



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** October 23, 2007

**TO:** Mayor and Councilmembers

**FROM:** Community Services Division, Police Department

**SUBJECT:** Agreement For Outsourcing Printing, Stuffing, And Mailing Of Parking Notice Letters

**RECOMMENDATION:** That Council:

- A. Find it in the City's best interest to waive the formal bid procedure pursuant to Section 4.52.080(k) of the Municipal Code; and
- B. Authorize the Police Information Technology Manager to execute a three-year service agreement with DataProse for the printing, stuffing, and mailing of parking notice letters at a cost not to exceed \$30,000 annually (including postage).

**DISCUSSION:**

As required by the California Vehicle Code, the Police Department generates approximately 53,000 parking notice letters annually. Currently, these notice letters are printed, folded, and stuffed by Santa Barbara Police personnel and mailed weekly to parking citation recipients. The staff time to complete this task is five hours per week, totaling 260 hours annually, or twenty-eight staff days per year based on a nine hour shift. When outsourcing has been used in the past, it was not considered cost-effective due to the high costs for printers processing a small volume.

In December 2006, the Finance Department completed an RFP process and gained Council approval to negotiate an agreement with DataProse for the purpose of printing, folding, stuffing and mailing utility bills and other billings prepared and mailed by the Finance Department.

DataProse is extending pricing to the Police Department based on the City's volume, making outsourcing a cost viable option and saving valuable staff time required to print, fold and stuff 53,000 parking letters annually. Including staff time, it currently costs fifty-nine cents to print, fold, stuff and mail a parking notice letter. Outsourcing to DataProse will cost forty-seven cents per piece, for an annual savings exceeding \$6,000.

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REVIEWED BY: \_\_\_\_\_ Finance \_\_\_\_\_ Attorney

Agenda Item No. \_\_\_\_\_

DataProse charges will be based on the number of pieces processed so the actual projected cost of these services cannot be precisely determined at this time. The estimated annual cost of these services, including \$18,073 in postage, is \$25,493.

**BUDGET/FINANCIAL INFORMATION:**

After evaluating the projected cost of the services and comparing this amount to the existing appropriations for parking notice letter services, we have determined that the services provided by DataProse can be funded from current appropriations.

**PREPARED BY:** Christine Nail, Police Information Technology Manager

**SUBMITTED BY:** Ed Szeyller, Captain

**APPROVED BY:** City Administrator's Office

This Production Agreement (Agreement) is made and entered into as of the **1<sup>st</sup> day of November, 2007 (Effective Date)**, by and between **DataProse, Inc.**, a California Corporation (DataProse), and the **City of Santa Barbara Police Department**, a municipal corporation organized under the laws of California (Client).

In consideration of the mutual promises and benefits contained herein, the parties hereby agree as follows:

**SCOPE OF PRODUCTION AGREEMENT.** At Client's direction, DataProse agrees to provide the Client services defined in Schedule 1.0 based on the rates and terms provided in Schedule 1.0. Client shall request the production of, and agrees to furnish data and documentation for, a minimum monthly quantity of 4,000 statements ("Minimum Commitment"). In the event that the Client does not fulfill the Minimum Commitment, then Client shall pay to DataProse the fee for the services requested or the Minimum Processing Fee, whichever is greater.

**ARTICLE 1 COMPENSATION.** In full and complete compensation for all goods and/or services provided by DataProse hereunder, Client agrees to pay DataProse according to the rates set forth in Schedule 1.0. DataProse will provide an invoice to Client monthly consisting of the fees for the services performed, as outlined in Schedule 1.0, and postage used. Invoices are due upon receipt and will be considered past due if not paid within 30 days. A monthly late charge will be assessed on statements not paid within thirty (30) days. The late payment charge will be 1-1/2% per month applied to the invoice amount unpaid (30) thirty days after billing to Client. Pricing shown in schedule 1.0. is based on a maximum of two downloads per week otherwise a \$150.00 minimum daily download charge will apply or the rate per piece, whichever is greatest.

