adjusted by mutual agreement.

B. Time is of the essence in the performance of this Agreement.

C. The foregoing notwithstanding, neither party shall be liable for damages or delays arising out of circumstances beyond its reasonable control.

8. INDEPENDENT CONTRACTOR. Contractor shall perform the Services as an independent contractor as defined in Labor Code 3353, and nothing herein contained shall be construed to make Contractor an agent or employee of the City while providing the Services. Contractor shall be entitled to no other benefits or compensation except as provided in this Agreement.

9. PERFORMANCE STANDARDS.

A. Compliance with laws.

(1) Contractor shall, at its sole cost and expense, comply with all City, County, State and Federal ordinances, regulations and statutes now in force or which may hereafter be in force with regard to the Services and this Agreement. Any corrections to Contractor's reports or other Documents (as defined in Section 13) that become necessary as a result of the Contractor's failure to comply with these requirements shall be made at the Contractor's expense.

(2) Should Contractor become aware that the requirements referenced in subparagraph 1 above change after the date of a report or other Document is prepared, Contractor shall be responsible for notifying City of such change in requirements. Contractor will bring the Documents into conformance with the newly issued requirements at the written direction of City. Contractor's costs for providing services pursuant to this paragraph shall be submitted to City as Additional Services.

(3) Contractor certifies that it is aware of and has complied with the provisions of California Labor Code Section 6401.7, which requires every employer to adopt a written injury and illness prevention program.

B. Contractor represents that it has the skills, expertise, licenses and permits necessary to perform the Services. Contractor shall perform all such Services in the manner and according to the standards observed by a competent practitioner of the same profession in which Contractor is engaged. All products of whatsoever nature which Contractor delivers to City pursuant to this Agreement shall conform to the standards of quality normally observed by a person practicing in Contractor's profession. Permits and/or licenses shall be obtained and maintained by Contractor without additional compensation throughout the term of this Agreement.

10. TAXES. Contractor shall pay all taxes, assessments and premiums under the federal Social Security Act, any applicable unemployment insurance contributions, Workers Compensation insurance premiums, sales taxes, use taxes, personal property taxes, or other taxes or assessments now or hereafter in effect and payable by reason of or in connection with the Services.

11. CONFLICT OF INTEREST.

A. Contractor understands that its professional responsibility is solely to City. Contractor warrants that it presently has no interest, and will not acquire any

Contract Utility Bill Print and Mail Services

direct or indirect interest, that would conflict with its performance of this Agreement. Contractor shall not knowingly, and shall take reasonable steps to ensure that it does not, employ a person having such an interest in the performance of this Agreement. If Contractor discovers that it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Contractor shall promptly disclose the relationship to the City and take such action as the City may direct to remedy the conflict.

B. Contractor (including principals, associates and professional employees) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this contract or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Contractor's Services hereunder. Contractor further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this contract.

C. Contractor is not a designated employee within the meaning of the Political Reform Act because Contractor:

1. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of the City or of any City official other than normal contract monitoring; and

2. Possesses no authority with respect to any City decision beyond the rendition of information, advice, recommendation or counsel (FPPC Reg. 18700(a)(2)).

12. RESPONSIBILITIES OF CITY. City shall provide all information requested by Contractor that is reasonably necessary in performing the Services provided herein.

13. OWNERSHIP OF DOCUMENTS.

A. The plans, specifications, estimates, programs, reports, models, and other material prepared by or on behalf of Contractor under this Agreement including all drafts and working documents, and including electronic and paper forms (collectively the "Documents"), shall be and remain the property of the City, whether the Services are completed or not. Contractor shall deliver all Documents to City upon request at (1) the completion of the Services, (2) the date of termination of this Agreement for any reason, or (3) any time requested by City, upon five (5) days written notice.

B. The Documents may be used by City and its agents, employees, representatives, and assigns, in whole or in part, or in modified form, for all purposes City may deem advisable without further employment of or payment of any compensation to Contractor.

C. Contractor retains the copyright in and to the intellectual property depicted in the Documents subject to Contractor's limitations and City's rights and licenses set forth in this Agreement. City's ownership interest in the Documents includes the following single, exclusive license from Contractor: Contractor, for itself, its employees, heirs, successors and assigns, hereby grants (and if any subsequent grant is necessary, agrees to grant) to City an irrevocable, perpetual, royalty-free, fully paid-up, sole and exclusive license and right to use and exercise any and all of the copyrights or other intellectual property rights that Contractor may author or create, alone or jointly

Contract Utility Bill Print and Mail Services

with others, in or with respect to the Documents, including without limitation all analysis, reports, designs and graphic representations. City's license shall include the right to sublicense, shall be for all purposes with respect to each right of copyright, and shall be without restriction.

D. Contractor shall include in all subcontracts and agreements with respect to the Services that Contractor negotiates, language which is consistent with this Section 13.

E. All reports, information, data, and exhibits prepared or assembled by Contractor in connection with the performance of its Services pursuant to this Agreement are confidential until released by the City to the public, and the Contractor shall not make any of these documents or information available to any individual or organization not employed by the Contractor or the City without the written consent of the City before any such release.

14. RECORDS, AUDIT AND REVIEW.

A. Contractor shall establish and maintain records pertaining to this Agreement. Contractor's accounting systems shall conform to generally accepted accounting principles and all records shall provide a breakdown of total costs charged under this Agreement.

B. Contractor shall permit City and its authorized representatives to inspect and examine Contractor's books, records, accounts, and any and all data relevant to this Agreement at any reasonable time for the purpose of auditing and verifying statements, invoices, or bills submitted by Contractor pursuant to this Agreement and shall provide such assistance as may be reasonably required in the course of such inspection. City further reserves the right to examine and re-examine said books, records, accounts, and data during the three (3) year period following the termination of this Agreement; and Contractor shall in no event dispose of, destroy, alter, or mutilate said books, records, accounts, and data in any manner whatever for three (3) years after the termination of this Agreement.

C. Pursuant to California Government Code Section 10527, the parties to this Agreement shall be subject to the examination and audit of representative of the Auditor General of the State of California for a period of three (3) years after final payment under the Agreement. The examination and audit shall be confined to those matters connected with the performance of this Agreement including, but not limited to, the cost of administering the Agreement.

15. INDEMNIFICATION.

A. To the fullest extent permitted by law (including, without limitation, California Civil Code Sections 2782 and 2782.8), Contractor shall protect, defend (with legal counsel reasonably acceptable to the City), indemnify and hold harmless City and its officers, agents, departments, officials, representatives and employees (collectively "Indemnitees") from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of Contractor or its subcontractors), expense and liability of every kind, nature and description (including, without limitation, fines, penalties, incidental and consequential damages, court costs, attorneys fees, litigation expenses and fees of expert contractors or expert witnesses incurred in connection therewith, and costs of investigation), that arise out of, pertain to,

Contract Utility Bill Print and Mail Services

or relate to the negligence, recklessness, or willful misconduct of Contractor, any subcontractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify any Indemnitee shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of such Indemnitee.

B. Neither termination of this Agreement nor completion of the Services shall release Contractor from its obligations under this Section 15, as long as the event giving rise to the claim, loss, cost, damage, injury, expense or liability occurred prior to the effective date of any such termination or completion.

C. Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance of this Agreement. If Contractor fails to obtain such indemnity obligations from others as required, Contractor shall be fully responsible for all obligations under this Section. City's failure to monitor compliance with this requirement imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. The obligation to indemnify and defend City as set forth herein is binding on the successors, assigns or heirs of Contractor and shall survive the termination of this Agreement or this section.

