



Statement Print and Mail Services Statement of Work

for



The Town of Pittsboro, NC

Monthly Water Bill/Statement Printing and Mailing Services

This is a *Statement of Work ("SOW") and Independent Services Contract* for services supplied by **Professional Mail Services, Inc.** (hereafter "PMSI" or "Contractor") located at 3500 Tricenter Blvd. Suite D Durham, NC 27713 to the **Town of Pittsboro**, (hereafter, "**Pittsboro**") located at 635 East Street Pittsboro, NC 27312. The scope of the contracted services is the design, creation, printing, and mailing of monthly utility bill statements and possibly related inserts. Volume is approximately 1,700 water bills and 300 late notices per month. There is currently one (1) billing cycle at the beginning of the month. Late notes follow during the third week of the same month.

PMSI and Pittsboro agree that PMSI will exclusively provide processing, printing, mailing materials and related mail services required, including data processing, digital printing, folding, address hygiene, inserting, sorting, metering, and all other related mail preparation as well as delivery to the United State Postal Service. **This SOW agreement extends the same prevailing pricing to Pittsboro as it has to Chatham County Public Works Department for the duration of this SOW.**

Specific Pittsboro and PMSI responsibilities are as follows:

1. PMSI will provide an SFTP server site for Pittsboro to transfer data files to PMSI. PMSI has a dedicated 20MB Fiber connection to the internet with multiple on-site FTP servers capable of receiving files in either encrypted or decrypted mode, in compressed or uncompressed format. There is no additional fee for file transfers or related support.
2. PMSI will process and convert any file type (XML, CSV, comma de-limited etc.) as provided by Pittsboro (as exported from *Harris*) to produce a two-sided ("duplex") statement, with black print and highlight color (blue or green or red) as selected by Pittsboro.). The final bill format will be selected and approved by Pittsboro. See *Exhibit A* in this SOW for examples only.



Statement of Work (Continued)

3. There will be no initial programming fee unless the initial of programming and design time exceeds ten (10) hours. (Avg. is 4-5 hours.) Major bill template changes *after* the program implementation (final customer approval of the bill format and programming any associated business rules for the data) will be invoiced at the hourly rate stated in tis SOW pricing section. (Minor text changes are made at no additional charge.)
4. Pittsboro will provide PMSI with preliminary test data files and if requested by PMSI, data maps (i.e., how the values in the data-file are "mapped" into their specified fields on the bill), body copy, images, and rules to accurately design and compose the bills/statements. Historical water consumption charts can be provided on the bills as long as the Pittsboro software billing vendor provides the usage history in the exported data file.
5. Pittsboro has sole responsibility for the integrity, accuracy, and consistency of the data-file provided to PMSI. PMSI will not be responsible for any extraordinary or special calculations, data parsing, interpretation, extrapolation, data conversions, or "corrections" to the data-file received from the Pittsboro billing software company ("Harris"). Pittsboro may request PMSI perform such calculations or interpretations needed to rectify data issues or implement data elements (e.g., calculate late charges) using the Pittsboro-supplied data-file. In such cases, extra programming fees will likely apply. These potential fees will be estimated for Pittsboro in advance by PMSI.
6. **Bill/Statements and other related documents:** All 8.5" X 11" bills/statements will be digitally printed in black ink with highlight color (eg. blue) using 24# bond paper. Micro-perforations will be included for the bottom (or top) remittance tear-off form.
7. **Outgoing Envelopes (#10).** PMSI will collate, fold, and insert statements into #10 outgoing envelopes. PMSI's will use a standard, double-window envelope with no special or custom printing.
8. **Business Reply Envelopes (#9 BRE).** PMSI can include a single window reply envelope with no custom printing. BREs are optional.
9. As a USPS licensee, PMSI will provide **NCOA^{Link}** (National Change of Address; Move Update) services in-house with no third-party involvement. This step significantly minimizes or eliminates invalid addresses and is required to qualify for pre-sort USPS discount rates. There is no separate fee for NCOA processing. PMSI will sort outgoing documents *via* CASS & PAVE certification either before laser printing or through per-piece optical character reading equipment to qualify for First Class Presort postage rates.



