

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is entered into this ____ day of _____ 2017, between the CITY OF STOCKTON, a municipal corporation ("City"), and KUBRA AMERICA WEST, INC. whose address is 14105 S. NORMANDIE AVE., SUITE #2, GARDENA, CA 90249 and telephone number is (800) 766-6616 ("Consultant").

RECITALS

A. Consultant is qualified to and experienced in facilitating collaboration, teamwork and strategic planning efforts for the purposes specified in this Agreement.

B. City finds it necessary and advisable to use the services of the Consultant for the purposes provided in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions in this Agreement, City and Consultant agree as follows:

1. **Consultant's Services.** Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in **Exhibit A.** Consultant shall provide said services at that time, place and in the manner specified in **Exhibit A.**

2. **City Assistance, Facilities, Equipment and Clerical Support.** Except as set forth in Exhibit A. Consultant shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this Agreement. City shall furnish to Consultant only the facilities and equipment listed in Exhibit A. according to the terms and conditions set forth in Exhibit A.

3. **Term.** This Agreement shall commence on the date written above and shall expire on July 31, 2022; provided, however the parties may agree to change either the commencement or expiration date.

4. **Compensation.** City shall pay Consultant for services rendered pursuant to this Agreement as described more particularly in **Exhibit B.** The payments shall be made on a monthly basis upon receipt and approval of Consultant's invoice. The cost of postage is a pass through, and the City shall deposit an amount equal to two months postage expense.

a. Invoices submitted by Consultant to City must contain a brief description of work performed, including service fees, consumable fees, postage, and City reference number. Payment shall be made within thirty (30) days of receipt of Consultant's invoice and approved by City.

b. Upon completion of work and acceptance by City, Consultant shall have sixty (60) days in which to submit final invoicing for payment. An extension may be granted by City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Consultant fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.

5. **Exclusivity.** During the entire Term of this Agreement, City shall solely and exclusively utilize the Consultant as its sole provider of the Services described in **Exhibit A.**

6. **Customer Responsible for Data.** The City is solely responsible for the adequacy and accuracy of the City's data. Consultant shall rely on the accuracy of all data and information provided to it by City.

7. **Sufficiency of Consultant's Work.** All reports, drawings, designs, plan review comments and work product of Consultant shall be adequate and sufficient to meet the purposes for which they are prepared.

8. **Ownership of Work.** All work product completed or partially completed by Consultant in the performance of this Agreement shall become the property of the City. Consultant shall keep materials confidential. Materials shall not be used for purposes other than performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the City provides prior written consent. Title and all ownership rights in and to the documentation describing or relating to the Services, including, but not limited to, any and all formats, computer programs, specifications and user guides (the "**Documentation**") shall remain at all times solely with Consultant. The Services and the Documentation are agreed to be the proprietary, confidential and trade secret information of Consultant. City shall have no right, title or interest in or to the Documentation, whether or not such Documentation has been developed specifically for performance of this Agreement. City shall have the right to make a reasonable number of copies of the Documentation for the sole purpose of accessing and utilizing the Services.

9. **Changes.** City may request changes in the scope of services to be provided by Consultant. Any changes and related fees shall be mutually agreed upon between the parties and subject to a written amendment to this Agreement.

10. **Consultant's Status.** In performing the obligations set forth in this Agreement, Consultant shall have the status of an independent contractor and Consultant shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Consultant are its agents and employees and are not agents or employees of City.

11. **Termination for Cause.** Either party hereto shall have the right to terminate this Agreement upon delivery of written notice to the other party in the event that such other party:

- (a) ceases to do business or otherwise terminates business operations;
- (b) seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding, or if any such proceeding is instituted against the other; or
- (c) is in breach of any material representation, warranty, obligation or other provision of this Agreement and fails to fully cure such breach within thirty (30) days of receiving written notice of such breach from the terminating party.

