

CITY CLERK ORIGINAL

C-8129
09/01/2012

AGREEMENT FOR DUPLICATING AND MAIL SERVICES City of Glendale Solicitation No. 12-39

This Agreement for Duplicating and Mail Services ("Agreement") is effective and entered into between CITY OF GLENDALE, an Arizona municipal corporation ("City") and PITNEY BOWES MANAGEMENT SERVICES, INC., a Delaware corporation authorized to do business in Arizona (the "Contractor") as of the 1st day of September, 2012.

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in **Exhibit A**, pursuant to Solicitation No. 12-39 (the "Project");
- B. City desires to retain the services of Contractor to perform those specific duties and produce the specific work as set forth in the Project attached hereto;
- C. City and Contractor desire to memorialize their agreement with this document.

AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, City and Contractor agree as follows:

1. Key Personnel; Subcontractors.

1.1 Services. Contractor will provide all services necessary to assure the Project is completed timely and efficiently consistent with Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other contractors or consultants, retained by City.

1.2 Project Team.

(A) Project Manager.

- (1) Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's option, complete the Project and handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Agreement;
- (2) The City must approve the designated Project Manager; and
- (3) To assure the Project schedule is met, Project Manager may be required to devote no less than a specific amount of time as set out in Exhibit A.

(B) Project Team.

- (1) The Project manager and all other employees assigned to the project by Contractor will comprise the "Project Team."
- (2) Project Manager will have responsibility for and will supervise all other employees assigned to the project by Contractor.

(C) Discharge, Reassign, Replacement.

- (1) Contractor acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in the response to the Project's solicitation.
- (2) Contractor will not discharge, reassign or replace or diminish the responsibilities of any of the key employees assigned to the Project who have been approved by City without City's prior written consent unless that person leaves the employment of Contractor, in which event the substitute must first be approved in writing by City.
- (3) Contractor will change any of the members of the Project Team at the City's request if an employee's performance does not equal or exceed the level of competence that the City may reasonably expect of a person performing those duties or if the acts or omissions of that person are detrimental to the development of the Project.

(D) Subcontractors.

- (1) Contractor may engage specific technical contractor (each a "Subcontractor") to furnish certain service functions.
- (2) Contractor will remain fully responsible for Subcontractor's services.
- (3) Subcontractors must be approved by the City, unless the Subcontractor was previously mentioned in the response to the solicitation.
- (4) Contractor shall certify by letter that contracts with Subcontractors have been executed incorporating requirements and standards as set forth in this Agreement.

2. **Schedule.** The services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.

3. **Contractor's Work.**

3.1 **Standard.** Contractor must perform services in accordance with the standards of due diligence, care, and quality prevailing among contractors having substantial experience with the successful furnishing of services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 **Licensing.** Contractor warrants that:

- (A) Contractor and Subcontractors will hold all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services ("Approvals"); and
- (B) Neither Contractor nor any Subcontractor has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments or to examine Contractor's contracting ability.
 - (2) Contractor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration and the failure of the Contractor to notify City as required will constitute a material default under the Agreement.

3.3 **Compliance.** Services will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.

3.4 Coordination; Interaction.

- (A) For projects that the City believes requires the coordination of various professional services, Contractor will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").
- (B) Subject to any limitations expressly stated in the Project Budget, Contractor will meet to review the Project, Schedule, Project Budget, and in-progress work with Coordinating Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.
- (C) For projects not involving Coordinating Project Professionals, Contractor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

3.5 Work Product.

- (A) Ownership. Upon receipt of payment for services furnished, Contractor grants to City, and will cause its Subcontractors to grant to the City, the exclusive ownership of and all copyrights, if any, to evaluations, reports, drawings, specifications, project manuals, surveys, estimates, reviews, minutes, all "architectural work" as defined in the United States Copyright Act, 17 U.S.C § 101, *et seq.*, and other intellectual work product as may be applicable ("Work Product").
 - (1) This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form.
 - (2) Contractor warrants, and agrees to indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests.
- (B) Delivery. Contractor will deliver to City copies of the preliminary and completed Work Product promptly as they are prepared.
- (C) City Use.
 - (1) City may reuse the Work Product at its sole discretion.
 - (2) In the event the Work Product is used for another project without further consultations with Contractor, the City agrees to indemnify and hold Contractor harmless from any claim arising out of the Work Product.
 - (3) In such case, City shall also remove any seal and title block from the Work Product.

4. Compensation for the Project.

- 4.1 **Compensation.** Contractor's compensation for the Management Fee will not exceed \$110,220 annually along with the agreed-upon escalator on anniversary date as set forth in **Exhibit B** (the "Compensation"). The pricing for duplicating and mail services shall be as specifically detailed in **Exhibit B**.
- 4.2 **Change in Scope of Project.** The Compensation may be equitably adjusted if the originally contemplated scope of services as outlined in the Project is significantly modified.
 - (A) Adjustments to the Compensation require a written amendment to this Agreement and may require City Council approval.
 - (B) Additional services which are outside the scope of the Project contained in this Agreement may not be performed by the Contractor without prior written authorization from the City.

5. Billings and Payment.

5.1 Applications.

- (A) Contractor will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- (B) The period covered by each Payment Application will be one calendar month ending on the last day of the month or as specified in the solicitation.

5.2 Payment.

- (A) After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- (B) Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Contractor and its Subcontractors; and
 - (2) Unconditional waivers and releases on final payment from Subcontractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

- (A) If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- (B) City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

6. Termination.

6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 30 days following the date of delivery.

- (A) Contractor will be equitably compensated for Service and Repair furnished prior to receipt of the termination notice and for reasonable costs incurred.
- (B) Contractor will also be similarly compensated for any approved effort expended and approved costs incurred that are directly associated with project closeout and delivery of the required items to the City.

6.2 For Cause. City may terminate this Agreement for cause if Contractor fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- (A) Contractor will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Contractor for Service and Repair furnished, City will pay the amount due to Contractor, less City's damages, in accordance with the provision of § 5.
- (B) If City's direct damages exceed amounts otherwise due to Contractor, Contractor must pay the difference to City immediately upon demand; however, Contractor will not be subject to consequential damages of more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. **Conflict.** Contractor acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

8. **Insurance.**

8.1 **Requirements.** Contractor must obtain and maintain the following insurance ("Required Insurance"):

- (A) Contractor and Subcontractors. Contractor, and each Subcontractor performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively referred to herein as the "Contractor's Policies"), until each Party's obligations under this Agreement are completed.
- (B) General Liability.
 - (1) Contractor must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate for each property damage and contractual property damage.
 - (2) Subcontractors must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
 - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, XCU hazards if requested by the City, and a separation of insurance provision.
 - (4) These limits may be met through a combination of primary and excess liability coverage.
- (C) Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Contractor and \$1,000,000 per accident for Subcontractors and covering owned, non-owned and hired automobiles.
- (D) Workers' Compensation and Employer's Liability. A workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- (E) Notice of Changes. Contractor's Policies must provide for not less than 30 days' advance written notice to City Representative of:
 - (1) Cancellation or termination of Contractor or Subcontractor's Policies;
 - (2) Reduction of the coverage limits of any of Contractor or and Subcontractor's Policies; and
 - (3) Any other material modification of Contractor or Subcontractor's Policies related to this Agreement.
- (F) Certificates of Insurance.
 - (1) Within 10 business days after the execution of the Agreement, Contractor must deliver to City Representative certificates of insurance for each of Contractor and Subcontractor's Policies, which will confirm the existence or issuance of Contractor and Subcontractor's Policies in accordance with the provisions of this section, and copies of the endorsements of Contractor and Subcontractor's Policies in accordance with the provisions of this section.