Statement of Work (Continued)

10. PMSI will provide "house-holding", i.e., consolidation of multiple, single page bills into one envelope based upon Pittsboro criteria, which may include but is not limited to matching by account number, billing name, and/or billing address. There is no extra charge for this grouping and consolidation.
11. If a given mailing is less than the USPS 500 piece minimum volume necessary to qualify as a standalone Presorted First Class mailing, the batch will be commingled with other client mail pieces in order to qualify for the lowest postage rates.
12. Pittsboro is responsible for providing advanced payment deposit for USPS postage costs prior to *all mailings*. This advance payment is calculated based on the estimated volume of mail pieces extended by \$0.378 (assuming 21 Jan. 2018 *USPS prices*. $2,000 \times \$0.378 = \approx \756 . PMSI first meters all postage at the 5-digit presort rate. Next PMSI successfully qualifies a portion or all of the mail at the 5-digit presort rate (\$0.378, as of 21 Jan. 2018 or prevailing rate). Further savings or additional postage will then be applied to Pittsboro's postage escrow expense account. PMSI fully conforms to USPS IMb full service standards to enable PMSI to attain the lowest postage rates possible. PMSI will provide Pittsboro with a "Proforma" invoice for the first postage pre-payment. After this time, it is Pittsboro's responsibility to track and maintain an adequately funded USPS postage escrow account. PMSI provides the weekly or monthly statements to support this monitoring.
13. PMSI will pass presort postage savings to Pittsboro and provide the related invoices and tracking which reflect Pittsboro postage charges and volumes.
14. If requested, PMSI can enclose additional inserts as specified by Pittsboro with a service charge per insert as quoted in this proposal's compensation section. PMSI-supplied printing of special inserts will incur additional charges depending on finished size, color/plain paper stock, and volume. This will be quoted by PMSI as needed. See Price Section for example insert pricing.
15. Up to six (6) different statement pages can be inserted per #10 outgoing envelope. If the number of statement pages is greater than six (6), plus the business reply envelope (total maximum pieces per #10: 7), then 9" X 12" envelopes ("flats") will be used.
16. PMSI will inventory and manage sufficient volume of all PMSI-supplied items to insure uninterrupted processing of all work received.



Statement of Work (Continued)

17. Pittsboro will provide reasonable lead times and provide PMSI with expected volumes and target mailing dates of any miscellaneous or supplementary/reduced volume mailings.
18. PMSI will insert all statements into the USPS mail-stream no more than 48 hours after PMSI's receipt of final data-files and Pittsboro's **final approval** of the PDF proof format. (This service time excludes weekends and holidays.)
19. **The cut-off time to start the PMSI turn-around time commitment is 9 AM Eastern Time.** For example, PMSI receives the file and Pittsboro approves PDF proofs by 9 AM Eastern time on Business Day 1. On or before Business Day 3, bills will be delivered to USPS. Files received and approved after 9 AM may not qualify for this TAT. However, if there is any internal issue due to sole PMSI responsibility causing a delay, PMSI will make every effort to meet the stated turn-around time.



Statement of Work (Continued)

Implementation Milestones Table for Key Tasks. The table below lists the major steps on the critical path for the first printing and mailing. The "Business Day" column reflects the days in sequence. "Business Days" here means work-days. This excludes weekends, holidays and/or declared weather emergency days.

- If any of these target times are missed, it is very possible that the first mailing date will be missed. (Specific calendar dates and times will be reviewed agreed after this SOW is mutually executed.)
- In addition, for the first billing cycle, it is mutually agreed that at least two (2) business-days should be allowed between the receipt of the actual *live* billing data-file and Pittsboro final approval and PMSI's printing and mailing target date. *This time allowance is to anticipate any last-minute issues with data and/or bill format correction.*

Step	Business Day	Task	Responsibility/ Notes
1	0	Statement of Work is mutually agreed and signed.	SOW sent to PITTSBORO
2	5	Preferred mock-up of bill presented to PMSI	PITTSBORO sends to PMSI
3	5	Test Export data-file sent to PMSI (via FTP)	PITTSBORO Day 5 or earlier
4	13	First drafts of PITTSBORO preferred bill template sent to PITTSBORO to review	PMSI
5	13	PMSI send USPS NCOA forms to Pittsboro.	PMSI
6	13-14	Conference call to review format, data, and "rules"	PMSI and PITTSBORO
7	15	NCOA USPS-required forms are completed by PITTSBORO and sent to PMSI	PITTSBORO
8	17	Any final artwork for any (optional) inserts sent by PITTSBORO; bill proofs are approved by PITTSBORO	PITTSBORO and PMSI
9	Day 18	Live/actual billing file sent to PMSI by day's end (5 PM; preferably earlier)	PITTSBORO
10	Day 19	PITTSBORO reviews and approves the bill proofs PDFs by 9 AM.	PITTSBORO
11	Day 20	PITTSBORO bills printed and mailed	PMSI