12. **Termination for Convenience of City.** The City may terminate this Agreement at any time by providing ninety (90) days advance written notice to Consultant. The Agreement shall then be deemed terminated and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the work actually completed at the time of the effective date of the termination.

13. **Non-Assignability.** The Consultant shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Consultant shall be solely responsible for reimbursing subcontractors. Notwithstanding anything else contained herein, Consultant shall have the right to assign this Agreement or any rights hereunder without the consent of City in the event of a merger, sale of assets or business or other transfer of control by operation of law or otherwise, provided that the assignee shall assume all obligations and rights hereunder.

14. **Indemnity and Hold Harmless.** Subject to the limitations in Section 16, Consultant shall defend, indemnify, and hold harmless, the City and its officers, agents and employees from and against all claims, losses, damage, injury, and liability for damages arising from, or alleged to have arisen from, errors, omissions, negligent or wrongful acts of the Consultant in the performance of its services under this Agreement, regardless of whether the City has reviewed or approved the work or services which has given rise to the claim, loss, damage, injury or liability for damages. This indemnification shall extend for a reasonable period of time after completion of the project as well as during the period of actual performance of services under this Agreement. The City's acceptance of the insurance certificates required under this Agreement does not relieve the Consultant from its obligation under this paragraph. City agrees to defend, indemnify, and hold Consultant, its directors, officers, employees, agents, affiliates, suppliers and vendors harmless from all liabilities, claims and expenses, including without limitation reasonable attorneys' fees, arising from any breach by City of its representations, warranties, covenants or obligations under this Agreement.

15. **Limitation of Liability.** Consultant shall not be liable for any indirect, consequential, special, incidental, punitive or other damages of any kind or nature whatsoever, whether claimed by City or any other person, which arise out of the provision of the Services or City's use of or reliance on them, unless such damages are a result of the Consultant's negligence or wilful misconduct.

16. **Insurance.** During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense the insurance coverage as set forth in the attached **Exhibit C** and shall otherwise comply with the other provisions of **Exhibit C.**

17. **Notices.** All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed as follows:

Consultant: R. Braden Short
KUBRA America West, Inc.
14105 S. Normandie Ave., Suite #2
Gardena, CA 90249

City: City Manager
City of Stockton
425 N. El Dorado Street
Stockton, CA 95202

18. **Conformance to Applicable Laws.** Consultant shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Consultant shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

19. **Licenses, Certifications and Permits.** Prior to the City's execution of this Agreement and prior to the Consultant's engaging in any operation or activity set forth in this Agreement, Consultant shall obtain a City of Stockton business license, which must be kept in effect during the term of this Agreement. Consultant covenants that it has obtained all certificates, licenses, permits and the like required to perform the services under this Agreement.

20. **Records and Audits.** Consultant shall maintain all records regarding this Agreement and the services performed for a period of three years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit.

21. **Confidentiality.** Consultant shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information or conclusions.

22. **Force Majeure.** Except as otherwise expressly provided in this Agreement, neither Consultant nor City shall be responsible for delays or failures in performance resulting from acts beyond the reasonable control of either party. Such acts shall include but not be limited to acts of God, strikes, lock-outs, riots, acts of war, acts of terrorism, epidemics, governmental regulations imposed after the fact, fire,

earthquakes, floods or other disasters. The dates and times for performance (other than for the payment of monies from City to Consultant payable under this Agreement) shall be postponed automatically to the extent and for the period of time that Consultant or City, as the case may be, is prevented from performing its obligations hereunder by reason of the above-mentioned causes.

23. **Conflicts of Interest.** Consultant covenants that other than this Agreement, Consultant has no financial interest with any official, employee or other representative of the City. Consultant and its principals do not have any financial interest in real property, sources of income or investment that would be affected in any manner of degree by the performance of Consultant's services under this Agreement. If such an interest arises, Consultant will immediately notify the City.

24. **Waiver.** In the event either City or Consultant at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation.