- (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Contractor and Subcontractor's Policies, or to examine Contractor and Subcontractor's Policies, or to inform Contractor or Subcontractor in the event that any coverage does not comply with the requirements of this section.
- (3) Contractor's failure to secure and maintain Contractor Policies and to assure Subcontractor policies as required will constitute a material default under the Agreement.

(G) Other Contractors or Vendors.

- (1) Other contractors or vendors that may be contracted with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular contract.
- (2) This insurance coverage must comply with the requirements set forth above for Contractor's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).

(H) Policies. Except with respect to workers' compensation and employer's liability coverages, City must be named and properly endorsed as additional insureds on all liability policies required by this section.

- (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
- (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and reasonably acceptable to all parties.

8.2 Subcontractors.

- (A) Contractor must also cause its Subcontractors to obtain and maintain the Required Insurance.
- (B) City may consider waiving these insurance requirements for a specific Subcontractor if City is satisfied the amounts required are not commercially available to the Subcontractor and the insurance the Subcontractor does have is appropriate for the Subcontractor's work under this Agreement.
- (C) Contractor and Subcontractors must provide to the City proof of the Required Insurance whenever requested.

8.3 Indemnification.

- (A) To the fullest extent permitted by law, Contractor must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the "Indemnified Parties"), for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense"; collectively, "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Contractor) and that arises out of or results from the breach of this Agreement by the Contractor or the Contractor's negligent actions, errors or omissions (including any Subcontractor or other person or firm employed by Contractor), whether sustained before or after completion of the Project.

- (B) This indemnity and hold harmless provision applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Contractor shall be liable only to the extent the Demand or Expense results from the negligence or breach of a responsibility of Contractor or of any person or entity for whom Contractor is responsible.
- (C) Contractor is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

9. Immigration Law Compliance.

- 9.1 Contractor, and on behalf of any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 9.2 Any breach of warranty under subsection 9.1 above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 9.3 City retains the legal right to inspect the papers of any Contractor or subcontractor employee who performs work under this Agreement to ensure that the Contractor or any subcontractor is compliant with the warranty under subsection 9.1 above.
- 9.4 City may conduct random inspections, and upon request of City, Contractor shall provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under subsection 9.1 above. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 9.5 Contractor agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Contractor and expressly accrue those obligations directly to the benefit of the City. Contractor also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 9.6 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 9.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

10. Foreign Prohibitions. Contractor certifies under A.R.S. §§ 35-391 *et seq.* and 35-393 *et seq.*, that it does not have, and during the term of this Agreement will not have, "scrutinized" business operations, as defined in the preceding statutes, in the countries of Sudan or Iran.

11. Notices.

- 11.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:
 - (A) The Notice is in writing; and
 - (B) Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested); and

- (C) Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day, or before 5:00 p.m., at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service on or before 5:00 p.m.; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
- (D) The burden of proof of the place and time of delivery is upon the Party giving the Notice; and
- (E) Digitalized signatures and copies of signatures will have the same effect as original signatures.

11.2 **Representatives.**

- (A) Contractor. Contractor's representative (the "Contractor's Representative") authorized to act on Contractor's behalf with respect to the Project, and his or her address for Notice delivery is:

Thomas Russell, Area Service Leader
 PITNEY BOWES MANAGEMENT SERVICES, INC.
 3003 North Central Avenue, Suite 112
 Phoenix, Arizona 85012

- (B) City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
 c/o Lisa Hord, Customer Service Manager
 5850 West Glendale Avenue, Suite 104
 Glendale, Arizona 85301

With required copy to:

City Manager
 City of Glendale
 5850 West Glendale Avenue
 Glendale, Arizona 85301

City Attorney
 City of Glendale
 5850 West Glendale Avenue
 Glendale, Arizona 85301

- (C) Concurrent Notices.
 - (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
 - (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by City Manager and City Attorney.
 - (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.
- (D) Changes. Contractor or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

- 12. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

13. Entire Agreement; Survival; Counterparts; Signatures.

13.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Contractor and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- (A) Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- (B) Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- (C) The solicitation, any addendums and the response submitted by the Contractor are incorporated into this Agreement as if attached hereto. Any Contractor response modifies the original solicitation as stated. Inconsistencies between the solicitation, any addendums and the response or any excerpts attached as Exhibit A and this Agreement will be resolved by the terms and conditions stated in this Agreement.

13.2 Interpretation.

- (A) The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- (B) The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- (C) The Agreement will be interpreted in accordance with the laws of the State of Arizona.

13.3 Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

13.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Any amendment may be subject to City Council approval. Electronic signature blocks do not constitute execution.

13.5 Remedies. All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

13.6 Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be deemed reformed to conform to applicable law.

13.7 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

14. Term. The term of this Agreement commences upon the effective date and continues for a one year initial period. The City may, at its option and with the approval of the Contractor, extend the term of this Agreement an additional four years, renewable on an annual basis. Contractor will be notified in writing by the City of its intent to extend the Agreement period at least 30 calendar days prior to the expiration of the original or any renewal Agreement period. Price adjustments will only be reviewed during the Agreement renewal period. There are no automatic renewals of this Agreement.

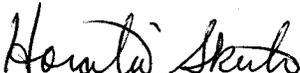
15. Dispute Resolution. Each claim, controversy and dispute (each a "Dispute") between Contractor and City will be resolved in accordance with Exhibit C. The final determination will be made by the City.

16. Exhibits. The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A	Project
Exhibit B	Compensation
Exhibit C	Dispute Resolution

The parties enter into this Agreement as of the effective date shown above.