PRICING

OTHER TERMS and OBLIGATIONS

» PMSI »

Print & Mail Communications

Statement of Work (Continued)

Detailed Cost Quotation (Tax Excluded)
 8 1/2" x 11" Statements into Envelopes (Tax Exclude)

Materials, Printing and Mailing Services		
Duplex (two-sided) printing – 8.5" x 11"; #10 and #9 envelope. (No custom printing on envelope)	\$.1000 per finished piece	This price includes 8.5" x 11" plain or single perforated paper, highlight color printing, computer processing, file transfers, NCOA, CASS all address hygiene ; #10 2 window standard outgoing envelope; #9 standard single window business reply envelope and mailing services. No special or custom printing on any envelopes.
Duplex (two-sided) printing – 8.5" x 11"; #10, 2-window standard envelope (no custom printing on envelope); Exclude #9 business reply envelope	\$.074	Same as above; no #9 business reply envelope is included.
Multiple pages – if a bill has more than one (1) page this is the price of each page beyond page 1	\$.01 added to each per page price (above \$.10) after first page 1	\$.01 for each extra page >1 st page; Example: for a 2 sheet bill (2-physical pages) : \$.10 +\$.11= \$.21. Three physical page bill = \$.10+.11+\$.11=\$0.32, and so on.
Generic Insert Fees	\$.0030 per additional insert per envelope	This fee applies to additional inserts beyond the bill page(s) and the reply envelope. This cost is only for the inserting of additional inserts and does not including printing and/or folding.
9" X12" Flat	\$.50 per additional insert per envelope	This is a fee per each double-window "Flat Pack" Envelope for Multiple Form Mailing when > 6 sheets and one business reply envelope.
Proview™ (Optional)	\$.010 each bill	High-speed searchable archived PDFs of all monthly bills; transferred to Pittsboro at every bill run for local use vis SFTP. (\$.01 X 2000= \$20 per month). Month-to Month service: @ \$.01 per bill.
Bill "Disapproval" by Customer (Pittsboro)	\$25 per file	Fee for Customer disapproving bill file after 'final approval'. This fee is charged if the error is the Customer's sole responsibility.
Third Party Scan Line testing (remittance processing)	\$50 per test	PMSI will supply 100 mail pieces for testing. If test fails due to PMSI's sole responsibility, this fee is waived.

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Print & Mail Communications

Statement of Work (Continued)

Initial Programming and Changes

Form Setup Fee	No Charge	PMSI will not charge a fee for the initial programming and form design for any form. Once the form is approved, if any changes beyond simple text changes are requested, the appropriate fee below will be charged.
Form Design Changes	\$65.00 per hour – 1 hour minimum	Simple text changes will be completed free of charge. Complex changes involving bill redesign will be charged this fee.
Programming / Coding	\$125.00 per hour – 1 hour minimum	Once the program and sample forms are approved, any major reprogramming that is requested will be charged this fee.

Reporting/ File Tracking/ Low Volume/ Postage Accounting

Electronic Reports / File Transfers	No Charge	This includes FTP transfer to PMSI's server and all PDF email reporting including FTP receipt and volume reports.
File Tracking	No Charge	This is accomplished via the use of ProView, PMSI's on-line job tracking and sample approval suite.
Charge for Low Volume File Counts	No Charge	PMSI does not have a minimum file volume or charge for processing.
Postage Accounting	No Charge	PMSI will setup a postage account that will be separate from PMSI's services. This account will be maintained and a statement will be sent after each mailing at no charge.

Optional Services / Charges

House-holding –Bill Grouping.	No Charge	PMSI will household (group) bills addressed to the same account holder, account number or any other Pittsboro requested data, into 1 mailing envelope with 1 return envelope
NCOA ^{Link} Charges	No Charge	When utilized, this fee is charged on the total number of records processed, not the number of addresses changed.
Scan Line Testing with Bank (if needed)	\$50.00 per test	PMSI will not charge a fee if a test is unsuccessful due to any issues with our programming.
Example: Printing inserts - black print only; white paper stock 60#. Note below. ¹	\$.0291 per piece	Buck slip size only (3.5" X 8.5"); Black print only ; white or color paper; 60# based on 1700-2000 pieces. All inclusive. (print & insert)
Example: Printing inserts – full color (4/0); 8.5" x11" one side printed only. Note below ¹	\$.1715 per sheet	8 ½ x 11 sheet; 60#; based on 1700-2000 pieces. No bleeds. (Print ford and insert).