25. **Governing Law.** California law shall govern any legal action pursuant to this Agreement with venue for all claims in the Superior Court of the County of San Joaquin, Stockton Branch or, where applicable, in the federal District Court of California, Eastern District, Sacramento Division.

26. **No Personal Liability.** No official or employee of City shall be personally liable to Consultant in the event of any default or breach by the City or for any amount due Consultant.

27. **Exhibits.** All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

28. **Scope of Agreement.** This writing constitutes the entire Agreement between the parties. Any modification to the Agreement shall be in writing and signed by both parties.

THIS AGREEMENT executed the date and year first above written.

CITY OF STOCKTON

CONSULTANT

Kurt Wilson, City Manager

By: _____
Signature

ATTEST:

Print name

City Clerk

Title: _____

APPROVED AS TO FORM:

*[If Consultant is a corporation
signature(s) must comply with
Corporations Code §313.]*

City Attorney

EXHIBIT A

Scope of Services

Cover Letter

April 24, 2017

City Clerk
City of Stockton
425 North El Dorado Street
Stockton, CA 95202-1997

Re. RFP for Utility Bill Printing and Mailing Services

KUBRA Data Transfer Ltd. ("KUBRA") is pleased to submit our proposal for RFP for Utility Bill Printing and Mailing Services to The City of Stockton ("City").

KUBRA proposes our print and mail production solution iMail to serve the City. iMail is an integrated service that provides sophisticated document production and distribution capabilities in highly secure and controlled environments. With advanced address hygiene and data management tools, selective messaging and marketing and a distributed mail production and delivery network, the KUBRA iMail solution reduces delivery times, and improves accuracy rates. KUBRA iMail also provides an online self-service portal, DocWeb, allowing web-based, real-time access, tracking, management, and control of all critical functions and applications associated with the document generation and distribution processes.