D. Contractor's compliance with the insurance requirements does not relieve Contractor from the obligations described in this Section 15, which shall apply whether or not such insurance policies are applicable to a claim or damages.

16. INSURANCE. Contractor shall provide insurance in accordance with the requirements of Exhibit 2.

17. PERSONNEL.

A. The Contractor represents that it has, or will secure at its own expense, all personnel required in performing the Services. All of the Services required hereunder will be performed by the Contractor or under Contractor's supervision, and all personnel engaged in the work shall be qualified to perform such services.

B. Contractor shall make every reasonable effort to maintain stability and continuity of Contractor's Key Personnel assigned to perform the Services.

Contractor shall provide City with a minimum twenty (20) days prior written notice of any changes in Contractor's Key Personnel, provided that Contractor receives such notice, and shall not replace any Key Personnel with anyone to whom the City has a reasonable objection.

Contractor will not utilize subcontractors without advance written notice to the City. Contractor will not utilize a subcontractor to whom the City has a reasonable objection. Subcontractors providing professional services will provide professional liability insurance as required in Exhibit 3 unless the City waives this requirement, in writing.

18. NONEXCLUSIVE AGREEMENT. Contractor understands that this is not an exclusive Agreement and that City shall have the right to negotiate with and enter into

contracts with others providing the same or similar services as those provided by Contractor as the City desires.

19. ASSIGNMENT. Contractor shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of City and any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

20. SUSPENSION AND TERMINATION.

A. The City may suspend this Agreement and Contractor's performance of the Services, wholly or in part, for such period as it deems necessary due to unfavorable conditions or to the failure on the part of the Contractor to perform any provision of this Agreement. Contractor will be paid for satisfactory services performed through the date of temporary suspension. In the event that Contractor's services hereunder are delayed for a period in excess of six (6) months due to causes beyond Contractor's reasonable control, Contractor's compensation shall be subject to renegotiation.

B. If Contractor at any time refuses or neglects to perform its Services in a timely fashion or in accordance with the schedule, or is adjudicated a bankrupt, or commits any act of insolvency, or makes an assignment for the benefit of creditors without City's consent, or fails to make prompt payment to persons furnishing labor, equipment, materials or services, or fails in any respect to properly and diligently prosecute its Services, or otherwise fails to perform fully any and all of the agreements herein contained, Contractor shall be in default.

C. If Contractor fails to cure the default within seven (7) days after written notice thereof, City may, at its sole option, take possession of any Documents or other materials (in paper and electronic form) prepared or used by Contractor and (1) provide any such work, labor, materials or services as may be necessary to overcome the default and deduct the cost thereof from any money then due or thereafter to become due to Contractor under this Agreement; or (2) terminate Contractor's right to proceed with this Agreement.

D. In the event City elects to terminate, City shall have the right to immediate possession of all Documents and work in progress prepared by Contractor, and may employ any other person or persons to finish the Services and provide the materials therefore. In case of such default termination, Contractor shall not be entitled to receive any further payment under this Agreement until the Services are completely finished.

E. In addition to the foregoing right to terminate for default, City reserves the absolute right to terminate this Agreement without cause, upon 14 days written notice to Contractor. In the event of termination without cause, Contractor shall be entitled to payment in an amount not to exceed the Not-To-Exceed Amount which shall be calculated as follows: (1) Payment for Services then satisfactorily completed and accepted by City, plus (2) Payment for Additional Services satisfactorily completed and accepted by City, plus (3) Reimbursable Expenses actually incurred by Contractor, as approved by City. The amount of any payment made to Contractor prior to the date of termination of this Agreement shall be deducted from the amounts described in (1), (2) and (3) above. Contractor shall not be entitled to any claim or lien against City for any additional compensation or damages in the event of such termination and payment. In

addition, the City's right to withhold funds under Section 6(E) shall be applicable in the event of a termination for convenience.

F. If this Agreement is terminated by City for default and it is later determined that the default termination was wrongful, such termination automatically shall be converted to and treated as a termination for convenience under this Section 20 and Contractor shall be entitled to receive only the amounts payable hereunder in the event of a termination for convenience.

21. DISPUTE RESOLUTION.

A. Should any dispute arise out of this Agreement, either party may request that it be submitted to mediation. The cost of mediation shall be borne equally by the parties. Neither party shall be deemed the prevailing party. No party shall be permitted to file a legal action without first requesting mediation and making a good faith attempt to reach a mediated settlement. Upon the written request of either party, the parties shall exchange documents reasonably necessary to a resolution of the dispute prior to the mediation. The mediation process, once commenced by a meeting with the mediator shall last until agreement is reached by the parties but not more than 60 days, unless the maximum time is extended by the parties.

B. The prevailing party in any action between the parties to this Agreement brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs (including expert witness fees and expenses) and attorney's fees expended in connection with such an action from the other party.

22. CITY NOT OBLIGATED TO THIRD PARTIES. City shall not be obligated or liable for payment hereunder to any party other than the Contractor.

23. NON-DISCRIMINATION. Contractor shall not discriminate in any way against any person on the basis of race, color, religious creed, national origin, ancestry, sex, sexual orientation, age, physical handicap, medical condition or marital status in connection with, or related to, the performance of this Agreement.

24. UNAUTHORIZED ALIENS. Contractor hereby promises and agrees to comply with all the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. § 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

25. SECTION HEADINGS. The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

26. SEVERABILITY. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof,

and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

27. REMEDIES NOT EXCLUSIVE. No remedy herein conferred upon or reserved to City is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

28. NO WAIVER OF DEFAULT. No delay or omission of City to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default of an acquiescence therein; and every power and remedy given by this Agreement to City shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of City.

29. ENTIRE AGREEMENT AND AMENDMENT.

A. This document represents the entire and integrated agreement between City and Contractor and supersedes all prior negotiations, representations, and agreements, either written or oral.

B. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

C. This document may be amended only by written instrument signed by both City and Contractor.

30. SUCCESSORS AND ASSIGNS. All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

31. APPLICABLE LAW; VENUE. This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court with jurisdiction over to San Luis Obispo County, if in federal court.

32. EXECUTION OF COUNTERPARTS. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

33. AUTHORITY. All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Contractor hereby warrants that it shall not have breached the terms or

Contract Utility Bill Print and Mail Services

conditions of any other contract or agreement to which Contractor is obligated, which breach would have a material effect hereon.

IN WITNESS WHEREOF, the parties have executed this Agreement, which shall be effective on the date executed by City.

CONTRACTOR:

CITY OF EL PASO DE ROBLES

By: _____

Name:

James Throop

Title:

Director of Administrative Services

Date: _____

Date: _____

Approved as to Form:

City Attorney

Attest:

Exhibit 1
Scope of Services

The proposal dated March 3, (2010) 2011 as submitted by DIVDAT, Inc. is attached to and referenced herewith to the Agreement for Utility Bill Print and Mail Services.