¹For Customer-requested PMSI *graphic design services* to create finished artwork insert, PMSI fee is \$75 /hour. One (1) hour minimum.



Summary of Pricing with Illustrative Example
Volume estimated – 2,000

► The chart below serves as an example calculating total monthly budgetary costs base on the SOW prices quoted with estimated postage at current 5-digit pre-sort discount. Actual postage may slightly vary.

Volume : 2,000 per month			
<u>SERVICES & MATERIALS</u>	<u>Unit and Cost Extension</u>		
	Unit	per Month	per Year
8.5 x11"; 2-sided Bill #10 & #9 Envelope	\$0.1000	\$200	\$2,400
Estimated Postage, 1st Class Pre-sort	\$0.3800	\$760	\$9,120
TOTAL	<u>\$0.480</u>	<u>\$960</u>	<u>\$11,520</u>



Statement of Work (Continued)
OTHER OBLIGATIONS and SPECIFICATIONS

Term: This Agreement will take effect when duly executed and will remain in effect for *36 months after the first date on which live services are provided by PMSI*. This Agreement will continue thereafter on a year-to-year basis, unless the Party wishing to cancel the contract notifies the other Party in writing of their intent to cancel the contract at least *90 days in advance*.

Subsequent to this first term, Pittsboro and PMSI agree that PMSI prices can be requested at each Contract term renewal and will be mutually agreed upon in writing to continue Agreement renewal. Postal price changes are subject to change as and when imposed by USPS.

TERMINATION:

► **For Convenience:** *This Agreement can be terminated for any reason by either party upon 90-days written notice. However, if this Agreement is terminated for convenience by Pittsboro prior to a one year period after "start date", the termination fee of \$1,000 will be paid to PMSI within thirty (30) days of the termination notice date.*

► **For Cause.** With respect to performance failures or contract breaches, with thirty (30) days prior written notice and specifying the reasons, Pittsboro may terminate this Agreement at its sole discretion including any outstanding Statement of Work(s), in whole or in part. PMSI has the option of using the thirty (30) day notification period to cure the specific problems. Both parties mutually agree to work in good faith to resolve such within the thirty (30) day notification period.

- A. **PMSI Services Payment Terms.** Net thirty (30) days after invoice date.
- B. **Postage Payment Responsibility** - *Pittsboro is responsible for providing PMSI with all postage funding prior to the processing of any mailing materials for any given project.* In the event that the United States Postal Service determines that additional postage deposits are required after or during the entry of any given mailing, Pittsboro will be responsible for providing any additional postage money required. PMSI, at its own discretion, may advance some postage money in order to expedite mail entry. Pittsboro will promptly reimburse PMSI for any postage advances. Any postage estimates provided by PMSI are intended as guidelines only. Only the United States Postal Service can provide exact postage cost figures. All postage costs are based on the rules and regulations of the United States Postal Service with the Postal Service representing the final authority of rule interpretation and postage determination.
- C. **Additional Services.** PMSI and Pittsboro agree that PMSI is obligated to provide only the services outlined in this agreement unless specifically instructed to do so in writing by Pittsboro.. Pittsboro would then also provide PMSI with a request including detailed job descriptions which may call for additional charges.

» PMSI »
Print & Mail Communications

Statement of Work (Continued)
OTHER OBLIGATIONS and SPECIFICATIONS

- D. **Material Responsibility.** PMSI accepts the custodial responsibility for all of the Pittsboro materials and data at the time it is received from Pittsboro or vendors contracted on behalf of Pittsboro, whether delivered to PMSI or picked up by PMSI. It is agreed that the custodial responsibility of PMSI for Pittsboro materials shall be terminated upon the depositing of the materials with the United States Postal Service, a common carrier, a delivery service, any person, any organization, or any company when instructed to do so by Pittsboro.

- E. **Entry of Mail.** PMSI will enter all mailings at the *Raleigh, North Carolina Sectional Center Facility of the United States Postal Service* within 48-hours after Pittsboro's PDF proof approval and final file receipt by PMSI (excludes weekends and holidays), unless other mail entry arrangements are agreed to in writing between PMSI and Pittsboro..

- F. **Paper Costs Escalator.** PMSI is committed to providing products and services at the lowest price possible throughout the term of the contract. However, should the base price of paper increase *more than 10%* at any time within the contract term, PMSI will have the option of notifying Pittsboro in writing 30 days in advance of projected price hike date while producing material proof from the paper mills/supplier of such an increase. PMSI at its option may then increase the price charged to Pittsboro by a reasonable and comparable margin relative to the paper products price increase from the paper supplier.