CITY OF GLENDALE,
an Arizona municipal corporation



Horatio E. Skeete, Acting City Manager

ATTEST:



City Clerk (SEAL)

APPROVED AS TO FORM:



City Attorney

PITNEY BOWES MANAGEMENT SERVICES,
INC., a Delaware corporation authorized to do
business in Arizona
4200 Parliament Place Suite 204
Lanham, Maryland 20708



By: Glen McDonald
Title: Director of Public Sector
Contracts
Date: August 3, 2012

EXHIBIT A

RFP 12-39 DUPLICATING AND MAIL SERVICES

PROJECT

[see attached]

NAME OF KEY PERSON	TITLE
<p>Thomas Russell Highest-level manager in PBMS operations structure. ASL has full authority over all aspects of the City of Glendale operation. Serves as the project manager for the City of Glendale implementation.</p>	<p>Area Service Leader Certified USPS Mail Quality Control Specialist</p>
<p>Debbie LaCosse Senior Manager with overall support responsibility for on- and off-site staff and direct client contact to support the City of Glendale's operations.</p>	<p>Sr. Customer Operations Manager Certified USPS Mail Quality Control Specialist</p>
<p>Jody Thornhill Daily support for Customer Service Team Leader. Responsible for assisting with training and development of Customer Service Team Leader. Manages relationship with the City of Glendale contract liaisons.</p>	<p>Site Operations Supervisor Certified USPS Mail Quality Control Specialist Print Specialist</p>
<p>Chris Adams Manages daily on-site operations for the City of Glendale. Responsible for service delivery on a daily basis. Daily communication with the City of Glendale contacts and end users. Coordinates daily workflow and activities of PBMS employees. Our on-site Customer Service Team Leader reports to the Sr. Customer Operations Manager.</p>	<p>Customer Service Team Leader (on site) Certified USPS Mail Quality Control Specialist</p>
<p>Ahmad Razaqi Oversees daily operations for the off-site Document Solution Centers in Phoenix, which will provide duplicating and mail services for the City of Glendale and the Council Office.</p>	<p>Manager Document Solution Center Certified USPS Mail Quality Control Specialist</p>
<p>Steve Padauno Responsible for the daily operations and coordination of all projects with the Document Solution Center. Assures execution of contract obligations for all off-site work for the City of Glendale.</p>	<p>Production/ Customer Service Manager Document Solution Center Certified USPS Mail Quality Control Specialist</p>
<p>David Lenzen Coordinates service delivery from Document Solution Center to the City of Glendale. Supporting role in implementation of PB Transport for the City of Glendale.</p>	<p>Sales Executive Document Solution Center Certified Print Specialist</p>

On-Site Mail Services

When it comes to mail, we know how it's done. We have provided on-site mail services to the City for nearly 12 years. We are certain that our track record and expertise in the area of mail services demonstrates our capability to easily meet the volumes described in Section 1.4 of the RFP. If not, we assure you of it.

We propose our on-site staff continue to be headed by:

- One (1) Customer Service Team Leader and
- One (1) Customer Service Associate

The Customer Service Team Leader, Chris Adams, and our Customer Service Associate, Beryl Sanders, are responsible for sorting, metering, and ad-hoc or rush on-site duplication requests. They are on site from 8:00 a.m. to 5:00 p.m., Monday through Friday.

PBMS will continue to perform the following:

- The Customer Service Team Leader and/or Associate will pick-up mail daily from the USPS located at 55th Avenue and Grand between 9:00 a.m. and 9:15 a.m.
- Immediately return mail to the mailroom to begin sorting.
- A Customer Service Team Leader and/or Associate will conduct daily mail runs inside City Hall at 10:30 a.m. and 2:45 p.m.
- A Customer Service Team Leader and/or Associate will conduct daily mail delivery to off-site City facilities between 12:30 p.m. and 4:00 p.m. (See Appendix A to Exhibit A for General City Locations, attached hereto.)

PBMS proposes to continue to utilize Pitney Bowes Presort Services (PBPS), a Pitney Bowes Company, as our presort partner to process mail that meets requirements for pre-sorted USPS First-Class mail.

PBMS will perform the following to functions to allow the City to benefit from the lowest possible rates:

- Ongoing consulting with City agencies and departments will ensure mail pieces are prepared in a manner consistent with the latest USPS regulations. We also work closely with agencies and departments in a partnership role to manage mailstreams for maximum delivery efficiency.
- PBMS monitors outgoing production/output schedules for material that has stringent delivery requirements (checks, etc.) PBMS will closely monitor this production schedule to maintain exceptional quality of service.
- A certified mail-piece QC specialist reviews mail training quarterly, in conjunction with the USPS, of all departments and users.

This division sorts and aggregates mail to earn top postal discounts and expedite delivery for its customers. It is the only mail-presort company that has a national network of operating centers in the United States, providing support of large-volume mailers with multiple mail-creation locations across the country and is able to ensure consistency and reliability anywhere.

PBPS is a work-share partner with the USPS and participates in the Mail Preparation Total Quality Management (MPTQM) program. This commitment to MPTQM means each of the 30 Operating Centers across the country is committed to high-quality presort services, conforming to 100% of the USPS mail-processing standards.

Pitney Bowes Presort Services is the leading outsource provider of mail presort services for automated First-Class and Standard-Class Mail in the U.S. Since 1995, PBPS has been headquartered in Omaha, Nebraska. PBMS has a strong leveraging point in PBPS, as we own this largest work-sharing partner of the United States Postal Service (USPS). Presort operations and work-share partnerships benefit the mailing industry by lowering postage costs, improving the speed and accuracy of service, and enhancing the overall value of the mail. PBPS handles more than 14 billion mail pieces of First-Class and Standard Mail annually. Our competitors outsource this portion of their business, but PBMS completely controls every aspect of its presort operations.

Mail Processing

It is essential to the safe and efficient operations of PBPS that all employees be honest and reliable. PBPS conducts thorough background checks on all applicants who have been extended an offer of employment. PBPS will not employ, or retain, anyone who cannot successfully meet the requirements set forth in the PBPS Background Screening Policy. This policy includes, among other requirements, that an employee cannot have been convicted of, or pled "no contest" to: 1) crimes involving dishonesty or breach of trust; 2) any felony; or 3) any misdemeanor offense which PBPS has determined may adversely affect the security or reputation of PBPS or otherwise affect an employee's ability to do his/her job. This provides benefits such as improved quality, cost control, and heightened security.

Mail is processed by PBPS according to the USPS requirements and procedures found in the current Domestic Mail Manual (DMM) and once completed is presented to the USPS Detached Mail Unit (DMU) for on-site verification on the same day as pickup. The DMU also provides a secure environment for the mail since mail leaving our facility is already in the hands of the USPS. Mail produced by the customer must also meet USPS automation mail requirements pursuant to the DMM.

PBMS will ensure that all employees and back-up staff are cross-trained on equipment to meet the requirements of the City. PBMS acknowledges our responsibility for the maintenance of the equipment and replacement of any equipment needed to fulfill our contractual obligations.

The on-site Pitney Bowes DM 1000 Mailing Processor is a high-volume, versatile mailing system that can automatically feed, seal, imprint postage, and stack uniform mail at speeds of up to 260 letters per minute. This system's advanced technology gets large mailing jobs done quickly and efficiently. The DM1000 handles mail ranging in size from post cards to 10" x 13" flats and up to 3/4" thick-intermixed in a single stream. This maximizes operator productivity by minimizing the need to sort mail by size.