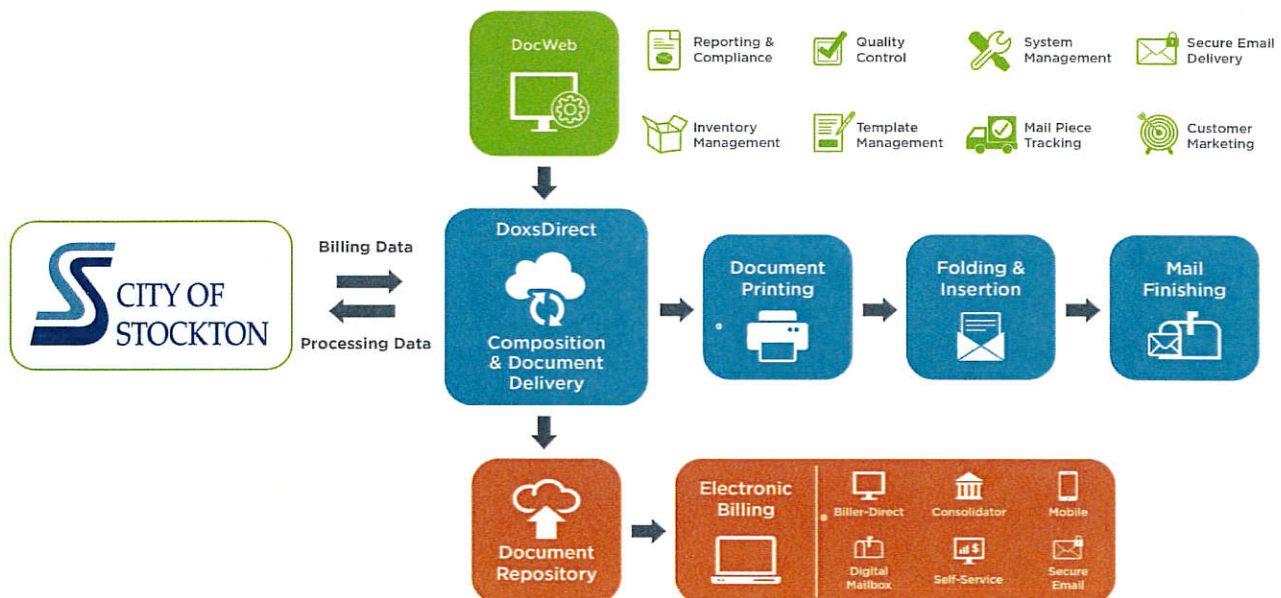


Figure 1: Solution Overview

We are confident in our capabilities to deliver on your requirements and look forward to the opportunity to speak to you further pertaining to KUBRA. Should you have any questions regarding this proposal, please feel free to contact Greg Weeks to speak further.

Solution Highlights:

- ***Printed and Mailed in State*** (Gardena, California)
- ***Next day delivery*** of Utility bills, delinquency/cut-off notices and AR Invoices
- ***Online Production Monitoring portal*** for event driven alerts, pulls, on-document messaging, and more - Provides real-time production tracking of the document progress from the moment we receive the data until the minute the print job leaves our facilities and the mail carrier's hands and beyond
- ***Postal Processing Optimization*** - Supports advanced postal processing capabilities including return mail management, real-time NCOA updates, and advanced address hygiene processing
- ***Disaster Recovery*** supported through multiple print centers
- ***Quality of Service*** - Our Quality of Service (QoS) Department is solely focused on internal audits and quality processes with 35 quality and production checkpoints, various balancing controls, and reconciliation reports throughout the entire production process resulting in near 100% reliability and accuracy.

I, Braden Short, Vice President of Sales & Client Relations, am authorized to obligate KUBRA contractually. I acknowledge that the proposal, including pricing and that it is considered firm for one-hundred (120) days after the due date for receipt of proposals or receipt of the last revised offer submitted

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Braden Short".

R. Braden Short | VP Sales & Client Relations
(P) 800.766.6616 ext. 375
(E) braden.short@kubra.com

A handwritten signature in black ink, appearing to read "Greg Weeks".

Greg Weeks | Manager Regional Sales
(P) 800.766.6616 ext. 230
(E) greg.weeks@kubra.com

Minimum Experience Qualifications Summary

A statement of professional experience and ability.

Response:

KUBRA is proud to serve over 550 clients, of which 235 are North American utilities. Our diverse client base includes water, electric, and gas utility clients including many in-state utilities such as Eastern Municipal Water District (EMWD), San Jose Water, California Water (Cal Water), Golden State Water, SMUD and more.

The utility industry is complex with very specific challenges and KUBRA understands this market. We have been implementing our unique, multi-channel customer interaction solutions to utilities for over 25 years. Our first water utility client was signed in 1993.

Utilities across North America are looking for a partner with a deep understanding of the utility sector, one that can support all document and payment channels, have in-production client sites, possess a demonstrated ability to accommodate and support new technology, and has an end-to-end, fully integrated platform. They are also seeking a partner that can help expand document delivery and payment channels and consolidate from multiple vendors and systems into one, while increasing customer service and reducing billing and operational expenses.

Print & Mail Experience

KUBRA's print solution is designed to accommodate billers of all sizes. We annually produce over 400 million mail pieces of first class mail, present 50 million bill images electronically, and store over 750 million documents. Our solution is fully customizable and scalable to support your print and mail volume, and we will utilize our state-of-the-art processing to achieve the lowest postage rates and latest print functionality for the City.

We will leverage our Los Angeles, CA (Gardena) production facility to serve the City.

Management / Method of Operation

Provide detailed description outlining your firm's approach to provide the service. Highlight innovative ideas your firm may have to provide to the City and describe in detail your procedures and management techniques.

Response:

KUBRA is a service provider that delivers a complete and fully integrated solution across all customer communication channels - both print and electronic. With over 25 years of experience, we are excited at the opportunity to discuss print services with the City.

Why KUBRA?

