

AGREEMENT TO PERFORM MAILING AND PRESORT SERVICES

This agreement for the provision of services associated with mailing and presort services (“Agreement”) is made and entered in this 19th day of July, 2016 (“Effective Date”), by and between the City of Redlands, a municipal corporation (“City”) and Inland Presort and Mailing Services (“Contractor”). City and Contractor are sometimes individually referred to herein as a “Party” and, together, as “Parties.” In consideration of the mutual promises contained herein, City and Contractor agree as follows:

ARTICLE 1 – ENGAGEMENT OF CONTRACTOR

- 1.1. City hereby engages Contractor to provide pickup and processing of first class metered and/or permit mail on a daily basis, and pickup utility bills to be folded, stuffed, metered and mailed on a weekly basis for the City Manager’s Office and Utility Customer Service Division, respectively (the “Services”).
- 1.2. The Services shall be performed by Contractor in a professional manner, and Contractor represents that it has the skill and the professional expertise necessary to provide the Services to City at a level of competency presently maintained by other practicing professional contractors in the industry providing like and similar types of Services.

ARTICLE 2 – SERVICES OF CONTRACTOR

- 2.1. The Services that Contractor shall perform are more particularly described in Exhibit “A,” entitled “Scope of Services,” which is attached hereto and incorporated herein by reference.
- 2.2. Contractor shall comply with applicable federal, state and local laws and regulations in the performance of this Agreement including, but not limited to State prevailing wage laws.

ARTICLE 3 – RESPONSIBILITIES OF CITY

- 3.1. City shall make available to Contractor information in its possession that may assist Contractor in performing the Services as more particularly described in “Exhibit B,” entitled “City Responsibilities,” which is attached hereto and incorporated herein by reference.
- 3.2. City designates Janice McConnell, or her authorized designee, as City’s representative with respect to performance of the courier portion of the Services, and Cindy Tryon, or her authorized designee, as City’s representative with respect to performance of the weekly Utility Billing portion of the Services, and such persons shall have the authority to transmit instructions, receive information, interpret and define City’s policies and decisions with respect to performance of the Services.

ARTICLE 4 – PAYMENTS TO CONTRACTOR

- 4.1. The total compensation for Contractor’s performance of the Services shall not exceed the amount of eighty-eight thousand five hundred dollars (\$ 88,500.00) for fiscal year 2016-17. City shall pay Contractor on a time and materials basis up to the not to exceed amount, in accordance with “Exhibit C” entitled “Price List” and U.S.P.S. rates based upon the current rates shown in “Exhibit D,” entitled “Current USPS Rates.” It is anticipated that a postal rate decrease will occur during fiscal year 2016-17. Both Exhibits “C” and “D” are attached hereto and incorporated herein by this reference.
- 4.2. Contractor shall submit, at least monthly, invoices to City describing the Services performed during the billing period. Contractor’s invoices shall include a brief description of the Services performed and the dates the Services were performed. City shall pay Contractor no later than thirty (30) days after receipt and approval by City of Contractor’s invoice.
- 4.3. Any notice or other communication required, or which may be given, pursuant to this Agreement, shall be in writing. Any such notice shall be deemed delivered (i) on the date of delivery in person; (ii) five (5) days after deposit in first class registered mail, with return receipt requested; (iii) on the actual delivery date if deposited with an overnight courier; or (iv) on the date sent by facsimile, if confirmed with a copy sent contemporaneously by first class, certified, registered or express mail; in each case properly posted and fully prepaid to the appropriate address set forth below, or such other address as a Party may provide notice in accordance with this section:

City

N. Enrique Martinez, City Manager
City of Redlands
35 Cajon Street, Suite 200
P.O. Box 3005 (mailing)
Redlands, CA 92373

Consultant

Nick R. Chudasama, Owner
Inland Presort and Mailing Services
2025 Park Avenue, #7
Redlands, CA 92373-6274