UTILITY BILL PRINT AND MAIL SERVICES

City of El Paso de Robles, California

March 3, 2010

**Presented By: Carlyn Altheide
Director of Business Development
caltheide@divdat.com
(925) 280-4597 Office**

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TABLE OF CONTENTS

I.	FIRM OVERVIEW	2
II.	DATA REQUIREMENTS: PRINTING & MAILING	4
III.	DATA CLEANSING & TRACKING SERVICES	6
IV.	ELECTRONIC BILL PRESENTMENT	8
V.	PROJECT PLANNING / ROLES & RESPONSIBILITIES.....	9
VI.	WORK PLAN	11
VII.	DATA SECURITY & DISASTER RECOVERY	13
VIII.	REFERENCES	16
IX.	PRICING SCHEDULE NOTES.....	18

ATTACHMENTS:

- A. Pricing Schedule
- B. Signature Page
- C. Data Retention / Destruction Agreement



I. Firm Overview

History

DIVDAT was founded as Diversified Data & Communications in 1971 near Detroit by a pair of entrepreneurial brothers, Alfred and E. William Bierkle. After gaining significant experience in the data processing field with automotive giant Chrysler Corporation, Alfred and William departed to begin their own venture, a data processing services company dedicated to serving the data processing and management needs of both large corporations and small businesses.

Over time, the company has become a leader in the business of managing and processing data, as well as manipulating and communicating that data on behalf of clients over a wide range of industries. DIVDAT has developed the technology and acumen to deliver the complete range of data management and distribution services to a nationwide roster of clientele, from invoices, bills and other notifications to special offers, promotions, letters and beyond.

Today, DIVDAT is uniquely positioned as a leader in the emerging field of Preferential Communications™; through the development of CashLINC™ and other product innovations that embrace Web-based and other new technologies to seamlessly integrate a company's entire communications platform. The proprietary data integration, notification and response system is a comprehensive receivables management communications tool for our clients in the credit and collections, utilities, financial services, insurance and telecommunications fields, among others.

Profile

DIVDAT is a business process outsourcing solution provider with decades of experience in the information technology industry. The company was initially founded in 1971 as Diversified Data Processing & Consulting, Inc. to perform data processing services for the financial divisions of several major automotive companies in the Detroit area. Shortly after its founding Diversified Data transitioned into a full service printing and mailing provider due to the increased demand for automated document production in financial services and many other industries. In response to client's changing needs and evolving technology, DIVDAT began development of a proprietary online bill presentment and payment system in 1999 that could be fully integrated with the traditional printing and mailing based systems.

Today, DIVDAT offers fully developed and operational systems for Electronic Bill Presentment and Payment. The combination of these web enabled systems along with data processing, traditional printing and mailing services, broadcast messaging, IVR and bill payment kiosks grants DIVDAT one of the broadest ranges in communications capabilities in the industry. Our clients can incorporate several processes to enhance response and payment from your customers, or take advantage of CashLINC™, our signature product which incorporates our entire portfolio of capabilities to streamline the notification and receivables cycle, and provide the highest level of effectiveness for their business process needs. Organizations such as Nestle Waters of North America, Franklin Capital Corporation, Affirmative Insurance, and Mitsubishi Motors Credit of America trust in DIVDAT as their preferred partner.

DIVDAT maintains two production facilities, with its headquarters and primary facility located in Michigan and a secondary facility located in Nevada. Annual sales exceed 60 Million and the company has experienced consistent growth and profitability since its inception in 1971. DIVDAT routinely produces in excess of 8 million documents every month for our clients across many industries.



Through the CashLINC system, documents that we generate and distribute by mail and various electronic means include: billing statements, invoices, notices, payment reminders and confirmations, collection letters, insurance documents, brokerage margin calls and trade confirmations, credit reports, financial letters, corporate checks, and a variety of other applications.

DIVDAT differentiates itself by providing a wide range of integrated services that result in a single application solution, CashLINC, which is efficient and easy to use. Our corporate philosophy is to remain responsive to client needs, while providing them with industry leading technology and service.

Proposal Contact Information and Local Sales Representative

Carlyn Altheide
Director of Business Development
DIVDAT | Get Paid Faster™
PO Box 30189
Walnut Creek, CA 94598
925.280.4597 Office
949.278.5148 Mobile
866.786.3215 Fax
caltheide@divdat.com
www.divdat.com

Corporate Office/Production Facility/Assigned Disaster Recovery Facility

10811 Northend Ave
Ferndale, MI 48220

- IT, Customer Service, Project Management, Accounting & Senior Management

Assigned Production Facility for City of Paso Robles

6320 S Sandhill Road, Suite 6
Las Vegas, NV 89120-3249

- 25 years in Las Vegas, 8 years at the present location
- 6 Full Time Employees

Client Statistics:

- 18 Municipal Clients
- 88 Total Bill Print Clients

Early Contract Terminations:

- None within the last three (3) years.



II. Data Requirements: Printing & Mailing


DIVDAT has reviewed the City's flat file layout document from Harris Computer Systems NorthStar division and will accept this format with no restrictions. We are currently processing for two NorthStar clients, Maui County Solid Waste of Hawaii and Oakland County Water Resources of Michigan.

Traditional printing and mailing services provided by DIVDAT can be broken-down into several stages. The following is a general description of each:

- **File Transfer and Acknowledgment:** DIVDAT receives data files 24x7x365. The data file transfer method that we use is secure FTP with the option of encryption for enhanced security. We utilize automated processing technology that is set up to look for data files on the FTP server on a pre-determined basis. When files are received, they are imported into the Tracking system and scanned for duplicate data. A File Alert email is then generated confirming a successfully received file and sent via email to the Client and DIVDAT Account Team, noting the date and time the file was received, file name, file type, and size. If the system finds a duplicate file a Duplicate File Alert email will be sent to notify all parties to take appropriate follow up measures.
- **Pre-Processing:** DIVDAT's standard protocol is to run the data file through CASS certified postal standardization software; add the Intelligent Mail Barcode and sort for postal discounts electronically. In addition to these normal processes, there are several cleansing services available during this stage including NCOALink with Phone Append, AEC, Decedent, and Bankruptcy search.
- **Data Processing:** DIVDAT applies custom business logic to accommodate each client's specific needs. Our project management team will work directly with your staff to define and document the specific requirements for your applications. Additionally, our staff has experience with data files from many different billing software products and virtually any format (e.g. fixed width, Delimited (CSV), XML, PDF, PCL, Post Script, AFP, etc.) This flexibility serves to ensure that your IT staff is free to concentrate on your core business.

Utilizing our extensive application development experience in conjunction with the latest technology, we can deliver custom print applications, maintain databases, maintain tables for customer-defined messaging, merge & purge files, generate Intelligent Mail Barcodes, perform calculations, identify documents for Internet distribution or suppression, minimize page counts, accommodate multiple print formats based on customer or bill type, provide house-holding, split or combine files based on data criteria, and more.

- **Printing:** DIVDAT routinely produces in excess of 8 million sensitive financial documents every month for our clients across many industries. Documents that we generate and distribute by mail include: billing statements, invoices, delinquent notices, collection letters, insurance documents, brokerage margin calls and trade confirmations, credit reports, financial letters, corporate checks, and a variety of other applications. The printing division uses a variety of Xerox DocuPrint™, Xerox DocuTech™ and Océ PageStream laser printers. With these printers, DIVDAT can provide black and white, spot color, full color, simplex, duplex, and MICR printing with 600 DPI print quality and 135 to 250 IMP (Images Per Minute). The production operators check the printed documents for print quality and alignment during and after printing to ensure print quality.

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- **Mail Preparation:** After the files have been printed they are sent to the mail room for folding, inserting, sealing, and metering. The mail is then sorted, placed on skids, wrapped and labeled for post office automation and delivered to the USPS in a mutually agreed upon timeframe. Our Pitney Bowes and Bell & Howell mail room equipment has intelligent or “selective” inserting capabilities using OMR (Optical Mark Recognition) technology. Intelligent inserting is managed using a variety of techniques. The most common method is based upon codes or flags sent within the client’s data file; alternatively, DIVDAT can use rules programmed by our developers and corresponding data fields within the file. This technology is commonly used for selectively sending enclosures or for your customers enrolled in an Auto-Payment program eliminating the unnecessary return envelope.