**ARTICLE 2 TERM.** The initial term of this Agreement shall commence as of the Effective Date, and shall continue for a period of three (3) years, ending at 11:59 p.m. on September 30, 2010, unless terminated earlier in accordance with provisions found elsewhere in this Agreement. Client shall have the option to extend this agreement for two (2) additional one-year terms commencing on October 1, 2010 and October 1, 2011. At least 120 days prior to the expiration of the third year of the initial term, DataProse shall provide Client with a pricing schedule for the next two years. Client shall give DataProse written notice of Client's election to exercise each option term no less than ninety (90) days prior to the expiration of then current term. If Client fails to give timely written notice, Client's right to exercise the option shall expire.

**ARTICLE 3 POSTAGE.** Client must maintain a permanent postage deposit in connection with this agreement. Client shall deposit in advance with DataProse the initial sum specified on Schedule 2.0 as the permanent postage deposit. The amount required to be maintained on deposit with DataProse may be changed by DataProse on a periodic basis due to changes in Client's volume, postage usage, postal rates or payment history. Client will be notified in writing at least 30 days in advance if the deposit amount is changed. Upon termination of this Agreement, DataProse shall return the deposit amount to Client after payment for all Services and postage has been paid by the Client. If this Agreement is terminated due to default of Client, DataProse may apply any of Client's funds it holds against any sum owed by Client to DataProse upon termination of this Agreement. **IF CLIENT FAILS TO MAINTAIN THE DEPOSIT AT THE REQUIRED LEVELS, OR IF CLIENT FAILS TO MAINTAIN CURRENT STATUS OF ALL INVOICES AS DESCRIBED IN SCHEDULE 2, DATAPROSE MAY IMMEDIATELY SUSPEND ITS PERFORMANCE UNDER THIS AGREEMENT AND WILL HOLD CUSTOMER'S MAIL UNTIL THE DEPOSIT IS RECEIVED.**

**ARTICLE 4 EXPENSES.** When Client has approved the amount of such costs and expenses in advance and in writing, Client will reimburse DataProse for costs and expenses associated with the

performance of services for Client, such as cost of travel, expenses associated with travel, freight, delivery service and other required supplies in connection with providing the DataProse services associated with this Agreement.

**ARTICLE 5 TERMINATION.** Client or DataProse may terminate this Agreement for an event of default committed by the other party and defined below if such default remains uncured (30) thirty days after written notice of the default has been received from the party declaring the default.

- (1) Failure of Client to pay for all goods and/or services as provided in this Agreement. In addition to other remedies provided by this Agreement and pursuant to law, DataProse has the right to withhold production and mailing of any further production cycles until Client's account is brought current.
- (2) Any other breach by Client or DataProse of a term or condition of this Agreement.
- (3) Non-Appropriation of funds by City Council.

Any time after the first twelve (12) months following the initial production run, either DataProse or Client may terminate this Agreement, with or without cause, by giving ninety (90) days written notice to the other party.

**ARTICLE 6 FORCE MAJEURE.** Neither party shall be responsible for delays or failures in performance resulting from acts or occurrences beyond the reasonable control of such party, including, without limitation: fire, explosion, power failure, flood, earthquake or other act of God; war, revolution, civil commotion, terrorism, or acts of public enemies; any law, order, regulation, ordinance, or requirement of any government or legal body or any representative of any such government or legal body; or labor unrest, including without limitation, strikes, slowdowns, picketing or boycotts. In such event, the party affected shall be excused from such performance (other than any obligation to pay money) on a day-to-day basis to the extent of such interference (and the other party shall likewise be excused from performance of its obligations on a day-to-day basis to the extent such party's obligations relate to the performance so interfered with).

**ARTICLE 7 CONFIDENTIALITY.** DataProse agrees that any and all data, reports and documentation supplied by Client or its affiliates or third parties on Client's behalf, which are confidential shall be, subject only to the disclosure required for the performance of DataProse's obligations hereunder, held in strict confidence and shall not be disclosed or otherwise disseminated by DataProse without the consent of Client.