Intellilink digital-mail meter technology allows for postage replenishment, postage-rate and software updates to be done with the touch of a button. Weigh-On-The-Weigh technology maximizes efficiency by processing mixed weight material up to 160 oz. Each Piece is weighed, the proper rate is calculated, and the postage is imprinted at the same 260-letters-per-minute rate. Open- and closed-flap sealing minimizes sorting based on an ability to handle mixed envelope-flap configurations, including combinations of closed flap, open flap, and/or pre-sealed flap. Advanced Detection Sensors located throughout the feeding and transport paths enhance processing of difficult materials, such as postcards or "dark mail".

Off-Site Duplication Services

PBMS is proud of our digital document-duplication services. In the past twelve months, we have been pleased to present the City of Glendale with labor cost savings on site through our print offerings. Over the past six years, we are proud to say we've also had **100% compliance** in meeting the City's

mandatory 24-hour turnaround times on work such as council binders, as mentioned in Section 1.2 of your RFP.

We propose the ongoing use of our Transport Digital Print Management system, which provides the functionality not only to accept users' print jobs electronically, but also to monitor and control each step in a job's production—start to finish. Because job-processing data is recorded at the step level as jobs are being processed, reports can be created that accurately reflect the performance being provided by PBMS.

Glendale users experience unparalleled convenience when submitting jobs by using the PB Transport DPM software to send their document production request and related files to our off-site duplicating center. Requests utilize a standard format that minimizes confusion and assists operations in creating output that meets user requirements, the first time. Job status is updated as a job moves through the production process. This status is available through an encrypted Web interface.

One example is how the City of Glendale Police Department has benefitted from using our print services since May of last year. The Department has utilized PB Transport for more than a year. Since then, it has ordered and received more than \$100,000 of print work and envelopes. We offer the GPD a customized form library with more than 50 products online, and we are adding to that number every month. By utilizing PB Transport, we have also significantly cut delivery and pick-up times.

PBMS: The DSC Differentiator

What truly separates PBMS from our competition is our understanding of the sensitivity of outsourcing by virtue of our 20 years' experience in this arena, our entrepreneurial spirit to create business-wise, people-sensitive solutions to meet our customers' specific needs.

We deliver a sustainable advantage through comprehensive utilization of technology and customizing our approach to:

- Provide end-to-end solutions from document creation to the mailstream, regardless of production location, an offer *unmatched* by our competitors.
- Meet your requirements 24/7 with tools and technologies that support your end-to-end processes.
- Help you effectively manage costs.

We also provide national off-site capabilities that support pre-press, imaging, database management, variable data, complex finishing, warehousing, kitting, fulfillment, and distribution.

We operate Document Service Centers all over the country. The address of our Phoenix DSC is: 3003 North Central Avenue, Suite 112, Phoenix, Arizona 85012.

PB Transport™ DPM

PBMS uses PB Transport™, the job-routing system that allows users to send copy work electronically to the off-site duplicating center with an electronic job ticket to minimize user time requirements for submitting jobs. The Transport™ Digital Production Management solution optimizes business document output, providing an integrated, end-to-end solution that facilitates efficient, cost-effective print production.

Transport™ Digital Print Management Solution is a partnership between Pitney Bowes Inc. and EFI. EFI (Electronics For Imaging) is the industry leader in providing digital-imaging/print-management solutions.

It allows for standalone devices to be used in network printing.

PB Transport™: IT- friendly

The product circumvents the issues that can often arise related to document file sizes. Rather than the negative impact systems integration often has on IT departments, PB Transport DPM™ actually has a positive influence on IT because large files are moved off of email and servers move through PB Transport DPM™. Orders are encrypted (128-bit or other upon request) for maximum security.

Document Storage Capacity

- PBMS believes use of the ASP model for delivery of our job-submission tool. The server is hosted in an ASP facility.
- Our vendor uses Cisco PIX 515 firewalls as an outer defense perimeter. The internal perimeter is based on dual Cisco 4507 switches with segregated VLAN's.
- The servers are HP Proliant 380's running Windows software.
- All equipment is connected via TCP/IP.

Document and Information Security

- Provides users secure, encrypted access to any Glendale/PBMS-negotiated pricing schedules, document catalogs and SLAs.
 - For the exchange of sensitive information, the system uses secure sockets with the current strongest level of encryption available. Examples include logins, passwords, credit-card numbers/other payment information.
 - Allows for encrypted distribute-and-print capabilities to speeding production and delivery of documents, plus eliminating any shipping costs that would have otherwise be incurred.
 - PB Transport DPM™ is hosted by Electronics For Imaging, Inc. (EFI). EFI has secure hosting facilities in the San Francisco Bay Area and in Pittsburgh, PA, each with redundant infrastructure.
 - The data centers are equipped with keycard access and protected by video surveillance. The facility is built with a raised floor; large-scale A/C units, non-water based fire suppression, and automated electronic monitoring of equipment. All servers are rack mounted for space efficiency.
 - The data center is connected to two major ISP vendors. The circuits are both at least 10 Mbps. The network is designed with dual fault tolerant components starting with the routers, firewalls, and switches. Each server has dual redundant power supplies and processors.
 - The database, application, and file servers are clustered with redundant connections to a RAID array. Each RAID array is built with hot spare drives in case of a failure.
 - Our vendor has multiple locations with data centers in the US. In the event of a disaster the vendor has a disaster plan to relocate the applications and data to an alternate facility in California.
 - PB employs a three-tier application architecture with a single firewall that completely isolates the major components of the system.
 - ◆ Tier 1 consists of the client presentation and user interface components. In the PB environment this portion is hosted in industry standard Web browsers (IE,
-

Netscape). These components handle all aspects of interaction with the users of PB Transport DPM™.

- ◆ Tier 2 consists of the business logic components. In the PB Transport DPM™ environment this portion of the system is hosted on the Front-End Servers. PB utilizes IIS on Windows 2000 and Allaire's Cold Fusion with Java as the server based environment. These components handle all of the application and business rules for the PB system.
- ◆ Tier 3 consists on the database repository. In the PB environment this portion is hosted in Microsoft SQL Server. This component handles all data-storage requirements for the PB system.

The hosting network is supported via its own isolated connections to the Internet. Two connections are provided for redundancy. Traffic from the Internet may only be routed to the Front End Web Servers and the Site Manager configuration servers. This traffic must be on one two ports: port 80 (HTTP) or port 443 (SSL).

Our organization focuses on delivering end-to-end document solutions designed to address customers' current, and emerging, document needs, while bringing cost-effectiveness and control to document and information resources. We provide a central document repository of multiple types of documents, including training manuals, sales/marketing materials, technical publications, and procedural manuals.