ARTICLE 5 – INSURANCE AND INDEMNIFICATION

- 5.1. Insurance required by this Agreement shall be maintained by Contractor for the duration of its performance of the Services. Contractor shall not perform any Services unless and until the required insurance listed below is obtained by Contractor. Contractor shall provide City with certificates of insurance and endorsements evidencing such insurance prior to commencement of the Services. Insurance policies shall include a provision prohibiting cancellation or modification of the policy except upon thirty (30) days prior written notice to City.
- 5.2. Workers’ Compensation and Employer’s Liability insurance in the amount that meets statutory requirements with an insurance carrier acceptable to City, or certification to City that Contractor is self-insured or exempt from the workers’ compensation laws of

the State of California. Contractor shall provide City with Exhibit “E,” entitled “Workers’ Compensation Insurance Certification,” which is attached hereto and incorporated herein by this reference.

- 5.3. Contractor shall secure and maintain comprehensive general liability insurance with carriers acceptable to City. Minimum coverage of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate for public liability, property damage and personal injury is required. City shall be named as an additional insured and such insurance shall be primary and non-contributing to any insurance or self-insurance maintained by City.
- 5.4. Contractor shall have business auto liability coverage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence, combined single limit bodily injury liability and property damage liability. This coverage shall include all Contractor owned vehicles used in connection with Contractor’s provision of the Services, hired and non-owned vehicles, and employee non-ownership vehicles. City shall be named as an additional insured and such insurance shall be primary and non-contributing to any insurance or self insurance maintained by City.
- 5.5. Contractor shall defend, indemnify and hold harmless City and its elected officials, employees and agents from and against any and all claims, losses or liability, including attorneys’ fees, arising from injury or death to persons or damage to property occasioned by any negligent act or omission by, or the willful misconduct of, Contractor, or its officers, employees and agents in performing the Services.

ARTICLE 6 – CONFLICTS OF INTEREST

- 6.1. Contractor covenants and represents that it does not have any investment or interest in any real property that may be the subject of this Agreement or any other source of income, interest in real property or investment that would be affected in any manner or degree by the performance of Contractor’s Services. Contractor further covenants and represents that in the performance of its duties hereunder, no person having any such interest shall perform any Services under this Agreement.
- 6.2. Contractor agrees it is not a designated employee within the meaning of the Political Reform Act because Contractor:
 - A. Does not make a governmental decision whether to:
 - (i) approve a rate, rule or regulation, or adopt or enforce a City law;
 - (ii) issue, deny, suspend or revoke any City permit, license, application, certification, approval, order or similar authorization or entitlement;
 - (iii) authorize the City to enter into, modify or renew a contract;
 - (iv) grant City approval to a contract that requires City approval and to which City is a party, or to the specifications for such a contract;

- (v) grant City approval to a plan, design, report, study or similar item;
- (vi) adopt or grant City approval of, policies, standards or guidelines for City or for any subdivision thereof.

B. Does not serve in a staff capacity with City and, in that capacity, participate in making a governmental decision or otherwise perform the same or substantially the same duties for City that would otherwise be performed by an individual holding a position specified in City's Conflict of Interest Code under Government Code section 87302.

6.3. In the event City officially determines that Contractor must disclose its financial interests, Contractor shall complete and file a Fair Political Practices Commission Form 700, Statement of Economic Interests, with the City Clerk's office pursuant to the written instructions provided by the City Clerk.

ARTICLE 7 – GENERAL CONSIDERATIONS

7.1. In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing Party shall, in addition to any costs and other relief, be entitled to the recovery of its reasonable attorneys' fees, including fees for the use of in-house counsel by a Party.

7.2. Contractor shall not assign any of the Services, except with the prior written approval of City and in strict compliance with the terms and conditions of this Agreement.

7.3. Contractor is for all purposes under this Agreement an independent contractor and shall perform the Services as an independent contractor. Neither City nor its agents shall have control over the conduct of Contractor or Contractor's employees, except as herein set forth. Contractor shall supply all necessary tools and instrumentalities required to perform the Services. Assigned personnel employed by Contractor are for its account only, and in no event shall Contractor or personnel retained by it be deemed to have been employed by City or engaged by City for the account of, or on behalf of City. Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent, nor shall Contractor have any authority, express or implied, to bind City to any obligation.