**ARTICLE 8 INDEMNIFICATION.** Client agrees to indemnify and hold DataProse harmless for any and all claims from any person, firm, or entity whatsoever that may arise in connection with Client's supplying to DataProse the data, reports or other documentation necessary to perform its duties under this Agreement, except that such indemnification shall not extend to any claims that result from action by DataProse, its officers, employees or agents or anyone acting on behalf of DataProse if such action is in violation of one or more terms of this Agreement. DataProse shall, to the extent permitted by law, investigate, defend, indemnify, and hold harmless the Client, its officers, employees, and agents from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges, and expense (including reasonable attorney fees), and causes of action of whatsoever character which the Client may incur, sustain or be subjected to on account of loss or damage to property or loss of use thereof, or for bodily injury to or death of any persons (including but not limited to property, employees, subcontractors, agents and invitees of each party hereto) arising out of or in any way connected with the work to be performed under this agreement except to the extent a claim arises from a professional error or omission committed by DataProse or the established sole or active negligence or willful misconduct of the officers or employees of the Client.

**ARTICLE 9 WARRANTIES.** DataProse shall provide all goods and/or services in a good and first class

workmanlike manner in accordance with the terms specifically set forth in Schedule 3.0. The parties hereto agree that this Agreement is only for the production of goods and/or services.

THIS WARRANTY CONSTITUTES THE ONLY WARRANTY WITH RESPECT TO THE GOODS AND SERVICES TO BE PROVIDED TO CLIENT. THE STATED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR PARTICULAR PURPOSE.

ARTICLE 10 **LIMITATION OF LIABILITY.** The liability of DataProse with respect to any failure to provide the goods and/or services as required under this Agreement shall in each case be limited to the compensation paid to DataProse for the defective goods or services. DATAPROSE IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFIT OR INCOME, even if DataProse has been advised of the possibility of such loss or damage. This provision will not be affected by DataProse's failure to correct any defect or replace any defective work product to Client's satisfaction. Client has accepted this restriction on its right to recover consequential damages as a part of its bargain with DataProse. Client acknowledges what DataProse charges for its goods and services would be higher if DataProse were required to bear responsibility for Client's damages.

ARTICLE 11 **GOVERNING LAW AND JURISDICTION.** This Agreement shall be governed and interpreted in accordance with the laws of the state of California, without giving effect to the principles of choice of laws of such state. The parties each consent to the jurisdiction and venue of the Superior Court of Ventura County, Ventura, California, as to any matters initiated in state court, and to the courts of the Central District of California for any matters initiated in federal court.

ARTICLE 12 **SEVERABILITY.** If a court or an arbitrator of competent jurisdiction holds any provision of this agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

ARTICLE 13 **WAIVER; MODIFICATION OF AGREEMENT.** No waiver, amendment or modification of any of the terms of this Agreement shall be valid unless in writing and signed by authorized representatives of both parties hereto. Failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of such rights, nor shall a waiver by either party in one or more instances be construed as constituting a continuing waiver or as a waiver in other instances.

ARTICLE 14 **NOTICE.** All notices must be in writing and if not personally delivered, be sent by facsimile, first class mail, nationally recognized overnight delivery service or by electronic mail. Mailed notices will be effective on the third day after mailing. Notice by personal delivery or delivery service will be effective when delivered. When sent by facsimile or electronic mail, notice will be effective on the day the transmission is received by the recipient provided that (a) a duplicate copy of the notice is promptly given by overnight delivery, or (b) the receiving party delivers a written confirmation of receipt. Either party may change the address to which notices are to be sent by giving notice of such a change to the other party. Addresses for purpose of giving notice are as follows:

If to DataProse:  
DataProse, Inc.  
1451 North Rice Avenue, Suite A  
Oxnard, CA 93030  
Attention: Chief Executive Officer

If to Client:  
City of Santa Barbara Police Department  
215 East Figueroa Street  
Santa Barbara, CA 93101  
Ms. Karen Flores

Email: gcarter@dataprose.com

ARTICLE 15 **ENTIRE AGREEMENT.** This Agreement and its exhibits constitute the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the production of goods and services for Client by DataProse, and supersedes all prior and contemporaneous understandings or agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement.

