# Exhibit A

Bend Mailing Services, LLC
1036 SE Paiute Way
Bend, OR 97702

**1. DESCRIPTION OF SERVICES.** Beginning on October 31, 2014, BMS will provide to Oregon City the services described below. These "Services" are defined within this service Agreement dated October 31, 2014. Services accepted as defined by the City, or any changes made within any addendum mutually agreed upon by both parties following this service agreement. Additional BMS "Services" contained within our Response to Oregon City Request for Proposal, may be added to this Services Agreement at any time with written approval and a detail of cost and services in advance.

A. *Data Submission*

    *a.* Our web site bendmailing.com will provide the particular tools to allow the City to securely send data files to BMS. This includes a wizard to initiate a new job and functions for setting up and managing inserts both include the features to upload files. The Oregon City's data will be sent to BMS through a protected login on our website, uses Secure Socket Layer technology to encrypt all traffic though the website preventing any customer data from being compromised. The data received on bendmailing.com is encrypted and securely sent to our servers.

    *b.* BMS will securely manage the transfer of file structure requested as provided. We will use the current export system being utilized by the City from Tyler Eden software. BMS is willing to assist in the design integration at no additional cost during the course of initial setup and implementation.

    *c.* We custom design our many features including our ad hoc messaging feature, for the needs or requests of our clients. This customization comes at no extra cost and we charge no setup fees, everything is included. We tailor our software to work with your billing data, and our systems can be modified to fit any request, including but not limited to the storing of messages for later use.

    d. The City would log into our secure site at bendmailing.com simply select our create job function, browse for data transfer files, select and hit upload. Once the upload has been completed (A process that should take less than a few minutes), City personnel will see a confirmation screen telling them BMS has received the file. Once BMS receives a file, our system attempts to help mitigate issues with incoming data files by checking for redundant data upload and whether dates are within an appropriate range for a billing cycle. Although the majority of work is smooth, occasionally a collaborative effort between the City personnel and our quality control staff is needed. During processing, BMS staff may find an error, processing stops and contact is made for verification. Once approved, processing resumes, the job is completed, and the City receives a verification email.

e. If during this process, the City recognizes a structural portion in data needing modification, changes can be easily made through online tools available. Record level corrections may be made by the City with a simple phone call directly to customer service or by request through email.

f. The City will have full control of the bill approval process. Data is confirmed as directed by the City, and an email is sent for final verification. If no response is received by BMS, our quality control department staff will place a call directly to City personnel for final approval. Once approved and file is complete, job will be completed within 24 hours as required by the City.

B. *Printing*

a. We will provide a multitude of sample materials for the City's review to help and provide inspiration for the design process.

BMS will print custom barcodes, create or use existing logos, include charts, various graphs, or data in reply portion of statement for your internal quality control procedures or for The City's bank's (_____) deposit processing. Regarding possible or any continued variable data changes from the City, BMS will customize any request for revision within variable data fields. BMS does require data prior to any implementation change and must be received within a reasonable time before job start.

b. BMS is enthusiastically proficient with any request to suppress a select recurring instruction with any ad hoc assortment, bill and /or envelope, based upon the direct request of the City. BMS prides itself on a sustained effort by staff to provide client solutions at your request, and do our work in a professional, timely and efficient manner. This includes any variable data field, or new data fields as needed.

B. *Inserts*

a. Inline Inserts - An automated process is set up to selectively print the inserts immediately after each bill is printed.

BMS will employ 3 of 9 barcodes printed on the bills which are scanned by the in-line folder to determine the correct number of bills and selective inserts for each envelope. The in-line folder accumulates and folds multiple bills and inline inserts simultaneously if they are destined for the same envelope.

b. Offline Inserts – BMS will allow inserts printed by other vendors, and provide insert printing services as needed per agreed upon services pricing. BMS agrees to receive shipments and store/warehouse all inserts.