Many utility companies are grappling with how to deliver exceptional customer service while minimizing the number of vendors needed to support your business processes - at a reasonable cost. KUBRA's approach to servicing the utility vertical is to be the one partner that delivers a complete and fully integrated platform for all customer interactions – bill print, e-bill, IVR, text message, outage maps, mobile apps, and in-person payment channels. Our approach helps reduce risk, overall costs, and solution complexity.

KUBRA has built and completed hundreds of print projects over the past 25 years for similar clients with millions of monthly bills in multiple states. As such, we have developed tremendous expertise with the deployment of our solutions with various billing systems and specifications. Key factors that allow KUBRA to meet the City's requirements and make us the ideal business partner include:

- **Real-time Online Customer Portal - DocWeb™** - DocWeb allows for the real-time tracking and management of the entire document production print/mail process from receipt of the billing file to the delivery of the finished mail pieces via our innovative and dynamic, web-based process monitoring tools. DocWeb supports a series of self-service features including insert management, on-document messaging, online management of inventory, proofing, and business rule management. While some providers offer an online portal, we are confident the breadth of DocWeb clearly sets KUBRA apart in the document production industry.
- **Document Template Manager** - An intuitive document template authoring, management, and generation application within KUBRA's DocWeb portal. This cloud-based solution provides The City the ability to easily and rapidly create, manage, and test critical customer-facing communications such as letters and notices in a self-service capacity.
- **Postal Processing Optimization** - KUBRA delivers advanced postal processing capabilities including return mail management, real-time NCOA updates, and advanced address hygiene processing.

- **Utility Experience** - Leverage a vendor with 25 years of experience in the Utility billing market with intimate knowledge of billing systems and data exchanges and current in State Utilities such as Eastern Municipal Water District (EMWD), Golden State Water, SMUD, San Jose Water, California Water (Cal Water) and more.
- **Optional Services** - A partnership with KUBRA allows the City to considering adding additional billing and payment services under one contract (such e-billing and e-payment applications).

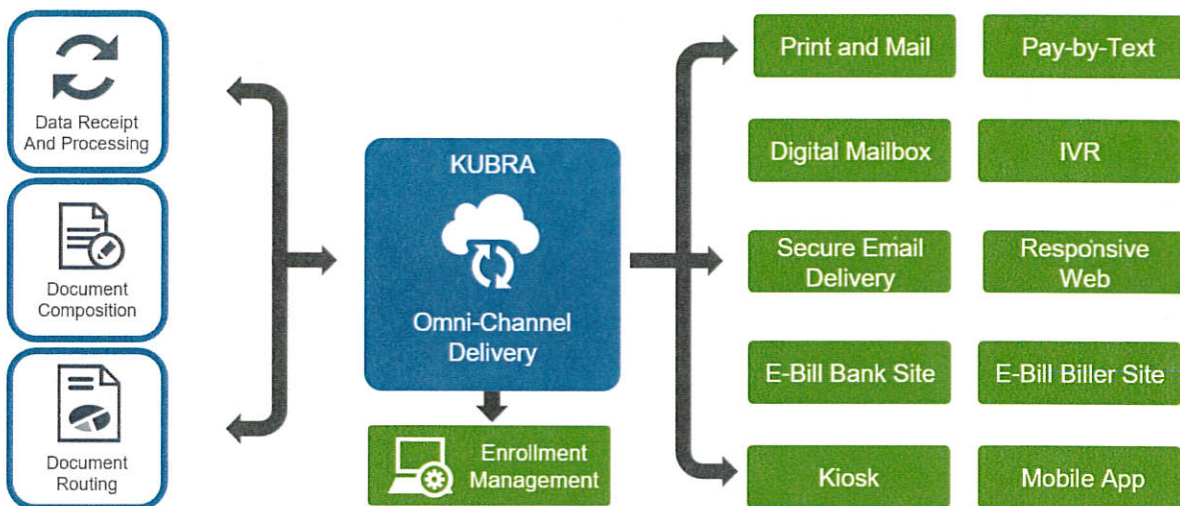


Figure 2: Omni-Channel Output

KUBRA iMail Solution Overview

An Advanced Document Processing, Printing, and Mailing Service

KUBRA iMail is an integrated service that provides sophisticated document production and distribution capabilities in highly secure and controlled environments. With advanced address hygiene and data management tools, selective messaging and marketing, and distributed mail production and delivery processes, the KUBRA iMail solution enables targeted on-document marketing, reduces delivery times, and improves accuracy rates.