ARTICLE 16 **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto. The parties hereto execute this Agreement through their duly authorized officers, as of the day and year first written above.

ARTICLE 17 **NONDISCRIMINATION.** Section 9.126.020 of the Santa Barbara Municipal Code, prohibiting unlawful discrimination in employment practices is attached in Schedule 5.0 and incorporated herein by reference. DataProse shall fulfill all obligations of this agreement in accordance with the provisions of such section.

ARTICLE 18 **MANDATORY MINIMUM WAGE.** DataProse shall comply with the provisions of Chapter 9.128 of the Santa Barbara Municipal Code establishing a mandatory minimum wage for service contracts with the City of Santa Barbara. Notwithstanding any other provision of this Agreement, failure to comply with the provisions of Chapter 9.128 shall constitute a basis for the immediate termination of this Agreement at the sole discretion of the City.

ARTICLE 19 **BUSINESS TAX CERTIFICATE.** DataProse shall obtain necessary City business tax certificate prior to the execution of this Agreement at DataProse's expense, and shall maintain such certificate through the term of this Agreement.

ARTICLE 20 **RIGHT TO PERFORM SIMILAR SERVICES.** Without altering the obligation to request production of a minimum monthly quantity of 4,000 statements under the "Minimum Commitment" of the Scope of Production Agreement, nothing in this Agreement shall restrict the Client from providing the same or similar services through Client employees, other contractors, other resources, or by arrangements with other agencies.

ARTICLE 21 **INSURANCE REQUIREMENTS.** As part of the consideration for this agreement, DataProse agrees to purchase and maintain at its sole cost and expense during the entire term of this agreement insurance coverage as specified below, with an insurer or insurers satisfactory to the Client:

a. Combined single limits of not less than one million (\$1,000,000) dollars of Comprehensive General Liability Insurance, including Bodily Injury and Property damage coverage and one million (\$1,000,000) dollars of Comprehensive Automobile Liability Insurance, including Bodily Injury and Property Damage coverage. This insurance shall include:

i. Extension of coverage to the Client, its officers, agents, and employees, as insured, with respect to DataProse's liabilities hereunder in insurance coverage identified above.

ii. A provision that coverage will not be canceled or subject to reduction until at least thirty (30) days prior written notice has been given to the Client (project manager), addressed to: Accounting Manager, P.O. Box 1990, Santa Barbara, California 93102-1990;

iii. A provision that the DataProse's insurance shall apply as primary, and not excess of, or

contributing with, the Client;

iv. Contractual liability coverage sufficiently broad so as to include the liability assumed by the DataProse in the indemnity and hold harmless provisions of this agreement to the extent of the required policy limits;

v. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each;

vi. A broad form property damage endorsement; and,

vii. A provision that the policies be provided on an "occurrence" basis.

b. Statutory Works' Compensation and Employer's Liability Insurance: In accordance with the provisions of the California Labor Code, the DataProse is required to be insured against liability for Workers' Compensation or to undertake self-insurance. The policy shall provide that no cancellation, major change in coverage or expiration shall be effective or occur until at least thirty (30) days after receipt of such notice by the Client.

c. Professional Liability "errors and omissions" insurance with limits of liability of not less than one million (\$1,000,000) dollars per occurrence to cover all negligent acts, errors and omissions committed by DataProse or any subcontractor in the course of any professional services rendered by DataProse or any subcontractor pursuant to this agreement, if applicable.

d. Approval of insurance by the Client or acceptance of the certificate of insurance by the Client shall not relieve or decrease the extent to which the DataProse may be held responsible for payment of damages resulting from DataProse's services or operation pursuant to the Agreement, nor shall it be deemed a waiver of the Client's rights to insurance coverage hereunder.

e. A Certificate of Insurance, supplied by the Client, evidencing the above coverage, shall be completed by DataProse's insurer or its agent and submitted to the Client prior to execution of this agreement by the Client.