Postage

DIVDAT utilizes Coding Accuracy Support System (CASS) certification and electronic postal sorting software from Business Objects. Your data is presorted electronically prior to printing, which provides the maximum possible postal discounts while optimizing throughput. DIVDAT achieves in excess of 98% qualification with electronic presorting. With the client’s permission, the additional mail that does not qualify for electronic presorting is sent to a pre-sort house (co-mingling house: MLOCR) to achieve the maximum postage qualification.

In 2009, DIVDAT undertook the task of converting all existing applications to the Intelligent Mail Barcode system (“IMB”). The Intelligent Mail barcode replaces the POSTNET and PLANET barcodes and promises to raise the level of service the USPS provides to its customers. The USPS requires the IMB to continue qualification for bulk mailing discounts from large mail houses such as DIVDAT. Any new applications are developed with the IMB technology.

Reporting

Two standard reports are sent for each data file. A File Alert is sent as a notification of a successfully received data file. Processing Reports are provided as a confirmation of a successfully received and processed file. At the basic level, this report contains file name, file size, date, time received and the total number of records processed and mailed. These reports may be customized to provide client specific data.

Bill Design Services

DIVDAT offer bill design and consulting services to our utility billing clients free of charge. The assigned project management team will work directly with your staff on 1) matching your existing print format or 2) creating a new bill design.

If a re-design of the bill print format is necessary, DIVDAT will assist the client in making the new documents easy to read; reflect a branded company image, provide effective communication from the Client to the Customer, and with specifications that are compliant with USPS regulations. Utility bill design and formatting services include, but are not limited to:

- Overall print layout, front and back
- Use of background colors and logo(s)
- Variable data messages
- History consumption bar charts (graphs) and graphics
- OCR line placement for lockbox remittance service requirements
- Best practice strategies on when and how to introduce the “new look” of your bills



III. Data Cleansing & Tracking Services

DIVDAT offers a number of data cleansing and mail piece tracking services that are fully integrated with the traditional print and mail service portion of CashLINC. For each of the following services, DIVDAT will format the reporting file to your system specifications for an electronic import into your database.

Advantage NCOA 48 (Includes Advantage Address Optimization, AAO)

Advantage NCOA 48 provides the ability to conduct searches of the USPS National Change of Address file in a more sophisticated manner than other search processes utilized throughout the marketplace. A substantial amount of the input records submitted to DIVDAT, if left unaltered, would result in mismatches or non-matches to the NCOA file. Therefore, prior to submitting records through NCOA, DIVDAT employs unique edit, correction and enhancement procedures to an input address that ensures conformity with the USPS addressing standards and improves address quality for better mail deliverability. Advantage NCOA 48 can increase your NCOA_{LINK} matches by as much as 20%-45% over competitive offerings based on testing that has been completed in the marketplace.

AAO is an address standardization service that employs unique edit, correction and enhancement procedures to an input address to ensure conformity with the USPS addressing standards, subsequently improving address quality and mail deliverability. The proprietary algorithms utilized by AAO have been developed over the past 20 years by experts with extensive knowledge in USPS address naming conventions and errors that frequently cause problems with electronic matching of addresses and address deliverability.

Advantage Phone Append

When you need a phone number appended to an input name and address, DL Phone Append offers an economical way to search all of DIVDAT's phone databases to obtain the information you require. This service will be extremely effective when the address you provide is believed to be current for the subject, but is either without a phone number or has a phone number associated that is no longer current for the individual. Each phone number returned will be assigned a match level code and returned in the result file provided by DIVDAT.

Address Element Correction (AEC)

DIVDAT can also provide the USPS AEC service for those records that do not match the USPS standardization requirements for adding plus 4 to the zip code and a delivery point barcode. DIVDAT can suppress these records from a client's file and process them through the USPS AEC Service. AEC serves to correct addresses for various errors that other address-matching software can not achieve. All updated records will be provided in an electronic file.

Bankruptcy Flag, Search & Filtering

This service will return a flag indicator when your input record matches to a bankruptcy record that exists within DIVDAT's bankruptcy database. Various rules can be applied to the search process to only flag bankruptcies according to predefined conditions.

DIVDAT's Bankruptcy Search is designed to leverage our proprietary matching logic to find the most accurate and comprehensive matches to bankruptcy records across all 50 U.S. states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. All critical information contained on the bankruptcy record will be returned, with the ability to predefine rules that will qualify only certain matches for return to ensure you only receive records relevant to your organization.



The Bankruptcy Filtering Element allows your company to apply custom parameters to Bankruptcy matches that will qualify or disqualify matches for return. This is a fully integrated component of DIVDAT's bankruptcy search processes when utilized.

Decedent Search

Decedent Search will complete a search of all records existing in the Social Security Administration's Death Master File. DIVDAT's unique match algorithms against the death record database will provide you with the most comprehensive search methods available to optimize your match rates and streamline your search processes.

OneCode ACS™

OneCode ACS service from the USPS helps meet the needs of business mailers by providing a cost-effective, efficient means of obtaining accurate change-of-address (COA) information in an electronic format. OneCode ACS saves mailers time and money by:

- Reducing the amount of undeliverable-as-addressed (UAA) mailpieces
- Reducing the need to manually key address changes
- Eliminating other labor-intensive steps involved in address change operations.
- You only pay for reported address changes
- Lower cost than traditional ACS
- No set-up fees from DIVDAT

With the new OneCode ACS service, the USPS has embedded the ACS coding and Ancillary Endorsement into the Intelligent Mail Barcode. Ancillary Endorsements such as "Change Service Requested" provide the Postal Service with the sender's instructions of how to handle the mail if it is undeliverable as addressed.


When a mailpiece is identified by delivery personnel as undeliverable-as-addressed due to customer relocation, the mailpiece is sent to the forwarding unit responsible for processing mail destined to that delivery address. An attempt is then made to match the name and address to a Change of Address (COA) on file. If a match is attained and the mailpiece bears a readable, valid IMB, the opportunity exists for an electronic notification to be generated. OneCode ACS fulfillment notifications are transmitted to the National Customer Support Center (NCSC) in Memphis, Tennessee, where they are consolidated by participating mailers (i.e. DIVDAT) and then distributed to the mailers at their requested interval.

DIVDAT receives reporting data from the NCSC on a daily basis and creates a file containing the changes for each DIVDAT client. We can then place the file on our FTP site for your retrieval or send the file via email.

OneCode Confirm®

OneCode Confirm Service from the USPS provides our clients with near real-time tracking information about their First-Class Mail. There are two types of Confirm service that let you know where your mail is, and when it will be delivered. Both provide you advance notice of when your mailpieces will arrive.

1. **Destination Confirm** service (for outgoing mail) gives you advance information about when your mailpieces will reach their destinations.

- 
2. **Origin Confirm** service (for incoming mail) lets you anticipate when customers' payments are on the way back to you.

Prior to the development of the Intelligent Mail Barcode, this service was managed with a separate barcode called the PLANET Code. With IMB, Confirm service coding is embedded into a single barcode along with OneCode ACS and POSTNET barcode.