- **Document Redesign Services**
 - Get professional advice to generate personalized documents of unequalled cosmetic appeal, content integrity, and accuracy
- **Document Print and Mailing**
 - Send high-quality documents at a lower cost than for in-house services
- **Management Portal**
 - Track the progress of individual print jobs and view reports in a secure web-based portal



Figure 3: KUBRA iMail Solution Overview

The KUBRA iMail solution includes document design, high-speed simplex or duplex printing, folding and insertion, mail finishing and postal service, and web-based tools for tracking and management. Our production facilities and technical development teams utilize advanced digital printing technology, quality control, and multiple print platforms to deliver unsurpassed document output solutions.

HOW DOES IT WORK?

In a fiercely competitive marketplace, organizations realize the impact their business communications have on enhancing their relationships with customers. The KUBRA iMail solution leverages the latest technologies in data parsing, document composition, market segmentation, printing and insertion systems, and postal processing to efficiently deliver business-critical content with flawless execution.

- **Design**

- Create document templates with personalization, targeted marketing, and data-driven charts, graphics, and calculations. We also offer professional document redesign services.

- **Print**

- Our distributed print network provides high-speed laser printing in monochrome, highlight, or full color with multiple paper options (including postcard, cut-sheet, or roll-fed) and in-line finishing for high-resolution text and graphics.

- **Prepare**

- We utilize automated, intelligent finishing capabilities including high-volume folding and insertion, selective insertion, inventory and logistics management, postal sorting and indicia application, mail trayng, and packaging.

- **Send**

- Our network of document printing and production mail facilities have USPS representation to help increase delivery timelines and reduce postage.

- **Track**

- The DocWeb portal includes production inquiry tools, application management components, and real-time reports to help you monitor every step of document production.

KUBRA's solution set captures established best practices and business processes designed specifically for the Utility industry. Our solutions are designed on an in-depth knowledge of the processes that drive your business. We are proud to support a complete offering based on one comprehensive platform.

WHAT SETS US APART?

- **Advanced Document Template Management**
 - Create and manage document templates
 - Allows you to test templates within the cloud-based KUBRA DocWeb portal
- **DoxsDirect™ Document Receipt Software**
 - Captures your billing files using secure, redundant, and encrypted communication processes
 - Provides data receipt, extraction, and mapping
 - Uses pre-defined business rules to compose documents with targeted messaging and data-driven charts, graphics, and calculations
- **Targeted Marketing**
 - Supports messages at the document or envelope level or as a physical insert
 - Applies QR codes to bills to provide access to online payment sites and help increase adoption of paperless billing
- **Mail Optimization Services**
 - Includes CASS-certified postal processing, address hygiene services, and support for USPS Intelligent Mail-Barcode® to limit mail delivery to inactive addresses
- **Automated Document Insertion and Mail Finishing**
 - Includes high-volume folding and insertion, selective insertion, inventory and logistics management, postal sorting and indicia application, mail traying, and packaging
- **Process Monitoring Tools**
 - Provides web-based, real-time access to tracking and management of the entire document production process
- **Proven Quality Assurance and Infrastructure**
 - Utilizes the latest hardware and software technologies along with sophisticated tracking and quality control audits to ensure communication integrity, adhere to best practices, and meet customers' exacting standards
 - KUBRA operates four highly secure and SSAE 16 compliant facilities across the United States, delivering over 400 million packages annually
- **Document Redesign Services**
 - Provides experienced design consultants who can help you redesign your financial documents and maximize this key customer touch point using industry best practices and up-to-date communication strategies.
- **Retail Cash Payment (RCP) Barcode on Bills (Optional Service)**
 - KUBRA's RCP provides a convenient and secure alternative to consumers who prefer to use cash to pay bills with the City notified in real time when payment is made.
 - Customers simply present their bill with the printed barcode to any CVS Pharmacy, ACE Cash Express, 7-Eleven, Family Dollar, Dollar General to make a utility bill payment with cash.