DataProse shall exercise due diligence to require any and all sub-consultants and/or sub-contractors and all tiers of such sub-contractors to provide General and Automobile Liability, Workers' Compensation and Professional Liability Insurance as set forth above.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date and year first written above.

**CITY OF SANTA BARBARA**

Police Department  
A Municipal Corporation

**DataProse, Inc.**

\_\_\_\_\_  
Karen Flores Date

\_\_\_\_\_  
Signature Date

ATTEST:

Type or Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Cynthia M. Rodriguez, CMC  
City Clerk Services Manager

APPROVED AS TO FORM:  
Stephen P. Wiley  
City Attorney

By \_\_\_\_\_  
N. Scott Vincent,  
Assistant City Attorney

Business Tax Compliance:  
Certificate No. \_\_\_\_\_

By \_\_\_\_\_

Approved as to Insurance:

\_\_\_\_\_  
Brad Landreth  
Risk Manager



**Schedule 1.0 – Fees for Goods & Services- 1<sup>st</sup> 12 months of contract from live date.**

**Basic Services:**

<b>Paper Bill</b> (Includes: data processing, 2-color, laser imaging, 8.5x11 white paper, perforated at 3.5" from bottom, #10 double window env., folding, inserting, presorting and delivery to USPS)	\$0.12 \$0.13	Per Simplex Bill Per Duplex Bill
Postage (1 oz.)- Deposit (Actual postage will apply)	\$0.341	Per Bill
Bill Suppression (data processing only – Group Y & Z)	\$0.05	Per Bill

**Other possible services:**

<b>Search &amp; ViewBill</b> (Includes: data processing, PDF creation, search & access capabilities & hosting of PDF files for 3 months from creation date). The City will have a free two month trial period to evaluate this service.	\$0.01	Per Bill
Additional Search & ViewBill Storage beyond 3 months (As requested by client)	\$0.005	Per Bill
Oversized PDF Surcharge (Group E only)	\$0.0015	Per impression
NCOA Address Correction Service	\$0.50	Per Reported Change
ViewBill Transmission (Includes: ftp transmission to client site OR files copied to CDROM)	\$150.00	Per Transmission/C DROM
Additional Disks (If more than one CDROM disk is required for ViewBill Transmission (Described above))	\$10.00	Per Additional CDROM
<b>Other</b>		
Additional Impressions	\$0.035	Per Impression
Oversized Surcharge (8-99 page bills – Group C)	\$0.20	Per Bill
Oversized Surcharge (100+ page bills – Group D & E)	\$4.00	Per Bill
Additional Inserts- supplied inserts	\$0.01	Per Insert
Insert- 8.5"x11" simplex printed, folded and inserted by DP	\$0.07	Per Insert
Hand Folding	\$0.01	Per Piece
Technical Services (including additional set-up beyond standard, formatting or custom reports, conditional logic & insert/forms composition).	\$125.00	Per Hour
Freight, Courier & Air Delivery	Cost	Per Request
Minimum Monthly Charge	\$500.00	Per Month

**Schedule 1.0 – Fees for Goods & Services- 2<sup>nd</sup>- 12 months of contract from live date.**

**Basic Services:**

<b>Paper Bill</b> (Includes: data processing, 2-color, laser imaging, 8.5x11 white paper, perforated at 3.5" from bottom, #10 double window env., folding, inserting, presorting and delivery to USPS)	\$0.125	Per Simplex Bill
	\$0.135	Per Duplex Bill
Bill Suppression (data processing only – Group Y & Z)	\$0.05	Per Bill
Postage (1 oz.)- Unless rates increase by USPS (Actual Postage will apply)	\$0.341	Per Bill