- G. This Agreement will be governed by the laws of the State of North Carolina, without regard to any provision of North Carolina law that would require or permit the application of the substantive law of any other jurisdiction.

- H. PMSI hereby certifies that PMSI, and all PMSI subcontractors, are not on the Iran Final Divestment List ("List") created by the North Carolina State Treasurer pursuant to N.C.G.S. §147-86.58. Contractor shall not utilize any subcontractor that is identified on the List.

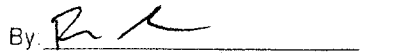
- I. Each party has caused its authorized representative to execute this Agreement as of the Effective Date.

- J. Amendments/changes to this SOW can be made at any time, based on mutual acceptance of the relevant revised specifications.

Professional Mail Services, Inc.
(Contractor)

By: 
Name: E. Paul Hamilton III-----
Title: CEO
Date: 5-25-18

Town of Pittsboro, NC

By: 
Name: BYRAN GWASBECK
Title: TOWN MANAGER
Date: 6/12/18

APPENDIX 1
ProJob™ On Line Job Viewing, Approval and Tracking

PMSI's ProJob™ web-based job tracking system, currently used at no cost by most all PMSI statement print, is the main tool to support Pittsboro's visibility and job approval input to production. What follows is a graphical high-level summary of our processes enabled by ProJob™; and second, a more detail explanation of the process work-flow. **Table A** below the flowchart describes each step (1, 2, 3...) in more detail.

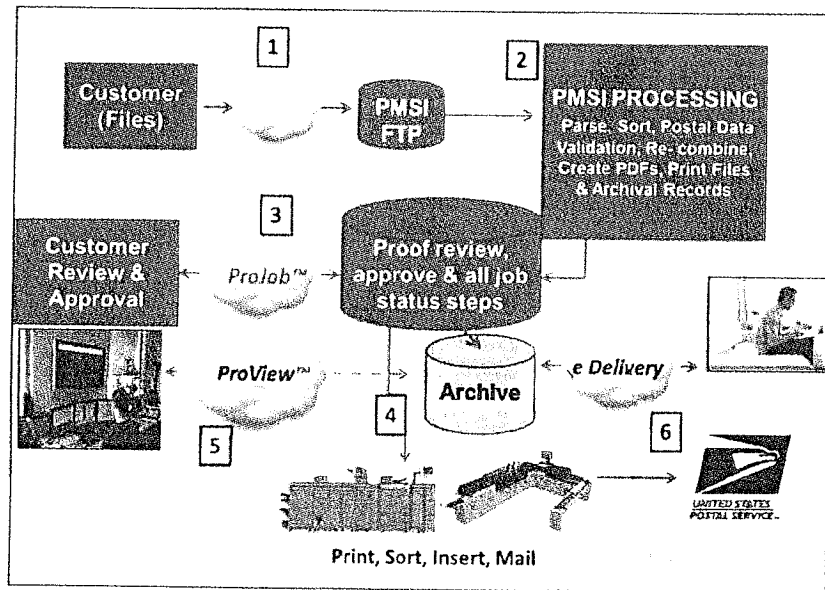


Table A

PROCESS STEP	BRIEF DESCRIPTION
1	Pittsboro sends files to PMSI's site (secure FTP site).
2	File receipt triggers PMSI's processing: parsing, sorting, address verification (eg. NCOA ^{Link}), production files, archive files, PDFs, and alert emails to Pittsboro.
3	Using ProJob™, the Pittsboro remotely reviews every step of the job, volume reports to single item spot check; and approves proofs for final production (printing/eDelivery).
4	Pittsboro-approved jobs (statements, etc) are printed, sorted, (selectively) inserted often with additional communication inserts and mailed within 24 hours of Pittsboro proof approval.
5	ProView™ optionally enables Pittsboro customer relations to view archives and print in-house if needed (offline; online).
6	Statements delivered via USPS

Exhibit 1 Bill Sample Front (Not to scale)

» PMSI »

Print & Mail Communications

CHATHAM COUNTY UTILITIES
 PO BOX 910
 PITTSBORO, NC 27312-0910

www.chathamnc.org

Chatham County Water is under year
 round conservation measures.