7.4. Unless earlier terminated as provided for below, this Agreement shall terminate upon completion and acceptance of the Services by City; provided, however, this Agreement may be terminated by City, in its sole discretion, by providing not less than ten (10) days prior written notice to Contractor of City's intent to terminate. If this Agreement is terminated by City, an adjustment to Contractor's compensation shall be made, but (1) no amount shall be allowed for anticipated profit or unperformed Services, and (2) any payment due Contractor at the time of termination may be adjusted to the extent of any additional costs to City occasioned by any default by Contractor. Upon receipt of a termination notice, Contractor shall immediately discontinue its provision of the Services and, within five (5) days of the date of the termination notice, deliver or

otherwise make available to City, copies (in both hard copy and electronic form, where applicable) of project related data, drawings specifications, reports, summaries and such other information and materials as may have been accumulated by Contractor in performing the Services. Contractor shall be compensated on a pro-rata basis for Services completed up to the date of termination.

7.5. Contractor shall maintain books, ledgers, invoices, accounts and other records and documents evidencing costs and expenses related to the Services for a period of three (3) years, or for any longer period required by law, from the date of final payment to Contractor pursuant to this Agreement. Such books shall be available at reasonable times for examination by City at the office of Contractor.

7.6. This Agreement, including the Exhibits incorporated herein by reference, represents the entire agreement and understanding between the Parties as to the matters contained herein, and any prior negotiations, written proposals or verbal agreements relating to such matters are superseded by this Agreement. Except as otherwise provided for herein, any amendment to this Agreement shall be in writing, approved by City and signed by City and Contractor.

7.7. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, duly authorized representatives of City and Contractor have signed in confirmation of this Agreement.

CITY OF REDLANDS

INLAND PRESORT AND MAILING SERVICES

By: _____
Paul W. Foster, Mayor

By: _____
Nick R. Chudasama, Owner

Attest:

Sam Irwin, City Clerk

EXHIBIT "A"

SCOPE OF SERVICES

1. Contractor will provide courier service to City. Contractor will pick up the incoming mail from City's two separate PO Boxes located at New York Post Office by 11:00 am and will drop it off at City Hall, 35 Cajon Street, Redlands, CA 92373.
2. Contractor picks up all first class letter and flat mail from City Hall, 35 Cajon Street, Redlands, CA 92373, between 4:00 and 4:30 pm.
3. Contractor driver will check the delivery slip, tray count, etc. The driver will sign the delivery slip and will return a copy to City for the records. The driver will keep letter and flat mail separate.
4. The driver will bring all the mail from the City along with other customer's mail to Contractor's facility. Mail checkers and supervisor check and separate the letter and flat mail for sorting by machine, or by hand. The mail will be taken to the Multi-Line Optical Character Reader (MLOCR) for barcoding and sorting.
5. After barcoding and sorting is done, the mail is randomly tested and verified by United States Postal Service (USPS) officials. All the sorted mail is collected and put in a cage, and dropped off at the San Bernardino Distribution Center.
6. All the first class mail will be delivered to USPS on the same day as it was picked up.
7. Contractor will pick up every Thursday printed Utility Bills and reminder notices from the City's Utility Customer Service Office. City does not need to sort in zip code order.
8. Contractor will tri-fold bill or notice, insert it along with return envelope and additional insert if any to be inserted into the envelope provided by the City.
9. The inserted bill will be sorted on the MLOCR along with the other mail.
10. Contractor will deliver mail to the Post Office the next day after we receive the bills.
11. The mail will be co-mingled and Contractor will pay the postage from their permit and bill the City for the applied postage at the then current USPS pre-sorted first class rate.
12. In the event of an observed legal holiday by the City or USPS, a one or two day adjustment of pickup and delivery will be required.