**Other Possible Services:**

<b>Search &amp; ViewBill</b> (Includes: data processing, PDF creation, search & access capabilities & hosting of PDF files for 3 months from creation date)	\$0.011	Per Bill
Additional Search & ViewBill Storage beyond 3 months (As requested by client)	\$0.005	Per Bill
Oversized PDF Surcharge (Group E only)	\$0.0015	Per impression
<b>NCOALink</b> – Automated address update service	\$0.50	Per Address Correction
ViewBill Transmission (Includes: ftp transmission to client site OR files copied to CDROM)	\$150.00	Per Transmission/C DROM
Additional Disks (If more than one CDROM disk is required for ViewBill Transmission (Described above))	\$10.00	Per Additional CDROM
<b>Other</b>		
Additional Impressions	\$0.037	Per Impression
Oversized Surcharge (8-99 page bills – Group C)	\$0.20	Per Bill
Oversized Surcharge (100+ page bills – Group D & E)	\$4.00	Per Bill
Additional Inserts- supplied inserts	\$0.011	Per Insert
Insert- 8.5"x11" simplex printed, folded and inserted by DP	\$0.075	Per Insert
Hand Folding	\$0.01	Per Piece
Technical Services (including additional set-up beyond standard, formatting or custom reports, conditional logic & insert/forms composition)	\$125.00	Per Hour
Freight, Courier & Air Delivery	Cost	Per Request
Minimum Monthly Charge	\$500.00	Per Month

**Schedule 1.0 – Fees for Goods & Services- 3<sup>rd</sup>- 12 months of contract from live date.**

**Basic Services:**

<b>Paper Bill</b> (Includes: data processing, 2-color, laser imaging, 8.5x11 white paper, perforated at 3.5" from bottom, #10 double window env, folding, inserting, presorting and delivery to USPS)	\$0.13	Per Simplex Bill
	\$0.14	Per Duplex Bill
Bill Suppression (data processing only – Group Y & Z)	\$0.05	Per Bill
Postage (1 oz.)- Unless rates increase by USPS (Actual postage will apply)	\$0.341	Per Bill
<b>Other Possible Services:</b>		
<b>Search &amp; ViewBill</b> (Includes: data processing, PDF creation, search & access capabilities & hosting of PDF files for 3 months from creation date)	\$0.012	Per Bill
Additional Search & ViewBill Storage beyond 3 months (As requested by client)	\$0.005	Per Bill
Oversized PDF Surcharge (Group E only)	\$0.0015	Per impression
<b>NCOALink</b> – Automated address update service	\$0.50	Per Address Correction
ViewBill Transmission (Includes: ftp transmission to client site OR files copied to CDROM)	\$150.00	Per Transmission/CD ROM
Additional Disks (If more than one CDROM disk is required for ViewBill Transmission (Described above))	\$10.00	Per Additional CDROM
<b>Other</b>		
Additional Impressions	\$0.04	Per Impression
Oversized Surcharge (8-99 page bills – Group C)	\$0.20	Per Bill
Oversized Surcharge (100+ page bills – Group D & E)	\$4.00	Per Bill
Additional Inserts- supplied inserts	\$0.012	Per Insert
Insert- 8.5"x11" simplex printed, folded and inserted by DP	\$0.08	Per Insert
Hand Folding	\$0.01	Per Piece
Technical Services (including additional set-up beyond standard, formatting or custom reports, conditional logic & insert/forms composition)	\$125.00	Per Hour
Freight, Courier & Air Delivery	Cost	Per Request
Minimum Monthly Charge	\$500.00	Per Month

**Schedule 2.0 – Permanent Postage Deposit**

Permanent Postage Deposit (Based on two (2) months estimated volume 5,865/month)	\$4,000.00	(2 mos. Volume * .341)
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**Schedule 3.0 – Performance Guarantee**

DataProse will deliver clients bills within an average of one (1) Business Day after the applicable Determination Date (as Defined herein). Such average time period will be determined by measuring the number of elapsed Business Days between each respective determination date and the date that a majority amount of the Client’s bills were mailed for consecutive three (3) month period. The “Determination Date” is the date which data is received via electronic transmission (FTP or email) if prior to 10:00 AM, Pacific Time. If data is received after 10:00 AM, Pacific Time, or not on the date of the agreed upon production schedule, the Determination Date is the Business Day immediately following the date data is received. As to any production run, however, the Performance Guaranty will not apply if Client has not provided all Client data and documentation necessary to permit DataProse to produce the bills in a timely manner, or if Client fails to approve or report required changes in DataProse work product in a timely manner.