Confirm service monitors the progress of each individual mail piece as it passes through the postal system. The USPS scans the IMB barcode during each phase of the delivery process and downloads the data to a secure website hosted by DIVDAT. Our clients can then log in to the website with a unique user ID and look up the history on most individual mail pieces, or export a file in a mutually agreed upon format.

Confirm service helps you track important or time-sensitive mail, such as statements, past due notices or legal documents. Tracking your checks, statements, and other messaging helps you improve your cash flow management, reduce dunning notice costs, spot potential fraud, and optimally staff your call centers.

IV. Electronic Bill Presentment

The CashLINC Vault is DIVDAT's web-based document archiving and retrieval solution; commonly known as Electronic Bill Presentment. With this system, exact images of the statements and letters DIVDAT has produced are stored securely online – eliminating your need for hard copies or storage requirements for an in-house archiving system. The system is very easy to use, intuitive, and requires no special equipment, software, or training.

The Vault stores documents on a secure website hosted by DIVDAT. Image files are stored in AFP format and are converted on the fly into PDF images for viewing. The Vault is used by your agents and customer service staff who will have the ability to view documents instantly, print locally, email or fax from their desktop. Many types of documents can be archived including statements, invoices, notices, letters, engineering drawings, and photographs.

DIVDAT will provide your company with an unlimited number of authorized users each with a unique user ID and password. Each client determines the retention period as well as the indexing criteria used for document search and retrieval.



V. Project Planning / Roles & Responsibilities

Project Planning

Organizing a specific and comprehensive implementation plan is critical to ensuring a successful implementation. DIVDAT follows a Systems Development Life Cycle (SDLC) that adheres to the phases essential for successful software development – including: planning, analysis, design, development, testing, (more testing!), and deployment.

Basic Principles:

- Establish self-organizing teams built around motivated individuals.
- Encourage close cooperation between business people and developers.
- Continuous attention to technical excellence and good design.
- Simplicity

Our process is tailored for each client's unique business needs and always involves contribution from your staff. The implementation will be virtually transparent to your customers aside from the positive changes which will be highly visible from day one of our production.

DIVDAT has a strong track record of implementing solutions into some of the most complex and mission-critical environments. We will bring that expertise and reputation with us as we work on a thoroughly professional implementation that ensures no interruption in service. We make implementation simple with our proven systems and extensive network of expert resources. The implementation experience influences the confidence of end users, business managers as well as our client's consumers. We understand that it is crucial that operations be up and running smoothly on the very first day.

A key factor of the implementation is the selection of the DIVDAT project team comprised of staff from each division within the company as well as senior management. The team will be led by DIVDAT's certified Project Manager who is specifically trained and held responsible for new business implementation projects.

Working with the appropriate Client Team, the Project Manager will create a precise and detailed implementation plan that will include specific task breakdowns and schedules for progress goals and completion dates. Active participation by both teams, with mutual goals in place will sustain an effective solution rollout. This plan will be revised many times throughout the implementation as the specific tasks are identified and finalized. DIVDAT's project manager is responsible for maintaining the plan, acquiring client's signature of approval on the documented requirements and implementation acceptance.

Roles & Responsibilities

The following table is a listing of the roles and responsibilities for DIVDAT and Client Teams. The roles assigned for the Client Team may overlap or include additional personnel depending on your resources.

Once the project is live and any residual issues have been resolved, a minimum of two contacts are required for the Client: A main point of contact responsible for any daily communication with DIVDAT and a secondary contact in case of emergency/vacation/sick leave, etc.



DIVDAT Team	Client Team
<ul style="list-style-type: none">• Project Manager<ul style="list-style-type: none">– develop and maintain Project Plan & project documentation– oversee project implementation with collaboration of project leads– communicate project status and directions to the project team and Sponsors– mediate project issues and risks– manage project scope and change control process• Technical Coordinator<ul style="list-style-type: none">– responsible for system design and architecture– provide technical development expertise• Lead Developer<ul style="list-style-type: none">– interprets functional and technical requirements to develop the deliverable code• Technical Team Member<ul style="list-style-type: none">– assist development team with technical tasks and deliverables• Account Manager<ul style="list-style-type: none">– assists Project Manager to gather and record requirements and communicate project status– coordinate and monitor project tasks execution and progress• Director of Business Development<ul style="list-style-type: none">– provide guidance and direction for key business strategy– resolve issues when escalation is required / consult on pricing resulting from changes in the scope of work	<ul style="list-style-type: none">• Executive Sponsor<ul style="list-style-type: none">– provide guidance and direction for key business strategy– resolve issues when escalation is required– provide sign-off on project deliverables• Project Manager<ul style="list-style-type: none">– manage vendor relationship– coordinate client resources and ensure availability– ensure project deliverables are compliant with stated requirements and priorities– mediate project issues and risks• Business Subject Matter Expert (SME)<ul style="list-style-type: none">– provide business expertise in defining business requirements– coordinate business implementation– assist with development of training requirements• Technical Coordinator<ul style="list-style-type: none">– ensure design and development adhere to strategic IT practices– plan, schedule, coordinate activities related to system development• Testing & QA Team<ul style="list-style-type: none">– responsible for process improvement, quality assurance, and test strategies



VI. Work Plan

DIVDAT anticipates that this engagement can be completed in approximately 10 to 12 weeks from the start date, assuming DIVDAT has the sample data document forms per the project schedule, and that any and all clarification of business rules and receipt of assets from **CLIENT** (graphic files, etc.) can be completed in a timely manner.

Below are the high level milestones and the estimated project timeline. Weekly conference calls are scheduled throughout the life of the project. This is not a detailed project plan, and should not be treated as such. If these milestones are missed, the timeline will be modified accordingly.

Milestone Activity	Responsible Party	Phase
1. Conduct Project Kick Off Meeting	CLIENT and DIVDAT	Project Set-Up
2. Set Up Secure Data Transfer From CLIENT to DIVDAT	CLIENT and DIVDAT	Project Set-Up
3. Provide Sample Data, Data Definition Documentation and Document Samples	CLIENT	Project Set-Up
4. Define Project Scope and Receive Sign-Off	CLIENT and DIVDAT	Project Set-Up
Project Set-Up Phase Estimated Timeline: 1 Week from Project Kick-Off		
5. Joint Application Design (JAD) Session(s) on Data Format	CLIENT and DIVDAT	Requirements Gathering
6. Finalize Data File and Record Layout - Provide Sample Data in Agreed Upon Format along with Data Definition Documentation to DIVDAT	CLIENT and DIVDAT	Requirements Gathering
7. Deliver Document Assets – Including Logo Graphic Files, OCR Specifications, etc. to DIVDAT	CLIENT	Requirements Gathering
8. JAD Session(s) on Business Rules	CLIENT and DIVDAT	Requirements Gathering
9. Finalize Materials Requirements - Including Letterhead, OSE, CRE and Custom Enclosures	CLIENT and DIVDAT	Requirements Gathering
Requirements Gathering Phase Estimated Timeline: 2 – 3 Weeks		
10. Application Development	DIVDAT	Development
11. Document Design and Set-Up	DIVDAT	Development
12. Custom Materials Ordered (as needed)	DIVDAT	Development



Milestone Activity	Responsible Party	Phase
Development Phase Estimated Timeline: 2 – 4 Weeks		
13. Deliver Beta Document Templates and Production Output for Customer Review and Approval	CLIENT and DIVDAT	Testing
14. Parallel Testing - Document Processing and Production System Testing (End-to-End Test of Complete System Including Data Transfer, Print Output, etc.).	CLIENT and DIVDAT	Testing
Testing Phase Estimated Timeline: 1 – 2 Weeks		
15. Schedule Project Go-Live and Migrate Application to Production.	CLIENT and DIVDAT	Deployment
Deployment Phase Estimated Timeline: 2 Weeks		



VII. Data Security & Disaster Recovery

INFORMATION SECURITY PROGRAM

DIVDAT has established a comprehensive and robust **Information Security Program** in compliance with **NIST Special Publication 800-53** and all related NIST, National Institute of Standards and Technology, standards and publications.