For each of the City's jobs, BMS will provide services to print inserts or receive printed inserts to accompany the statements. All inserting may be done selectively so the City may use any criteria based on the data in the export to designate who is to receive each piece. Our website offers features to track and manage inserts as well as a function to upload files to be printed. Due to the particular types and function of inserters employed by BMS, all letter sized inserts will be C folded, and legal sized

inserts double parallel respectively. For any 1/3 sheet insert additions, a 7 pt. or 0.007 inch thickness paper is required for efficiency during processing. All inserts may be managed, inventoried, and warehoused at Bend Mailing's facility at the discretion of the City.

C. *Pulls*

    a. The software Bend Mailing has developed and uses to process billing files will remove statements based on any criteria in the data provided to BMS. These can be established to automatically occur and/or be done on a job by job basis.
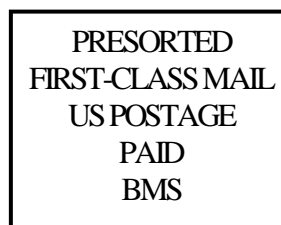
    With each billing submitted to BMS the City has the opportunity to identify accounts that should be pulled and returned to the city or just removed from the mailing. Pulled statements that are to be returned to the City will be delivered as requested by the City.

    If BMS is currently in mid-production for the City and a request is made to remove a bill or any variation thereof, BMS has the ability to selectively do so manually. Immediately following removal, BMS will provide a detailed notification that it has occurred successfully.

D. *Mailing***:**

    a. *Timeliness*: All billings provided to BMS and approved by the City will be completed within one business day of receipt.

    b. *Presorted first class mail*: All bills will be sent out at presorted first-class rates, volumes permitting. Bend Mailing utilizes many post office's address improvement tools. These service include: CASS™, DPV®, NCOALink®, ANKLink®, LACSLink®, SuiteLink®, and eLOT®. Presorts are performed through Gold PAVE™ certified software ensuring we receive the best presort rates available. BMS will utilize full service IMB to receive the deepest discounts the postal service offers, when appropriate.

    c. *Bulk mailing permit*: BMS has and will continue to stay current with its bulk mail permit and requirements of the USPS. The City will not have need of its own permit as long as this service agreement is effectively in place.

    d. *Foreign location*: Through the USPS company permit, BMS is able to utilize an indicia that allows us to provide mail service with geographical ambiguity. This assists the City in the reduction of questions or potential confusion that may arise from this cost savings type of mail service.

        i. BMS Example:

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+-------------------+
|    PRESORTED      |
| FIRST-CLASS MAIL  |
|   US POSTAGE      |
|      PAID         |
|      BMS          |
+-------------------+
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E. ***Post-Processing***: In this industry communication is vital and we utilize several communication methods to keep our Client up to date on our progress. At various stages of production e-mails are sent to inform when jobs have been successfully received through the web, a job started preproduction message with samples for the City's review and approval, a job verified message meaning production is complete and all QA procedures have been past, and finally a job mailed message which also states the billing statements are available to be viewed on-line.

BMS provides administrative accounts and are available for the City to manage all bill processes. From these accounts they can look up, make editing requests, or communicate directly with BMS. It is at the sole discretion of the City to utilize any online tools, or direct contact system BMS employs. All employees at BMS understand their role in customer service and are ready to assist at any given moment between the normal business hours of 8 – 5 pm, Monday through Friday. Additional customer service resources are available to the City after hours direct to staff upon request.

F. ***Status Reports***: Included in our communication protocols are notifications to inform the City when jobs are complete. Additionally once a job is complete the City may view PDF copies of all statements included in the billing. The City may look up individual accounts to see the precise time an envelope was verified and scanned as it ran through our inserting equipment.