EXHIBIT "B"
CITY RESPONSIBILITIES

1. City shall meter all first class mail at prevailing pre-sorted first class rate as approved by the USPS.
2. City shall place all metered mail in USPS supplied trays or tubs facing the same direction. The City will keep full postage mail, flat size mail or any special mail separate from its pre-sort mail.
3. City shall apply proper endorsements such as pre-sorted first class and current date for all first class metered mail as required by USPS.
4. City shall provide accurate count of all pre-sorted first class metered and permit mail and shall provide a signed copy of a mailing slip at the time of pick-ups.
5. City shall allow multiple pick-ups on heavy volume mailing days, if any, in order to process the mail one time by the Contractor.
6. City shall provide a fully executed USPS Form 8096 and Form 6014 to the Contractor prior to Contractor's commencement of the Services to facilitate Contractor's application to USPS for Value Added Rebate and FastForward service on City's mail.
7. City shall obtain "Drop Shipment Authorization" permit, if required, from USPS and endorse all metered First Class Mail with proper permit number.
8. City shall provide Contractor with a six-month mailing and return envelopes to be stored by Contractor at their facility for Utility Bill inserting services.

EXHIBIT "C"
PRICE LIST

	<u>Rate</u>	<u>Unit</u>
<u>Courier Service</u>		
Pick up incoming mail from Two PO Boxes and deliver to City Hall by 11:00 am (Monday – Thursday & every other Friday)	\$150.00	Per Week
<u>Daily First Class Mail Pick up from City Hall</u>		
Letter*	\$0.001	Per Piece
Flat*	\$0.422	Per Piece
<u>Weekly Utility Billing Services</u>		
Fold (1)	\$0.010	Per Piece
Insert (2)	\$0.025	Per Piece
Meter	\$0.015	Per Piece
Each Additional Insert	\$0.005	Per Piece
Sort / Mail*	\$0.001	Per Piece
<u>Postage Pass-Thru</u>		
Postage*	\$0.452	Per Piece
*Prevailing First Class Presorted Rate		
*Subject to change when USPS changes postal rates		
<u>Potential Postage Savings – Packages / Priority Mail</u>		
Potential Postage Savings for Parcels / Packages		\$0.040 - \$0.220 per piece
Potential Postage Savings for Priority Mail		\$0.250 - \$0.400 per piece

EXHIBIT "D"
CURRENT USPS RATES

USPS is allowing 2 oz. presorted letter at 1 oz. postage rate.

Rates for First Class Letter size mail at Presorted Rate (as follows).

<u>Weight (ounces)</u>	<u>Presorted Rate</u>
0 – 1	\$0.452
1.1 – 2	\$0.452
2.1 – 3	\$0.702
3.1 – 3.5	\$0.827
Post Cards – a	\$0.283

- a. Rates shown apply to each single or double postcard when originally mailed; reply half of double postcard must be designed for reply mail purposes only.

Rates for First Class Flat size mail at 5-Digit rate (as follows).

<u>Weight Not Over</u>	<u>5-Digit Rate</u>
1 oz.	\$0.438
2 oz.	\$0.648
3 oz.	\$0.858
4 oz.	\$1.068
5 oz.	\$1.278
6 oz.	\$1.488
7 oz.	\$1.698
8 oz.	\$1.908
9 oz.	\$2.118
10 oz.	\$2.328
11 oz.	\$2.538
12 oz.	\$2.748
13 oz.	\$2.958

EXHIBIT "E"
WORKERS' COMPENSATION INSURANCE CERTIFICATION

Every employer, except the State, shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation by one or more insurers duly authorized to write compensation insurance in this State.
- (b) By securing from the Director of Industrial Relations, a certificate of consent to self-insure, either as an individual employer, or as one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employees.

CHECK ONE

_____ I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work and activities required or permitted under this Agreement. (Labor Code §1861).

_____ I affirm that at all times, in performing the work and activities required or permitted under this Agreement, I shall not employ any person in any manner such that I become subject to the workers' compensation laws of California. However, at any time, if I employ any person such that I become subject to the workers' compensation laws of California, immediately I shall provide the City with a certificate of consent to self-insure, or a certification of workers' compensation insurance.

I certify under penalty of perjury under the laws of the State of California that the information and representations made in this certificate are true and correct.

INLAND PRESORT AND MAILING SERVICES

Date: _____

By: _____
Nick R. Chudasama, Owner