DIVDAT's Information Security Program comprises many elements; highlights include:

- A **Risk Management Protocol** that includes periodic risk assessments of the magnitude of harm that could result from the unauthorized access, use, disclosure, interruption, change to, or destruction of DIVDAT or client information and information assets.
- Regularly updated **Personnel, Physical and Information Security Policies, Standards and Procedures** that are based on risk assessments and that cost-effectively mitigate security risks to DIVDAT and DIVDAT's clients.
- An ongoing **Security Awareness Training Program** to educate all DIVDAT employees, contractors and other users of DIVDAT information resources about DIVDAT's information security practices and policies and their individual security responsibilities. In addition to the mandatory security awareness training that all personnel receive at new hire orientation, DIVDAT holds department- and function-specific security training sessions, discussion forums and events, to ensure that information security is an integral part of DIVDAT corporate culture.
- Formal reviews of information security program effectiveness:
 - Recurring self-audits that incorporate a formal Certification and Accreditation Process.
 - Regular 3rd Party Security Assessments and penetration testing.
 - A master Plan of Action and Milestones (POAM) that is managed by DIVDAT's Information Security Team.
- A **Business Continuity Program** to ensure continuity of operations, and for detecting, reporting, and appropriately responding to security incidents. DIVDAT's program includes:
 - An always-available, DIVDAT-owned Alternate Processing Center that mirrors the processing capabilities of DIVDAT's primary processing center.
 - Operational and Information Technology Disaster Recovery Plans.
- A **Secured Processing Environment** for the processing of extremely sensitive information. DIVDAT's Secured Processing Environment encompasses all aspects of information security: Robust physical access controls, an isolated network that supports end-to-end processing completely within the confines of the secured environment, and specially trained and security-cleared personnel.



PURGING OF ELECTRONIC DATA CONTAINING CUSTOMER INFORMATION

DIVDAT has an established Data Retention and Destruction policy that is adhered to per the client specifications. For example, some customers want their data returned to them on CD/DVD before it is destroyed. Frequency of data destruction varies per client.

FIREWALLS ON SERVERS, INTERNET SITES, E-MAIL, ETC.

DIVDAT has security monitoring in place that automatically sends alerts to our Network Administration staff whenever there is any suspicious activity occurring on the corporate firewalls, internet sites, and email system. In the event of any outage, DIVDAT immediately notifies DIVDAT management and impacted clients which include a summary of the incident, time and date, estimated time of resolution, and description of impact. Notification is sent to IT management every ½ hour until fully resolved.

Due to the design of the infrastructure and processes in place, DIVDAT has never experienced a long-term outage. DIVDAT has identified all mission critical applications that are required to be restored in the event of disaster recovery. Measures have been taken to ensure that all file servers that process and store client data can be fully restored within hours in the event of a significant disaster. DIVDAT conducts outage simulations so that immediate and effective actions can be taken to ensure our clients' production runs seamlessly.

USER CONTROL LEVELS

Segregation of Duties: We have different departments/personnel for almost every function. Network Supervisors, Programming, Print Operators, Mailroom, audit and supervision, etc. Everyone has the least amount of access necessary to complete their job. For instance, programmers cannot make changes to the network. Print operators cannot make changes to the program. Delivery drivers cannot print documents.

EMPLOYEE BACKGROUND CHECKS

DIVDAT warrants and represents that personnel have been screened for the following immediately prior to placement: (1) illicit drug use as determined by a standard 5 Panel Drug Test; and (2) criminal background as determined by a standard background check that is designed to reveal any federal, state, or local felony crime of any nature, or any federal, state, or local non-traffic-related misdemeanor offense.

TRANSMISSION AND ENCRYPTION PROTOCOL

DIVDAT can support a variety of encryption for transferring data to include: PDP, SFTP, VPN tunnels and SSL. DIVDAT receives data files 24x7x365. The data file transfer method that we use is secure FTP with the option of encryption for enhanced security.

DISASTER RECOVERY

Print & Mail

DIVDAT operates two facilities, one in Michigan and one in Nevada. These facilities transfer work back and forth every day. Because the facilities pass jobs back and forth every day, we are operating under a continuous testing environment. Each facility has redundant equipment and self-contained emergency power systems. The use of a battery back-up system and diesel generators at the primary production facility allow DIVDAT to maintain uninterrupted electricity 24x7, 365 days a year. In addition, the communications and archiving systems are housed at a 3rd party provider in St. Louis, Missouri with backup in Virginia. Altogether it is difficult to conceive of a scenario where the work could not be re-routed and completed with more than a nominal delay, even in extreme circumstances.

**Payment Applications, eServices, Web Archiving**

DIVDAT's network infrastructure has been designed to support large-scale online merchants accessing banking profiles and document archives using a 128-bit SSL ID which enables the world's strongest SSL encryption for security. DIVDAT's enterprise servers are optimized and deployed using virtualization technology which provides a dynamic, reliable, and scalable platform. Windows failover clustering is implemented to ensure fault tolerance and maximum uptime performance. DIVDAT adheres to national security standards, on all web-based products, such as:

- Payment Card Industry Data Security Standards [PCI Certification]
- NACHA-The Electronic Payments Association, formerly the National Automated Clearing House Association [for ACH payments]
- Health Insurance Portability and Accountability Act of 1996 [HIPPA, Title II]
- SAS-70, Statement on Auditing Standards No. 70



VIII. References

City of Fresno

2600 Fresno Street

Brian Reams, Revenue Manager

Fresno, CA 93721-3620

Phone: (559) 621-6828 32

Email: brian.reams@fresno.gov

In March 2010, DIVDAT was awarded a contract through formal RFP process for Utility Bill and Tax Document Printing and Mailing and Electronic Bill Presentment & Payment Services. The City has approximately 132,000 utility customers billed on a monthly basis using the Sungard Public Sector H.T.E. billing platform. The City made the decision to outsource and the selection of DIVDAT to provide enhanced capabilities and functionality for bill printing while achieving cost savings. This project will include two phases. Phase 1.0 includes an extensive re-design of the utility bills and 48-hour notices, 1.1 will include all tax documents and Phase 2 encompasses DIVDAT's EBPP solution, billOnline, for the Utility Billing Division.

City of Grass Valley

125 East Main Street

Grass Valley, CA 95945

Deborah Sultan, Assistant Finance Director

Phone: (530) 274-4303

Email: debbys@cityofgrassvalley.com

As of September 2009, DIVDAT provides the City of Grass Valley with utility bill printing and mailing of approximately 2,100 statements each month (1,300 statements in odd months, 2,900 statements in even months and approximately 500 reminder notices each month), online document archiving via the CashLINC Vault and OneCode ACS services. The CoGV implementation included an extensive re-design of the statements, converting the utility bills from a postcard format to an 8.5x11" size bill with a custom preprinted form, tear-off remittance stub and generic #10 mailing and #9 return envelopes. CoGV is currently utilizing the Corbin Willit's MOM CIS.