CHATHAM COUNTY UTILITIES

*Please see back for
 additional information*

Please be advised the most recent Annual Water
 Quality Report is now available at:
<http://www.chathamnc.org/index.aspx?page=1678>

T13 P1 *****AUTO**MIXED AADC 275
 # 0211 # 122

Attention On-line Bill Payers: Please remit your payments to PO Box 910, Pittsboro NC 27312-0910

SERVICE ADDRESS: 81405 ALEXANDER		13	
ACCOUNT NUMBER	CYCLE	BILL DATE	DUE BY (CURRENT CHARGE ONLY)
	05-04	11/01/14	11/25/14
SERVICE PERIOD	DAYS	METER NUMBER	CURRENT PREVIOUS MULTIPLIER USAGE
WA 9/16/14 10/15/14	28	438502	75 - 68 x 1000 = 7000
SERVICE	CONSUMPTION	CHARGE	TOTAL
WA ADMINISTRATIVE FEE		\$15.00	
WA 0- 5,000 GALLONS	5,000.00	\$35.00	
WA NEXT 3,000 GALLONS	2,000.00	\$17.00	
TOTAL WATER			\$67.00
Total Current Charges			\$67.00
Balance Forward			\$0.00
Total Amount Due			\$67.00

IF YOUR CONTACT PHONE NUMBER OR EMAIL HAVE CHANGED RECENTLY PLEASE CONTACT OUR OFFICE TO VERIFY OUR RECORDS ARE UP TO DATE. WE USE THIS INFORMATION IN CASE WE NEED TO CONTACT CUSTOMERS FOR COURTESY CALLS CONCERNING THEIR WATER BILLING, AS WELL AS EMERGENCY NOTIFICATIONS. YOU MAY CALL US WITH YOUR INFORMATION AT 919-542-8270 OR EMAIL US AT WATERSHOP@CHATHAMNC.ORG

DETACH THIS PORTION AND RETURN WITH PAYMENT IN THE ENCLOSED ENVELOPE

BILLING DATE	ACCOUNT NO.	CYCLE	DUE DATE	AMOUNT DUE
11/01/14		05-04	11/25/14	\$67.00

The address shown below is the address of our bank's operation center. All correspondence and on-line bill payments should be mailed to the Pittsboro address shown at the top of this statement. Payment may be made in person at The Chatham County Tax Office at 12 East Street

MAKE CHECK PAYABLE & REMIT TO:

CHATHAM COUNTY UTILITIES
 PO BOX 800027
 RALEIGH, NC 27675-6027

Address correction on back

01451-1615



000028167000012910000000067002

» PMSI »

Print & Mail Communications

Exhibit 1 Bill Sample Front (Not to scale)



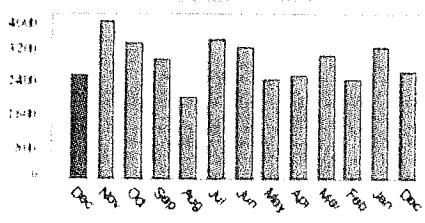
Union County Public Works
 500 N. Main St. Suite 500
 Monroe NC 28112-4730
<http://uc.pw.co.uncn.c.us>

Phone: 704.378.3775
 [Redacted]

ACCOUNT NUMBER		CYCLE #
[Redacted]		003
SERVICE ADDRESS		
[Redacted]		
BILL DATE	DUE DATE	AMOUNT DUE
12/12/2014	01/07/2015	\$33.88

Previous Balance	\$43.08
Payment	-\$43.08
Past Due Balance	\$0.00
Current Charges	\$33.88
Total Amount Due	\$33.88

METER NUMBER	READ DATE		BILLING DAYS	METER READINGS		MULTIPLIER	USAGE (GALLONS)
	PREVIOUS	PRESENT		PREVIOUS	PRESENT		
[Redacted]	11/04/2014	12/05/2014	31	02770	02795	100	2500



BASE FACILITIES CHARGES

WATER BASE CHARGE	\$7.40
SEWER BASE CHARGE	\$9.85

GALLONAGE CHARGES

WATER TIER 1	\$1.95	2500	\$4.88
SEWER	\$4.70	2500	\$11.75

CURRENT CHARGES DUE BY 01/07/2015 **\$33.88**

MESSAGES
 *** Payments posted after December 5th may not reflect

ACCOUNT NUMBER	[Redacted]
BILL DATE	12/12/2014
CURRENT CHARGES DUE BY 01/07/2015	\$33.88
TOTAL DUE	\$33.88

[Redacted]

Amount Enclosed \$

DRAFT

YOUR ACCOUNT WILL BE DRAFTED ON THE DUE DATE.

SCANLINE

END OF STATEMENT OF WORK

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