G. ***BMS Quality Control***: Bend Mailing Services will use a comprehensive multi-tier quality assurance system. The process begins as soon as the files are uploaded, following the pieces through to delivery to the post office; and employs software, hardware, and human resources.

   a. INCOMING DATA: Our system attempts to help mitigate issues with incoming data files by checking for redundant data upload and whether dates are within an appropriate range for a billing cycle.

   b. STATEMENT DATA: In addition to e-mailing samples prior to each billing, a key staff member reviews the statement's fields and comments for completeness and consistency with the uploaded data.

   c. PRINT PRODUCTION: During the print production process statements are manually scanned for surface errors as well as printing imperfections, and are immediately reproduced if necessary.

   d. IN-LINE FOLDING: 3 of 9 barcodes printed on the statements are scanned by the in-line folder to determine the correct number of statements and selective inserts for each envelope. The in-line folder accumulates and folds multiple statements simultaneously if they are destined for the same envelope.

   e. INSERTING SYSTEM: The inserting equipment has a wide variety of fail-safes that will stop production if: a statement is not in the track after folding, a required insert is not included, or if duplicate inserts are detected. Each statement is printed with uniquely coded two-dimensional barcode that is used for sequencing. The barcode is scanned though the window of the envelope at the end of the inserting line. The

scanner will stop production if there is an envelope missing in sequence or if an envelope was previously scanned.

f.  ENVELOPE VERIFICATION: Once the envelopes are inserted they are manually inspected by a dedicated staff member. Each inserting machine in operation will have its own assigned staff member for this purpose. They ensure the quality of all facets of the envelopes to sure there are no blemishes on the mail and all interior contents appear appropriately through the window of the envelope.

g.  JOB VERIFICATION: Data from the two-dimensional scanner is processed to ensure that each piece of the mailing was scanned and verified. Once this process is complete an e-mail is sent to inform you that the job is complete and verified. The time stamped scan information along with the PDF versions of statements is then uploaded to our website for viewing, retrieving and downloading.

h.  POSTAL DELIVERY: Each tray of mail is scanned and verified in the warehouse before it is loaded onto a truck to verify its completeness and integrity. The trays are again counted and reviewed at the Postal Service during the delivery of the mail.

H. *City personnel Visitation*: We always welcome visits from clients, and can accommodate groups large or small as frequently as you'd like to visit. We take great pride in our facility and enjoying sharing our operation and giving our clients the context of how the various functions of work are performed.

I. *Security*:

a.  Bend Mailing's Statement process has been fully SSAE 16 type II certified. Our building itself is secured by Watchdog Security. All interior and exterior doors are locked down, with keys limited to administration staff. Motion detectors are spread throughout all critical entry points and unauthorized access will set off alarms. A fire suppression system with smoke detectors, fire alarms, and a sprinkler system is in place along with power and temperature controls to monitor all sensitive hardware for anomalies. If there are any power failures or temperature changes detected, Bend Mailing staff is notified of the problem immediately by Watchdog's 24/7 on call staff.

b.  A key card is required to access the statement productions area. Each staff member is assigned a specific key card, and each is tracked and logged. After-hours access is restricted to key personnel. Server room access is further restricted to only a few select employees. Administrators have the ability to revoke any key card's access permissions when necessary. All visitors must sign a visitor log and must be escorted by an authorized employee at all times.

c.  All workstations in the office area are password protected and locked whenever an employee is not present. Any excess physical documents from a mailing that containing sensitive data, such as customer names or account numbers, are securely disposed of on-site by SecureShred. All electronic documents are erased from workstations and servers using techniques compliant with Department of Defense standards.

d. The City's data will be sent to Bend Mailing through a secure login on our website, bendmailing.com. Our website uses Secure Socket Layer technology to encrypt all traffic though the website preventing any customer data from being compromised.

e. BMS employees are trained on documented information security and privacy procedures with access to confidential information restricted to authorized personnel only. We both have independently audited disaster recovery and business continuity plans in place to restore data no matter what the disaster. Once data passes 24 months, it is scheduled for deletion using Department of Defense standards to fully remove all traces of it.