Marin Municipal Water District

220 Nellen Avenue

Corte Madera, CA 94925

Contact: Sandra Stringer, Customer Service Manager

Ph: (415) 945-1415

Email: sstringer@marinwater.org

As of November 2007, DIVDAT provides MMWD with Electronic Bill Presentment & Payment and water bill printing and mailing services. Marin's EBPP solution, billOnline, includes several custom features such as: paperless "e-billing", important announcements on the home page, presentment of newsletter images in PDF, and custom e-forms such as stop service & high consumption inquiry. The billOnline site also includes ACH (electronic check) and Credit Card payment methods for one time, future and recurring monthly payments. This implementation included an extensive re-design of the statement and past due notice print format, as well as set-up for enclosures such as newsletters and other flyers on a recurring monthly basis. MMWD is currently running a CIS system by SAP. The District has approximately 65,000 customers invoiced on a bi-monthly billing cycle.

**Oakland County Water Resources**

One Public Works Drive

Waterford, MI 48328

Contact: Sandy Greenacre, Supervisor of Water & Sewer Billing

Phone: (248) 858-1106

Email: greenacres@oakgov.com

In June 2009, DIVDAT was awarded a three year contract for the Oakland County Water Resources Commissioner's Office (OCWRC). DIVDAT prints and mails approximately 15,000 water and sewer bills each month which includes CASS certified address validation, electronic presorting and intelligent inserting of CRE's and bill stuffers. DIVDAT also provides OCWRC with hand inserting for large packages and House holding where several bills are grouped together by like customers to be sent in one mailing envelope to reduce postage. The bills and CRE's are supplied by the OCWRC and the OME's are supplied by DIVDAT. OCWRC is currently running a CIS system by NorthStar Utilities Solutions (a division of Harris Computer Systems).

County of Maui, Solid Waste Division

2200 Main St, Room 175

Wailuku, HI 96793

Contact: James Peat, Accountant I

Phone: (808) 270-5732

Email: james.peat@co.maui.hi.us

As of May 2010, DIVDAT provides the County of Maui Solid Waste Division with printing and mailing of 60,000 annual residential invoices and OneCode ACS services. DIVDAT accommodated the County's needs by completing the bill print application in just three (3) weeks; as the contract with their existing vendor was due to expire. The County is currently using a CIS Utility Billing platform by Northstar (a division of Harris Computer Systems).



IX. Pricing Schedule Notes

1. Statement Paper Stock Exception

DIVDAT is proposing a pre-printed color form for the City of Paso Robles. Pre-printed color offers the highest quality for the least cost.

- Specifications: 8.5x11", 24#, 30% recycled content. Minimum brightness of 96%. Pre-printed with 1 color on the face and 1 color on the backside. All data will be simplex laser printed in black. City will choose the PMS color(s) that will be pre-printed to match the City's logo.

2. Return Envelope Cost – Alternative Pricing Option:

- Standard white #9 CRE with City's remit address printed in Blue ink and a blue stripe printed in the upper left corner.
- \$0.0215 per envelope. Cost savings of \$0.0039 per unit.

3. Postage:

Presorted First Class Postage Rates published by the USPS as of May 11, 2009. All postal rate increases will be passed through to the client at cost. Foreign and heavy postage is billed at cost where applicable.

5-Digit - \$0.335
3-Digit - \$0.357
AADC - \$0.36
Mixed AADC - \$0.382
Nonautomation Presorted - \$0.414
Full Rate - \$0.44

4. Optional Move Update Service Fees:

NCOALink48	Processing Fee	\$0.0095 per record
	Telephone Append	\$0.04 per match
OneCodeACS	Electronic Notices	\$0.14 per reported address
	Manual Data Entry*	\$0.25 each
	Manual Notice*	\$0.50 per notice

*Occurs with less than 5% of all mail.

PROPOSAL PRICING SCHEDULE

Form A

Initial and Ongoing Professional Services Fee		
One-Time Implementation Fee Includes all phases of the project prior to the production phase: initial programming, testing, and implementation.	\$ Waived	One-Time Fee
Professional Services Charges For requested programming changes after initial implementation.	\$ 150.00	Per Hour
Professional Services Charges Monthly minimum/base charge	\$ 0.00	Per Month
Cost of Materials		
Statement Paper Stock Cost 8.5 x 11", 24 pound paper stock with a micro-perforation.	\$ 0.0254	Per Sheet
Outgoing Envelope Cost Double window #10 envelope with security tint.	\$ 0.0199	Per Envelope
Return Envelope Cost Single window #9 envelope.	\$ 0.0252*Refer_to_Notes	Per Envelope
Flat Envelope Cost Applies only to multi-page bills that do not fit in the standard double window #10 envelope.	\$ 0.16	Per Envelope
Service Fees		
1 Page Bill Service Fee Includes file transmission, data processing, 2 color bill printing, bar code, mail preparation (folding, inserting a 1-page bill, front and back, and the return envelope into an outgoing envelope), and delivery to the USPS.	\$ 0.0545	Per 1 Page Bill
Additional Bill Pages Service Fee Per-page cost to print and insert additional pages if the bill contains more than 1 page.	\$ 0.0299	Per Additional Page
Postage Per one page statement with outgoing and return envelope.	\$ 0.335*Refer_to_Notes	Per 1 Page Bill
Optional Marketing Insert Fee Charge for including <i>client-provided</i> marketing insert. For example: City of Paso Robles Water Conservation Flyer.	\$ 0.008	Per Additional Insert
Optional Marketing Insert Fee Charge for including <i>contractor-provided</i> marketing insert. For example: 1 page 8.5 x 11" one sided flyer, black ink, colored paper.	\$ 0.055	Per Additional Insert
Optional Move Update Service Fees NCOALink or ACS service	\$ *Refer_to_Notes	Per Reported Change
Optional Archive Fee Images must be stored in PDF format for 3 months.	\$ 0.012	Per Archived PDF
Search & View Service Vendor on-line search and view service	\$ Included_in_Archive_Fee	Per Record
Any Other Additional Charges Please explain	\$ *Refer_to_Notes	Per Record

SIGNATURE PAGE

The signature is considered an integral part of the bid and shall be signed by an individual(s) who is/are authorized to contractually bind offeror(s). If a bidder submits more than one bid, each bid must be submitted on a separate copy of these pages

(Please Print)Company Name: DIVDATAddress: 10811 Northend AveCity: Ferndale State MI Zip 48220Telephone (248) 399-0715 Fax: (866) 786-3215Signed By: Jason BierkleName of Signer (Print): Jason BierkleTitle of Signer (Print): President / CEO

**DIVERSIFIED DATA PROCESSING & CONSULTING, INC. D/B/A DIVDAT
RETENTION AND DESTRUCTION OF CUSTOMER DATA AGREEMENT**

1. **Customer Data.** Customer data is information transmitted from Customer to Contractor that has been accepted and processed by Contractor. The following data will be retained by Contractor for the Agreed Retention Period:

_____.

2. **Agreed Retention Period for Customer Data.** Contractor will retain Customer Data no longer than _____ months (no less than 12 months) from the date Contractor receives such data from Customer.

3. **Storage of Customer Data.** All Customer Data is stored electronically. Backup and recovery methods will be tested on a regular basis. Contractor is not responsible for damaged files or data as set forth in the Diversified Data & Communications, Inc. Service Agreement ("Service Agreement").

4. **Destruction of Customer Data.** At the end of the Retention Period, Contractor will destroy or arrange for the destruction of Customer Data within its custody or control. Customer waives any and all liability against Contractor if, for some reason, Customer Data is not destroyed within the Retention Period.