In the event where DataProse is found to be at fault for an error in its services, both parties will discuss the appropriate corrective action that may be required and mutually agreed upon which party that will be responsible for taking the corrective action and the costs of the corrective action.

**Schedule 4.0 – Glossary of Terms**

Impression	Laser Imaging of one side of one piece of paper. Each physical piece of paper can contain two (2) impressions.
USPS	United States Postal Service
Laser Imaging	The process where the application of dry toner (ink) is electro statically applied and bonded to a piece of paper.
Simplex	Laser Imaging of one (1) side of a piece of paper only.
Duplex	Laser Imaging of both (2) sides of a piece of paper.
OE	Outer Envelope – This envelope is used as the carrier mechanism for all information contained in a package to be mailed.
RE	Reply Envelope – This envelope is usually utilized by a customer to return information/payment requested by on organization.
Presorting	The act of organizing mail according to the rules and regulations defined by the USPS in order to achieve lower postage rates and increase deliverability of mail.
Business Day	Any day in which the USPS as well as the U.S. Federal Reserve are open for business.
U.S. federal holiday	All Holidays as defined by the U.S. Federal Reserve.
24x7	24 hours a day, 7 days a week.
Additional Inserts	Any item requested to be placed into the mail container above and beyond

	(a) the bill and (b) the RE .
Container	One complete piece of mail packaged into one OE.
Electronic Transmission	The act of sending data via DataProse online utility, FTP or Modem
Bill	Data and other information pertaining to one (1) account number and usually in reference to one customer
Group	The term used by DataProse to define how bills are gathered & produced in order to maximize production capabilities. These groups are defined as follows: Group A – 1 ounce bills Group B – 2 ounce bills Group C – 8-99 page bills Group D – 100-499 page bills Group E – 500+ page bills Group I – International bills Group P – Pull bills (Pulled and returned to PM for further action) Group X – Hold bills (combined and sent back to client) Group Y – Online only bills (Suppress from print only) Group Z – Suppress all
Suppress or Suppression	The act of excluding records or bills (based on client defined criteria) that have been received in the input data stream received from the client

Schedule 5.0 - Nondiscrimination Certificate (Santa Barbara Municipal Code Section 9.126.020)

A. Certificate Generally.

Consistent with a policy of non-discrimination in employment on contracts of the City of Santa Barbara and in furtherance of the provisions of Sections 1735 and 1777.6 of the California Labor Code, a "Contractor's Obligation for Non-discriminatory Employment Certificate" as hereinafter set forth shall be attached and incorporated by reference as an indispensable and integral term of all bid specifications and contracts of the City for purchases, services, and the construction, repair, or improvement of public works.

B. Contents of Certificate.

In performing the work of this contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, ancestry, sexual orientation, political affiliation or beliefs, sex, age, physical handicap, medical condition, marital status or pregnancy (as those terms are defined by the California Fair Employment and Housing Act -- Government Code Section 12900-12996), except where such discrimination is based on a bona fide occupational qualification. The Contractor will take positive action or ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, national origin, ancestry, sexual orientation, political affiliation or beliefs, sex, age, physical handicap, medical condition, marital status or pregnancy (as those terms are defined by the California Fair Employment and Housing Act -- Government Code Section 12900-12996), except where such discrimination is based on a bona fide occupational qualification. Such action shall include but not be limited to the following: employment, upgrading, demotion, or transfer;

recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this non-discrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, ancestry, sexual orientation, political affiliation or beliefs, sex, age, physical handicap, medical condition, marital status or pregnancy (as those terms are defined by the California Fair Employment and Housing Act -- Government Code Section 12900-12996), except where such discrimination is based on a bona fide occupational qualification.

