

MAILING SERVICES AGREEMENT

AGREEMENT The City of Grand Island (CGI) and Peregrine Services hereby enter into an agreement whereby Peregrine will print and mail CGI's utility bills and delinquent notices. CGI agrees to provide Peregrine with the appropriate electronic files in a timely manner in order for Peregrine to perform this service. All files received by Peregrine will be mailed within 24 hours. The files will be transferred by CGI using FTP protocol to the secure address set up by Peregrine Services. This arrangement is to commence with August 1, 2018 utility bills based on satisfactory proofing and testing between Peregrine Services and CGI. CGI reserves the option to cancel this agreement should they be dissatisfied with Peregrine's performance.

POSTAGE ACCOUNT Peregrine's traditional required postal deposit will be waived for CGI provided that CGI's account remains current with payments received 45 days following the invoicing date. CGI will be billed monthly for their utility bills. A spreadsheet will be provided as documentation for all charges for each month. Should CGI's payment history reflect payment outside of the 45 day window Peregrine reserves the right to ask for a Postal Deposit equal to one month's CGI's postal cost.

PROGRAMMING FEE Peregrine's initial program fee of \$1500 will be waived for this application. Requests for changes outside of the scope of limited adjustments following the initial design will be quoted to CGI for their approval prior to the work being done. The programming fee is for the initial interface program written by Peregrine to take CGI's data file and be able to run it through the processing system and provide a custom variable image utility bill.

DATA SECURITY AND INTEGRITY Each party will take the necessary precautions to maintain the security and integrity of all data transmitted during course of operations. As standard procedure Peregrine limits access to all files.

CONFIDENTIALITY AGREEMENT Peregrine will receive confidential customer information from CGI as a result of the actual production and development of this service and during the term of the agreement. Peregrine and all of their employees hereby pledge to protect the confidentiality of this data. The information provided to Peregrine will only be used to prepare and mail the specific forms requested by CGI. Peregrine will not use this data for any other purpose nor divulge its content to any other parties.

AUDIT TRAIL FOR VERIFICATION OF MAILINGS After the transmission of the billing data file, Peregrine will notify CGI of the total number of accounts billed. With this information, Peregrine will perform audit functions during processing to insure that all individual accounts and total revenues have been mailed. Peregrine will send a job log document to CGI that provides audit totals so that CGI can verify each mailing is being produced accurately.

FORM PRODUCTION AND INVENTORY In order to facilitate the services provided by Peregrine, a three month supply of customer forms, as well as the appropriate envelopes, will be initially purchased. These forms will be held at Peregrine's expense with CGI only being charged as the mailings are sent. When this supply reaches a 30 day level, Peregrine will reorder an additional three month supply. For this reason, if CGI desires to change any of the forms, they will need to notify Peregrine prior to this 60-day reorder date.

COST CONTAINMENT Our agreement is based upon the costs reflected in Appendix A. This pricing includes a color bill, a #10 window envelope and a #9 return envelope. The pricing offered by Peregrine will remain at Appendix A levels for a period of three years. The only possible adjustment would be tied to any published increase in the USPS postal rate.

CANCELLATION This agreement will remain in force until either party gives 90 days advance notice in writing. Should CGI cancel this agreement without cause, CGI will be required to pay for any remaining custom forms and envelopes in Peregrine's inventory.

RENEWAL This agreement will automatically renew every three years for an additional three-year term. Peregrine Services and CGI shall negotiate the price of the renewal in good faith prior to the start of the new term.

This agreement is entered into this 26th day of June, 2018.



Tom Stith
Sales Manager, Peregrine Services

 7/6/2018

City of Grand Island
Stacy R. Donof
Asst. City Attorney

Appendix A

City of Grand Island, Nebraska Utility Bill Pricing

<u>Component Parts:</u>	<u>QTY:</u>	<u>UnitPrice:</u>	<u>Line Total</u>
8 ½ x 11 color statement with perf	24,388	.020	\$487.76
#10 color print window envelope	24,388	.020	\$487.76
#9 window envelope	24,388	.021	\$512.14
<u>Services (print/insert/sort)</u>	<u>24,388</u>	<u>.038</u>	<u>\$926.74</u>

Pricing per bill .099 per bill
Total Peregrine Price \$2414.40

* Grand Island will be billed on the actual amount of stock used for each job. Generally there will be fewer envelopes used than number of statements mailed due to the grouping of bills going to the same name and address in one envelope, as well as the option of suppressing the #9 envelope for Autopay customers.

USPS Postage:

USPS's most recent postage increase took effect on January 21, 2018. The lowest USPS presort postal rate after that increase is 37.8 cents for 5 digit qualification USPS matches. Since some statements of any mailing job do not qualify for that lowest USPS rate, there is a percentage of the statements that USPS gives only their 3 digit postage rate or above.

With the current rates USPS is averaging .380 for postage on all of our utility bill mailings. We do not mark up postage. It is a pass through cost for us. We will do everything possible to minimize Grand Island's postage expense.

Statements would be grouped by common name and address and mailed in one #10 envelope to provide a large reduction in postage expense.

Additional Options:

Insert Sample #1: Color Stock 8.5x11 Black Print Two Sides:	.025
Insert Sample #2: Color Stock Third Sheet Black Print Two Sides:	.010
Insert Sample #3: White Stock 8.5x11 Color Print Two Sides:	.025
Insert Sample #4: White Stock 8.5x11 Black Print Two Sides:	.022
Additional Pages on Multiple Page Bills:	.02

We would guarantee the Peregrine Component and Services Prices for 3 years.