J. *Paper Supplies*: All paper materials provided by BMS are high quality and reliable.We inventory and warehouse all paper products and offer a few options for envelopes.

a. *Bill stock*: The standard stock we use for our clients is a high quality 60lb white paper with 30% postconsumer recycled content with a perforated reply remittance stub.

b. *Envelope mailings*: BMS will provide a proprietary large single window #10 envelope. This is a 24lb white envelope, and we offer a recycled kraft version for a small additional cost to be determined prior to first preorder of all supplies.

c. *Return Envelope*: We provide a #9 envelope with a window which lines up with a remittance address printed on the remittance portion of the statement. These envelopes may be selectively omitted for customers with credit or zero balances, thus saving paper by not supplying superfluous envelopes. Additionally, we stock a variety of #9 envelopes with different color indicators. The indicators are bands of color on the top right. These indicators may be useful when separating payments from varying sources. For instance, the City could use red for past due customers to quickly separate them out so they may be processed first.

K. *Customer Support, Disaster Recovery, and Exception Processing*: Refer to Attached accepted Response to RFP dated July 23, 2014, pages 13-16.

**2. PAYMENT.** The Initial Pre-billed Payment shall be made to Bend Mailing Services, LLC, Bend, Oregon 97702, in the amount of the estimated 11,000 statements. This will be at the accepted single piece price of $ 0.468, totaling $5148.00, on or before October 15, 2014. Each billing cycling following the initial payment will continue pre-billed at the same rate. Billing is sent from BMS on or around the 1st of each month.

**2.1** Reconciliation will be completed once per month and will include any additional service requests made by the City other than base monthly pricing, unless mutually agreed upon by both parties in advance, and in writing.

**2.2** A breakdown of costs is included for any applicable variations in billing that may be requested by the City:

<u>BMS Initial Deployment</u>

Design, setup and implementation . . . . . . . . . . . . . . . . . . . . . . . . . .      0.00
On-going costs
8.5 x 11 Full color form w/perforation (1200 x 600 dpi) . . . . . . . . . . . . .   0.025
Inbound and outbound envelope . . . . . . . . . . . . . . . . . . . . . . . . . .   0.031
Processing, printing, inserting and mailing . . . . . . . . . . . . . . . . . . .   0.031
Postage – USPS First Class Presort . . . . . . . . . . . . . . . . . . . . . . . .   0.381
(If the USPS increases postage, the per piece price will increase by the
corresponding First Class single piece price or automated First Class
postage increase)
Duplicate document suppression . . . . . . . . . . . . . . . . . . . . . . . . . .   0.00
CASS Address Cleansing . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .   0.00
Document Archive Service . . . . . . . . . . . . . . . . . . . . . . . . . . . . .   0.00
Electronic address updates- NCOA Link . . . . . . . . . . . . . . . . . . . . . .   0.00
**<u>Single Piece Price</u>** . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .   0.468
(This price is applicable to each unique account w/a statement)
Print and mail (Continuation pages B/W) . . . . . . . . . . . . . . . . . . . . .   0.06
Return Mail Service . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .   N/A
Duplex Variable Printing B/W . . . . . . . . . . . . . . . . . . . . . . . . . . .   0.06
Duplex Variable Printing Color . . . . . . . . . . . . . . . . . . . . . . . . . .   0.10
Digital Document Delivery . . . . . . . . . . . . . . . . . . . . . . . . . . . . .   0.10
Additional Services (Online-Billpay)
Complete electronic presentment per registered customer . . . . . . . . . . . . .  0.01
Payment processing for credit card or ACH transaction fee . . . . . . . . . . . . .0.10
Monthly website maintenance fee . . . . . . . . . . . . . . . . . . . . . . . . . .   40.00
Redesign Work . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .   45.00 P/H

In addition to any other right or remedy provided by law, if Oregon City fails to pay for
the Services when due, BMS has the option to treat such failure to pay as a material
breach of this Contract, and may cancel this Contract and/or seek acceptable Oregon legal
remedies.