(3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the City advising the said labor union or worker's representative of the Contractor's commitments under this provision, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will permit access to his records of employment, employment advertisements, application forms, and other pertinent data and records by the City, the Fair Employment Practices Commission, or any other appropriate agency of the State designated by the City for the purposes of investigation to ascertain compliance with the Contractor's obligation for non-discriminatory employment provisions of this contract, or Fair Employment Practices statute.

(5) A finding of willful violation of the non-discriminatory employment practices article of this contract or of the Fair Employment Practices Act shall be regarded by the City as a basis for determining that as to future contracts for which the Contractor may submit bids, the Contractor is a "disqualified bidder" for being "non-responsible".

The City shall deem a finding of willful violation of the Fair Employment Practices Act to have occurred upon receipt of written notice from the Fair Employment Practices Commission that it has investigated and determined that the Contractor has violated the Fair Employment Practices Act and has issued an order under Labor Code Section 1426 or obtained an injunction under Labor Code Section 1429.

Upon receipt of any such written notice, the City shall notify the Contractor that unless he demonstrates to the satisfaction of the City within a stated period that the violation has been corrected, he shall be declared a "disqualified bidder" until such time as the Contractor can demonstrate that he has implemented remedial measures, satisfactory to the City, to eliminate the discriminatory employment practices which constituted the violation found by the Fair Employment Practices Commission.

(6) Upon receipt from any person of a complaint of alleged discrimination under any City contract, the City Administrator shall ascertain whether probable cause for such complaint exists. If probable cause for the complaint is found, the Administrator shall request the City Council to hold a public hearing to determine the existence of a discriminatory practice in violation of this contract.

In addition to any other remedy or action provided by law or the terms of this contract, the Contractor agrees, that should the City Council determine after a public hearing duly noticed to the Contractor that the Contractor has not complied with the non-discriminatory employment practices provisions of this contract or has willfully violated such provisions, the City may, without liability of any kind, terminate, cancel or suspend this contract, in whole or in part. In addition, upon such determination the Contractor shall, as a penalty to the City, forfeit a penalty of \$25.00 for each calendar day, or portion thereof, for each person who was denied employment as a result of such non-compliance. Such moneys shall be recovered from the Contractor. The City may deduct any such penalties from any moneys due the Contractor from the City.

(7) The Contractor certifies to the City that he has met or will meet the following standards for positive compliance, which shall be evaluated in each case by the City:

(a) The Contractor shall notify all supervisors, foremen and other personnel officers in writing of the content of the non-discrimination provision and their responsibilities under it.

(b) The Contractor shall notify all sources of employee referrals, (including unions, employment agencies, advertisements, Department of Employment) of the content of the non-discrimination provision.

(c) The Contractor shall file a basic compliance report as required by the City. Willful false statements made in such reports shall be punishable as provided by law. The compliance report shall also specify the sources of the work force and who has the responsibility for determining whom to hire, or whether or not to hire.

(d) The Contractor shall notify the City of opposition to the non-discrimination provision by individuals, firms or organizations during the period of this contract.

(8) Nothing contained in this Contractor's Obligation for Non-discriminatory Employment Certificate shall be construed in any manner to prevent the City from pursuing any other remedies that may be available at law.

(9) (a) In the performance of the work under this contract, the Contractor will include the provisions of the foregoing paragraphs (1) through (8) in all subcontracts and in any supply contract to be performed within the State of California, so that such provisions will be equally binding upon each subcontractor and each supplier.

(b) The Contractor will take such action with respect to any subcontract or purchase order as the City may direct as a means of enforcing such provisions including sanctions for non-compliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction by the City, the Contractor may request the City to enter into such litigation to protect the interests of the City.