If the Customer requests that Customer Data be destroyed prior to the expiration of the Agreed Retention Period, Contractor requires that Customer provide written authorization as set forth in **Attachment 1, Customer Authorization to Destroy Data.**

5. **Request for Customer Data.** Customer may request, in writing directed to Contractor, that Contractor preserve Customer Data for a period longer than required by the Agreed Retention Period. Contractor will preserve such data at Customer's expense. Contractor has the option of storing such data or forwarding such data to Customer.

6. **Suspension of Destruction.** Contractor will suspend destruction of Customer Data in the event of a legal requirement or written Customer request. See Section 5 above.

7. **Customer Responsibility.** Customer is solely responsible for retaining its own data as required by law or otherwise.

8. **Service Agreement.** Contractor and Customer agree that this Retention and Destruction of Customer Data Agreement is to be read in conjunction with the Service Agreement and in no way limits the scope of the Service Agreement.

Contractor and Customer have caused this Agreement to be executed as of the day and year first above written.

DIVDAT
("Contractor")

By: _____

Name: _____

Title: _____

("Customer")

By: _____

Name: _____

Title: _____

88531-1

ATTACHMENT 1

CUSTOMER AUTHORIZATION TO DESTROY DATA

DATE SUBMITTED: _____

CUSTOMER AUTHORIZES CONTRACTOR TO DESTROY ALL OF THE FOLLOWING DATA:

(Additional pages may be attached.)

CERTIFICATION:

1. Customer certifies that the data to be disposed of is correctly listed above.
2. Customer certifies that the destruction of the data listed above is not prohibited by law.

ACKNOWLEDGMENTS:

1. Customer acknowledges that the data listed above will be destroyed within _____ (days) of Customer's authorization.
2. **Customer acknowledges that this Customer Authorization to Destroy Data is to be read in conjunction with the DIVDAT Service Agreement ("Service Agreement") and in no way limits the scope of the Service Agreement.**

("Customer")

By: _____

Name: _____

Title: _____

Date of Authorization to Destroy Data: _____

Exhibit 2

INSURANCE REQUIREMENTS TO PROFESSIONAL SERVICES AGREEMENT

Contractor shall, at all times it is performing services under this Agreement, provide and maintain insurance in the following types and with limits in conformance with the requirements set forth below. Contractor will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Contractor agrees to amend, supplement or endorse the existing coverage to do so. Contractor acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to Contractor in excess of the limits and coverage required in this agreement and that is applicable to a given loss will be available to City.

1. Commercial General Liability Insurance, occurrence form, using Insurance Services Office ("ISO") "Commercial General Liability" policy form CG 00 01 or an approved equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review, but in no event shall be less than \$1,000,000 each occurrence;

2. Business Auto Coverage on ISO Business Automobile Coverage form CA 00 01 including symbol 1 (Any Auto) or an approved equivalent. Limits are subject to review, but in no event shall be less than \$1,000,000 each occurrence. If Contractor or its employees will use personal autos in any way in connection with performance of the Services, Contractor shall provide evidence of personal auto liability coverage for each such person.

3. Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employers liability insurance, with minimum limits of \$1 million per occurrence.

4. Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a "pay on behalf of" basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured's liability is determined, not requiring actual payment by insured first. There shall be no cross-liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to City for injury to employees of Contractor, subcontractors or others involved in performance of the Services. The scope of coverage provided is subject to approval of City following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

5. Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Contractor and "Covered Professional Services" as

Insurance Requirements

designated in the policy must include the type of work performed under this Agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate.

6. Insurance procured pursuant to these requirements shall be written by insurers that are authorized to transact the relevant type of insurance business in the State of California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

7. General conditions pertaining to provision of insurance coverage by Contractor. Contractor and City agree to the following with respect to insurance provided by Contractor:

- a. Contractor agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insured City, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992, or an equivalent.
- b. No liability insurance coverage provided to comply with this Agreement, except the Business Auto Coverage policy, shall prohibit Contractor, or Contractor's employees, or agents, from waiving the right of subrogation prior to a loss. Contractor agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.
- c. All insurance coverage and limits provided by Contractor and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.
- d. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
- e. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured.
- f. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises, and City shall be responsible for the cost of any additional insurance required. Contractor shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
- g. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Contractor's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City may terminate this agreement in accordance with Section 22 of the Agreement.

Insurance Requirements

- h. Certificate(s) are to reflect that the insurer will provide 30 days notice to City of any cancellation of coverage. Contractor agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate.
- i. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Contractor or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self insurance available to City.
- j. Contractor agrees to ensure that subcontractors, and any other party involved with the Services who is brought onto or involved in the Services by Contractor, provide the same minimum insurance coverage required of Contractor; provided, however that only subcontractors performing professional services will be required to provide professional liability insurance. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Contractor agrees that upon request, all agreements with subcontractors and others engaged in the Services will be submitted to City for review.
- k. Contractor agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any contractor, subcontractor, Architect, Contractor or other entity or person in any way involved in the performance of work on the Services contemplated by this agreement to self-insure its obligations to City. If Contractor's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At that time the City shall review options with the Contractor, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.
- l. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Contractor ninety (90) days advance written notice of such change. If such change results in additional cost to the Contractor, and the City requires Contractor to obtain the additional coverage, the City will pay Contractor the additional cost of the insurance.
- m. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
- n. Contractor acknowledges and agrees that any actual or alleged failure on the part of City to inform Contractor of non-compliance with any insurance requirement in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
- o. Contractor will endeavor to renew the required coverages for a minimum of three years following completion of the Services or termination of this agreement

Insurance Requirements

and, if Contractor is unable to do so, Contractor will notify City at least thirty days prior to the cancellation or expiration of the policy or policies.

p. Contractor shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Contractor's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.

q. The provisions of any workers' compensation or similar act will not limit the obligations of Contractor under this agreement. Contractor expressly agrees that any statutory immunity defenses under such laws do not apply with respect to City, its employees, officials and agents.

r. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

s. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.

t. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

u. Contractor agrees to be responsible for ensuring that no contract entered into by Contractor in connection with the Services authorizes, or purports to authorize, any third party to charge City an amount in excess of the fee set forth in the agreement on account of insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

v. Contractor agrees to provide immediate notice to City of any claim or loss against Contractor arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

RESOLUTION NO. 11-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING A CONTRACT WITH DIVDAT, INC. FOR
UTILITY BILL PRINT AND MAILING SERVICES

WHEREAS, the City desires to review and evaluate utility bill print and mailing services at this time; and

WHEREAS, the City wants to not only have the lowest utility bill print and mailing services fee schedule, but also a firm that offers the latest in computer technology and customer service; and

WHEREAS, DIVDAT, Inc. submitted a proposal for utility bill print and mailing services and scored highest by the review committee an average of 93 out of a possible score of 100; and DIVDAT, Inc. provided the lowest fee schedule; and

WHEREAS, the City of Fresno, City of Grass Valley, and Marin Municipal Water District were references offered by DIVDAT, Inc., and provided the City with the assurance that DIVDAT, Inc. has the knowledge of the industry, produces high quality products, the latest technology, efficiency of operations and is a highly responsive firm.

THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of El Paso de Robles authorizes the Director of Administrative Services to contract with DIVDAT, Inc. for utility bill print and mailing services as provided in their proposal with a projected "go live" date of January 1, 2012.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of May 2011 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Duane Picanco, Mayor

Caryn Jackson, Deputy City Clerk