By focusing on all aspects of the document, from creation through final distribution, we are able to analyze its entire lifecycle. This approach differentiates us from others who merely focus on the aspect of printing of materials. Printers print, Document Services analyzes data to in many cases, make recommendations that lead to standardization, consolidation and reductions of print spends.

Clients enjoy reductions in the total cost of printing by transitioning obsolete material inventory values into hard dollar savings. Client feedback reinforces that this approach is what provides the highest value documents to our customers at the best total cost of ownership.

Quality

Since its 1988 inception, PBMS has employed quality programs for both internal organizational processes and as a core element of its service offerings within an array of customer environments. The breadth of our customer base, its vertical markets and the extent of our service platform requires sound familiarity with and adaptability within a comprehensive portfolio of quality programs, inclusive of TQM, ISO, and Six Sigma.

Pitney Bowes Management Services is resourced with a dedicated Quality Team, who executes a customer-focused, proprietary quality management system called Service Excellence. This platform, along with Six Sigma methodologies, drives continuous improvement at our field customer sites and PBMS organization levels.

In 2000, Pitney Bowes Management Services launched our Service Excellence initiative. The result has been steadily improving Customer Satisfaction ratings. PBMS's closed-loop quality-management system is referred to simply as "Service Excellence" and begins with our strategic QC Framework. The framework is the company compass, directing all PBMS activities, and distinguishing us from our competition. This framework consists of our Corporate Vision, Customer Service Mission, Quality Policy, Key Initiatives, Result Areas and Values Statement.

Pitney Bowes Management Services is a customer-driven organization, maximizing customer value through innovative employee, operational, and technical excellence. PBMS proactively develops, executes, and continuously improves our best-in-class business practices, performance standards, quality tools, and accountability systems that provide ongoing performance improvement.

Providing Total Value in Best Practices and Communication

We solicit input and provide information that helps to increase employee and customer satisfaction, while reducing the chance of negative results. You can rely upon PBMS for the most up-to-date and accurate information on its operations as well as on all new and innovative tools and methods to achieve the high quality service that it hopes to receive as part of our outsourcing partnership.

The Premier Partner in Service Excellence

- Standardized best in class Business Practices
- Technology-based customer communication via our Service Excellence website
- Performance-based employee recognition programs

Service Excellence Web-based Features

- Three customer-sensing tools to provide vital feedback from each segment of our customer population (end users, contract administrators, and key decision makers)
- Our Best Practices electronic library and Seven Standards self-assessment tools
- Daily huddle, calendars, and communication board to facilitate internal communications
- Electronic project-management tool to log and drive continuous improvement
- Online compliance tracking by site
- Standards and "best practice" effectiveness tied to bonus and recognition programs
- Ongoing communication to reinforce company commitment

The Service Excellence Web Site tool is designed to automate business processes, provide best-in-class customer-centric tools and accountability systems, as well as to provide an online community for PBMS field managers. Because this closed-loop, quality-management system is fully Web-enabled, information can be shared online, in real time, and in a secure environment. The solution promotes proactive management, continuous improvement, benchmarking, and sharing best practices. The tool includes robust management reporting and promotes accountability at all levels of the organization.

Continuous Improvement

The best people, best processes, and best intentions require frequent and consistent communication in order to result in success. This communication must include feedback, responsiveness, training, reporting, accuracy, and analysis.

Our continuous-improvement program is integral to quality management. Initially, and periodically, we reach service-level agreements to guarantee client satisfaction. We review any improvement efforts underway and objectives for future improvement. We focus on the objectives of improving quality, timeliness, and cost savings. We use bundling methods and the latest technologies at our disposal to accomplish these goals. Performance data is reviewed monthly to ensure customer objectives are being met or exceeded. We employ several tools which have been developed to aid us in this process.

The needs and goals of our customers are communicated to all our employees. We also post our performance objectives and scores on our communication boards at each site. Through continuous improvement, we provide a closed-loop system for ensuring maximum customer value and satisfaction.

Site Development Plan

The Site Development Plan (SDP) is our overall site/customer continuous improvement roadmap plan where specific operational goals and objectives are established and, through the use of the Site Action Item Log (SAIL), specific plans are made to help realize and implement continuous operational improvement.

Sites' Communication Boards and Daily Huddles enhance site communication, awareness, customer service, and team spirit by providing visible postings of critical information and structured times for discussion. Both address important business information, notices, education, and employee recognition.

Site Standards Review

The site standards review tool is used to gauge the operational effectiveness of an account. This 100-point checklist helps us measure the degree to which the account is in compliance with company standards and production functions.

Pitney Bowes Management Services has an automated system that provides local, regional and corporate management with updated information on Standards and Best Practices progress for the entire company. An on-line audit feature is also incorporated to assist field management. Tracking is done with a simple one-page form. Targets are marked with a simple red (stop, action needed), yellow (caution, effort is underway, but more work is needed) and green (proceed, everything meets the best practice standard).

Site Action Item Log

The Site Action Item Log, or SAIL, is the primary tool for tracking actions at the customer site, and the resulting improvements that drive consistent quality. This tool allows us to follow up on action items. Every tool within the Service Excellence strategy feeds the SAIL and actions are tracked in one place, eliminating repetitive input.

Site Services Manual

The Site Services Manual provides the framework to ensure the delivery of our quality and Service Excellence. The site services manual is the guide for our "Plan, Do, Check, Act" quality process and includes detailed site-specific work instructions, training records, records retention, and improvement ideas generation. The site's services manual is the foundational building block in an effective ISO-compliant operation.

Standardized workflow procedures are process maps that identify the best procedure for completion of tasks. Teams of subject-matter experts closely examine every aspect of the workflow conducted by PBMS field-operations staff. Each task is dissected and reassembled with a critical eye to quality and customer requirements. The end result is a library of PBMS process flows that serve as a guide when implementing and performing our services. Each process flow is complete with a Visio diagram that identifies each step of the process and provides the user with detailed instructions on how to proceed. For example, all critical metrics and data-collection points are clearly identified so that continual improvement and quality reports are easily maintained daily. The process flows anticipate the most common deviations

from the optimal workflow, and guide the user back on track. Each diagram is accompanied by a detailed written description and illustrations, measurement logs, and/or check sheets.

Escalation

The PBMS Customer Operations Team Leader is responsible for all aspects of customer service. Upper management addresses any issues that become more serious in nature swiftly. In this way, we empower our employees to make decisions in order to better serve our customers. The Area Service Leader is available to discuss any of the City's concerns.

The escalation process is as follows:

- **Level 1 Immediate Response** The Site Operations Supervisor handles day-to-day operations and equipment resolution and may engage Service Delivery, Solutions, and Human Resources for help, as needed.
- **Level 2 Escalation (after 24 hours)** The Senior Customer Operations Manager handles on-site, day-to-day operations not addressed within the allowed time.
- **Level 3 Escalation (after 48 hours)** The Senior Customer Operations Manager has full authority to resolve any issues and reports directly to the Area Service Leader in his/her area.

1.7.4 Transitional Operations Plan

We hope our experience working on behalf of the City and its needs, coupled with our unique understanding of the daily operations of its mail services and other document duplication and distribution will endure in established alignment with the City's requirements and objectives.

As the incumbent, we have a robust and fully functional operational structure in place, described in the previous section. No transitional requirements, downtime, or other common losses associated with a potentially costly and/or risky restructuring would be incurred with the City's renewed contract with PBMS.



Solicitation Number: RFP 12-39

Duplicating and Mail Services

**CITY OF GLENDALE
Materials Management
5850 West Glendale
Avenue, Suite 317
Glendale, Arizona 85301**

7.0

APPENDIX A

7.1 **GENERAL CITY LOCATIONS**

Facilities - Duplicating and Mail Delivery Locations	
City Hall	5850 W. Glendale Ave.
Main Public Safety	6835 N. 57 th Dr.
Information Technology	6830 N. 57 th Drive
City Court Complex	5711 W. Glendale Ave.
City Prosecutor	6815 N. 57 th Ave.
Foothills Aquatics	5600 W. Union Hills Dr.
Foothills Public Safety	6255 W. Union Hills Dr.
Foothills Public Library	19055 N. 57 th Dr.
Main Library	5959 W. Brown St.
Velma Teague Library	7010 N. 58 th Dr.
Community Housing	6842 N. 61 st Ave.
Glendale Airport	6801 N. Glen Harbor Blvd.
Field Operations	6210 W. Myrtle Ave.
Cholla Water Treatment Plant	4805 W. Cholla
Civic Center	5750 W. Glenn Dr.
Tourism/Visitor Center	5800 W. Glenn Dr., Suite 140
Transportation	5800 W. Glenn Dr., Suite 315
Marketing/Graphics/Special Events	5800 W. Glenn Dr., Suite 150
Glendale Family Advocacy Center	4600 W. Glendale Ave
Community Action Program	5950 W. Glendale Ave
Oasis Water Treatment Plant	7070 W. Northern Ave
Emergency Operations Center	11550 W. Glendale Ave
Glendale Fire Department	5800 W. Glenn Ave, Ste 330
Adult Center	5970 W. Brown St
Landfill	11480 W. Glendale Ave
MRF Recycling (drive down hill at landfill site)	11480 W. Glendale Ave
Transit/Field Operations Annex	6210 Myrtle Ave
Arrowhead Water Reclamation Facility	8180 W. Union Hills Dr
West Area Water Reclamation Facility	5901 W. Glen Harbor Blvd
Pyramid Peak Treatment Plant	28101 N. 63 rd Ave

EXHIBIT B

RFP 12-39 DUPLICATING AND MAIL SERVICES

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

See Appendix A to Exhibit B (Compensation) for Billing Statements.

See Appendix B to Exhibit B (Compensation) for Charge Back System.

NOT-TO-EXCEED AMOUNT

Contractor's compensation for the Management Fee will not exceed \$110,220 annually along with the agreed-upon escalator on anniversary date as set forth in **Exhibit B** (the "Compensation"). The pricing for duplicating and mail services shall be as specifically detailed in **Exhibit B**.

DETAILED PROJECT COMPENSATION

Attached hereto.

5.2 MARKET BASKET FOR MAIL SERVICES

5.2.1 PRESORTED RATES (for domestic mail only – not international mail)

Letter Size, Automation Basic, Mixed AADC,
ALL Typed, on #10 sized envelopes)

	<u>Unit Cost</u>	<u>Extended Cost</u>
Up to 1.0 ounce	\$ <u>.404</u> x 401,223	\$ <u>162,029.05</u>
1.1 to 2.0 ounces	\$ <u>.404</u> x 26,006	\$ <u>10,506.63</u>
2.1 to 3.0 ounces	\$ <u>.654</u> x 10,699	\$ <u>6,997.15</u>
3.1 to 3.3 ounces	\$ <u>.900</u> x 2,675	\$ <u>2,407.50</u>

Letter Size, Non-Automation Pre-sort
All outgoing mail on #10 sized envelopes.
(No packages.)

	<u>Unit Cost</u>	<u>Extended Cost</u>
Up to 1.0 ounce	\$ <u>.424</u> x 97,791	\$ <u>41,463.38</u>
1.1 to 2.0 ounces	\$ <u>.424</u> x 8,693	\$ <u>3,685.83</u>
2.1 to 3.0 ounces	\$ <u>.674</u> x 1,738	\$ <u>1,171.41</u>
3.1 to 4.0 ounces	\$ <u>.900</u> x 348	\$ <u>313</u>
4.1 to 5.0 ounces	\$ <u>1.10</u> x 114	\$ <u>125</u>
5.1 to 6.0 ounces	\$ <u>1.30</u> x 23	\$ <u>30</u>
6.1 to 7.0 ounces	\$ <u>1.50</u> x 13	\$ <u>20</u>

Library Mail Rate Single Piece
Heavy packages that are 1 lb. & above, printed materials, etc.
Must be stamped with "Library Rate"

	<u>Unit Cost</u>	<u>Extended Cost</u>
Up to 1.0 Pounds	\$ <u>2.35</u> x 9,048	\$ <u>21,262.80</u>
1.1 to 2.0 pounds	\$ <u>2.75</u> x 1,809	\$ <u>4,974.75</u>
2.1 to 3.0 Pounds	\$ <u>3.15</u> x 1,447	\$ <u>4,558.05</u>
3.1 to 4.0 Pounds	\$ <u>3.55</u> x 1,013	\$ <u>3,596.15</u>
4.1 to 5.0 Pounds	\$ <u>3.95</u> x 709	\$ <u>2,800.55</u>
5.1 to 6.0 Pounds	\$ <u>4.35</u> x 495	\$ <u>2,153.25</u>
6.1 to 7.0 Pounds	\$ <u>4.75</u> x 347	\$ <u>1,648.25</u>

Total \$ 269,742.75

During the term of this Agreement, the pricing for mail services may be adjusted to reflect the current USPS rates. The parties also understand that presorted rates require flexibility due to the nature and type of mail being processed. Should the mail not qualify for the presorted rates contained in Exhibit B, the Contractor will provide written notice to the City identifying which mail will be billed at the standard USPS rate.

The Questionnaire presented in the solicitation begins with question 3.3.1 regarding higher volume duplicating discounts. Complete the volume discount table below:

Duplication Quantities per job	% of Discount offered
1.000	0
5.000	0
10.000	2.5
25.000	2.5
50.000	5

Discount rates are above the City of Glendale contracted pricing and based on each job submission. Higher %s may be available for higher volumes.

Your proposal included the completed Section 5.3 of the Price Sheet. Complete the Additional Fee section below with your BAFO amounts.

<i>Additional Fee Requested</i>	<i>Extended Annual Cost</i>
\$9,185 per month	\$110,220 Annual Escalator on anniversary date of 3% or CPI, whichever is lower

PBMS Final Pricing Offer to City of Glendale

Digital Printing & Duplicating Services	Unit Of Measure	Price
Pick-Up and Delivery	Per Trip	No Charge
B&W Printing 20# White Paper 8.5x11	Image	\$0.0176
B&W Printing 24# White Paper 8.5x11	Image	\$0.022
B&W Printing 20# White Paper 11x17	Image	\$0.034
B&W Printing 20# Color Paper 8.5x11	Image	\$0.024
B&W Printing 20# Color Paper 11x17	Image	\$0.047
B&W Printing 65# Cardstock Cover 8.5x11	Image	\$0.060
B&W Printing 65# Cardstock Cover 11x17	Image	\$0.110
B&W Printing 24# AstroBrite Colors 8.5x11	Image	\$0.037
Color Printing 24# White Laser 8.5x11	Image	\$0.152
Color Printing 24# White Laser 8.5x14	Image	\$0.260
Color Printing 24# White Laser 11x17	Image	\$0.310
Color Printing 24# White Laser 12x18	Image	\$0.430
Postcards 4.25x5.5 B&W 2-Sided Printing 65# Cover	Per Card	\$0.050
Postcards 4.25x6 B&W 2-Sided Printing 65# Cover	Per Card	\$0.070
Postcards 5.5x8.5 B&W 2-Sided Printing 65# Cover	Per Card	\$0.100
Custom 5th Cut Tabs Mylar Printed B&W	Tab	\$0.375
Type-setting	Hour	\$35.00
Business Card Printing 2-color flat ink	Box/ 500	\$45.00
Paper 90# Cover Stock (Additional fee added to the per image rate)	Sheet	\$0.030
Paper Coated Text Weight (Additional fee added to the per image rate)	Sheet	\$0.050
Paper Coated Cover Stock (Additional fee added to the per image rate)	Sheet	\$0.070
Cut to Bleed (Additional fee added to the per image rate)	Sheet	\$0.050
Finishing Services	Unit Of Measure	Price
Spiral Binding (Up to 1/2" includes clear cover and back)	Each	\$1.20
Comb Binding (Up to 1/2", includes clear cover and back)	Each	\$1.20
Spiral Binding (Over 1/2", includes clear cover and back)	Each	\$1.45
Comb Binding (Over 1/2", includes clear cover and back)	Each	\$1.45
Shrink-wrap	Each	\$0.32
Padding, with chipboard	Each	\$0.32
Perfect Binding, wrap around cover	Each	\$2.70
Laminating 8.5" x 11". .005 thickness	Each	\$0.37
Laminating 11" x 17". .005 thickness	Each	\$0.90
Machine Cutting	Sheet	\$0.005
Machine Folding	Sheet	\$0.014
Hand Folding	Sheet	\$0.10
Booklet Making, trim creep	Each	\$0.23
Oversize (Posters/Charts) Print & Finishing Services	Unit Of Measure	Price
B&W Large Format (oversize) 24# White Paper	Sq/Ft	\$0.65
Color Large Format (oversize) 7 Mil Gloss or Matte	Sq/Ft	\$4.25
Laminating, large format, .005 thickness	Sq/Ft	\$4.20
Foam Core Mounting, 3/16" Foam	Sq/Ft	\$4.75

NCR Forms (Minimum Order 500 forms)	Unit Of Measure	Price
SINGLE SIDED: 2-part NCR Stock \ 1	Form	\$0.14
SINGLE SIDED: 3-part NCR Stock \ 1	Form	\$0.16
SINGLE SIDED: 4-part NCR Stock \ 1	Form	\$0.21
DOUBLE SIDED: 2-part NCR Stock \ 2	Form	\$0.28
DOUBLE SIDED: 3-part NCR Stock \ 2	Form	\$0.30
DOUBLE SIDED: 4-part NCR Stock \ 2	Form	\$0.41
SnapApart, Crash Numbering, Drilling available upon request. please call for quote		
Mailing & Fulfillment Services	Unit Of Measure	Price
Automated Inserting	Sheet	\$0.050
Inkjet addressing	Each	\$0.060
Tabbing, Wafer Seal	Each	\$0.060
Off-Line metering	Each	\$0.048
File Formatting Address Fields Mail Merge	Hour	\$35.0
VeriMove, CASS, Bulk Rate Pre-sort and use of PB Permit No. 4385	N/A	No Charge
Document Scanning Services	Unit Of Measure	Price
Auto Feed Scanning (Includes Document Preparation and Reassembly)	Image	\$0.05
Light Litigation Scanning (Includes Document Preparation and Reassembly)	Image	\$0.07
Medium Litigation Scanning (Includes Document Preparation and Reassembly)	Image	\$0.09
Heavy Litigation Scanning (Includes Document Preparation and Reassembly)	Image	\$0.13
Glasswork Scanning (Includes Document Preparation and Reassembly)	Image	\$0.17
Media Duplication	Unit Of Measure	Price
CD Duplicating, paper label	Each	\$7.25
CD or DVD Duplicating (High Volume, 1000 +)	Each	Quote
Additional Notes		
These prices are based on regular hours of operation M-F (8:00 AM-9:00 PM).		
Requests for weekend and/or Holiday coverage at \$35 per hour. billed in addition to the services provided.		
Service Level Agreement is 24 to 48 hours and subject to change due to project requirements and/or availability.		

Envelope Options & Prices					
Envelope Type	Quantity Per Order	#24 White Wove, Inks	#24 White Wove, Inks	#24 White Wove, Inks (1)	
		Black /0	PMS /0	Black, (1) PMS /0	Black, (1) PMS /0
		One color black	One color PMS	Two color BL & PMS	Two color BL & PMS
#10 Regular White	500	\$ 0.116	\$ 0.123	\$ 0.176	\$ 0.176
#10 Regular White	1,000	\$ 0.059	\$ 0.062	\$ 0.089	\$ 0.089
#10 Regular White	2,500	\$ 0.048	\$ 0.051	\$ 0.071	\$ 0.071
#10 Regular White	5,000	\$ 0.036	\$ 0.042	\$ 0.050	\$ 0.050
#10 Regular White	7,500	\$ 0.023	\$ 0.039	\$ 0.047	\$ 0.047
#10 Regular White	10,000	\$ 0.030	\$ 0.033	\$ 0.036	\$ 0.036
#10 Window White	500	\$ 0.120	\$ 0.127	\$ 0.180	\$ 0.180
#10 Window White	1,000	\$ 0.063	\$ 0.066	\$ 0.093	\$ 0.093
#10 Window White	2,500	\$ 0.052	\$ 0.055	\$ 0.075	\$ 0.075
#10 Window White	5,000	\$ 0.040	\$ 0.046	\$ 0.054	\$ 0.054
#10 Window White	7,500	\$ 0.037	\$ 0.043	\$ 0.051	\$ 0.051
#10 Window White	10,000	\$ 0.034	\$ 0.037	\$ 0.040	\$ 0.040
#9 Regular White	500	\$ 0.112	\$ 0.119	\$ 0.170	\$ 0.170

#9 Regular White	1,000	\$	0.057	\$	0.059	\$	0.086
#9 Regular White	2,500	\$	0.046	\$	0.049	\$	0.068
#9 Regular White	5,000	\$	0.035	\$	0.041	\$	0.048
#9 Regular White	7,500	\$	0.032	\$	0.038	\$	0.045
#9 Regular White	10,000	\$	0.029	\$	0.032	\$	0.035
#9 Window White	500	\$	0.116	\$	0.123	\$	0.174
#9 Window White	1,000	\$	0.061	\$	0.064	\$	0.090
#9 Window White	2,500	\$	0.051	\$	0.053	\$	0.072
#9 Window White	5,000	\$	0.039	\$	0.045	\$	0.052
#9 Window White	7,500	\$	0.036	\$	0.042	\$	0.049
#9 Window White	10,000	\$	0.033	\$	0.036	\$	0.039

As a bonus incentive, PBMS would like to offer the City of Glendale a monthly rebate of 2% on all Copy Center Project Revenue invoiced by PBMS on behalf of other governmental agencies and/or political subdivisions of the State of Arizona, including all members of SAVE (Strategic Alliance for Volume Expenditures), through the use of the "Cooperative Use of Contract" clause (excluding postage spends). Additionally, PBMS will design and implement a marketing campaign intended to raise awareness of the services offered through the Glendale contract, with the goal of increasing contract usage, which would likely result in increased rebates for the City.

This Agreement may be extended for use by other governmental agencies and political subdivisions of the State, including all members of SAVE (Strategic Alliance for Volume Expenditures). Any such usage by other entities must be in accord with the ordinances, charter, rules and regulations of the respective entity and the approval of the Contractor and City.

2. Section 1.6.7 of the solicitation requested a detailed approach to transition and implementation from the existing service contract. Provide a compressed transition plan that accomplishes a seamless transition in the least amount of time. Include a sequential time table highlighting the milestones transition steps.

As the incumbent bidder, one distinct advantage PBMS brings to its offering is the fact that we currently manage the services for the City of Glendale, as we have for nearly 12 years. Since that time, we have introduced a number of solutions that have streamlined processes, expanded service offerings, and introduced significant cost savings for the City. With experience also comes the expertise of the most efficient way to fulfill the day-to-day needs of City mail and print operations.

Like you, PBMS appreciates quick transitions. As your current provider, you would experience no transition time. That means no downtime, not to mention being shielded from the other potential risks involved with transitioning to a new vendor. The City's business would experience no interruptions, only improvements, going forward.

PBMS will continue to perform on the following pickup/delivery schedules but is glad to discuss alternate plans or improvements to these processes with the City at any time.

- The Customer Service Team Leader and/or Associate will pick-up mail daily from the USPS located at 55th Avenue and Grand between 9:00 a.m. and 9:15 a.m.
- Immediately return mail to the mailroom to begin sorting.
- A Customer Service Team Leader and/or Associate will conduct daily mail runs inside City Hall at 10:30 a.m. and 2:45 p.m.
- A Customer Service Team Leader and/or Associate will conduct daily mail delivery to off-site City facilities between 12:30 p.m. and 4:00 p.m.

Appendix A to Exhibit B (Compensation)

Billing Statements

Billing Statements: The Contractor shall also provide a monthly statement to each registered department detailing the actual monthly postage charges. The City has no budget or funding to initially load the postage meter with credits or to reload the meter. The City will charge back each department for their portion of the costs and then the Contractor is issued a check using those departmental funds. This means that any awarded Contractor is responsible for loading the postage meter or pre-purchasing postal credits to meter the mail and then the City reimburses the Contractor for the cost of the postage that was used for that month in arrears. The Contractor is also responsible for obtaining its own company postal permit(s) for sending out USPS mail from City facilities and from the Contractor's off-site facilities. Currently the City has approximately one hundred sixty-five (165) postage charge-back accounts in use. (Note: One (1) department may be responsible for multiple charge-back accounts.)

A monthly summary billing listing the total monthly administrative service fees and all postage costs detailed by the City's charge-back accounts shall be generated and submitted to the City's, Finance Department, Billing Services in order for payment. The Contractor will take the information from the monthly summary invoice report and provide the data entry required to complete a Journal Entry Form that is required for the Contractor to receive payment. An example of the Journal entry Form is also attached at the end of the solicitation. A correct invoice and completed City Journal Entry forms are due the 15th of the following month. If the documents are completed and correct, it is the intent of the City that payment will be made to the Contractor by the end of the same month. If the invoices or forms that are submitted by the Contractor are not correct after being reviewed by City staff they will have to be corrected before payment can be made. In addition to the monthly summary invoice report, additional reports listing the volumes of inter-office and out-going and business reply mail shall be provided by the Contractor. The Contractor shall provide a postage report for the departments to reconcile the department charges to ensure the billing statements are accurate. Samples of these reports will be provided to the awarded Contractor.

Appendix B to Exhibit B (Compensation)

Charge Back System

Charge Back System: Currently the City has approximately two hundred (200) duplicating charge-back accounts in use. (Note: One (1) department may be responsible for multiple charge-back accounts.) A monthly summary billing of all duplicating transactions by charge-back account along with the monthly personnel/administrative fees shall be generated and submitted to the City's Finance Department for payment. Samples of departmental statements and the summary invoice should be included with the proposal.

EXHIBIT C

RFP 12-39 DUPLICATING AND MAIL SERVICES

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
- (A) The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
- (B) The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
- (C) The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the parties may agree, in writing, that the Dispute will be decided by binding arbitration in accordance with Commercial Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
- (A) The parties will exercise best efforts to select an arbitrator within 5 business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
- (B) The arbitrator selected must be an attorney with at least 10 years experience, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within ten (10) days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.
- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.

- 2.4 **Award.** At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.
- 2.5 **Final Decision.** The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.
- 2.6 **Costs.** The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party shall pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. Services to Continue Pending Dispute. Unless otherwise agreed to in writing, Contractor must continue to perform and maintain progress of required services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Contractor in accordance with this Agreement.

4. Exceptions.

- 4.1 **Third Party Claims.** City and Contractor are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third-party who is not obligated by contract to arbitrate disputes with City and Contractor.
- 4.2 **Liens.** City or Contractor may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.
- 4.3 **Governmental Actions.** This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.