References

Provide a list of references with current contact person, e-mail address and phone number who may be contacted regarding firm performance.

Response:

KUBRA is proud to serve over 550 clients, of which 235 are North American utilities. Our diverse client base includes many Water, Electric and Gas Utility clients including many in State Utilities such as SMUD, San Jose Water, California Water (Cal Water), Eastern Municipal Water District (EMWD), Golden State Water, and more. Below are a 5 references as requested.

EASTERN MUNICIPAL WATER DISTRICT (EMWD)

| | |
|------------------|--|
| Services: | iMail (Printing/Mailing); KUBRA iDoxs Suite (e-billing and self-service platform); i-Connect (e-bill distribution to banking networks) |
| Location: | 2270 Trumble Road, Perris, CA 92570 |
| Contact: | Michael Wayment / 951.928.3777 ext. 4317 OR waymentm@emwd.org |
| Details: | <ul style="list-style-type: none"> • Compose, print and mail approximately 150,000 bills, notices, and letters per month; • Document archival of 24+ months of all online documents for internal and external access; Management of over 45,000 online subscribers; • Distribution of 7,000 bills per month to banking networks which allows customers to view and pay bills within the banking networks; • Processing of over 46,000 online payments Monthly through IVR, Web, and Enrolled channels; • Achieved e-bill adoption rate of approximately 18% |

GOLDEN STATE WATER COMPANY (and Bear Valley Electric)

| | |
|------------------|---|
| Services: | iMail (Printing/Mailing); KUBRA iDoxs Suite (e-billing and self-service platform) - <u>IMPLEMENTATION</u> KUBRA EZ-PAY (On demand One time payments) |
| Location: | 1920 Corporate Way, Anaheim, CA 92801 |
| Contact: | Regina Cullado / (909) 394-3600 Ext. 555 OR Regina.Cullado@gswater.com |
| Details: | <ul style="list-style-type: none"> • Recently awarded 5 year contract for all three services which had previously been provided by 3 different vendors. • Printing/Mailing implementation was quick due to the expiration of the services with incumbent • EZ-PAY on demand payment solution is currently being implemented and is scheduled to go live in Nov 2016. • EZ-PAY will also include a Retail Cash Payment solution allowing customers to pay bills at retails such as CVS, 7-11 and more • Electronic Bill Presentment and Payment will commence shortly |

CAL WATER

| | |
|------------------|--|
| Services: | iMail (Printing/Mailing); KUBRA iDoxs Suite (e-billing and self-service platform); KUBRA EZ-PAY (On demand One time payments) i-Connect (e-bill distribution to banking networks) |
| Location: | 1720 N 1st St, San Jose, CA 95112 |
| Contact: | Richard Stuart / 408-367-8570 OR rstuart@calwater.com |
| Details: | <ul style="list-style-type: none"> • Went live (Feb 2016) with bill print including bill re-design and full color bill • Document archival of over 54 million online documents for internal and external access; • 180,000+ online payments across one-time, e-bill activated, IVR, and pay-any-one network channels; • Deliver 50,000+ e-bills into the e-bill consolidator network per month; • 32% e-bill adoption or paperless billing usage. • Support 180,000 online subscribers |

Financial Statement

The proponent must be able to demonstrate a good record of performance and have sufficient financial resources to ensure that they can satisfactorily provide the services required herein.

Proponent shall submit a full and detailed presentation of the true condition of the proponent's assets, liabilities and net worth. The report should include a balance sheet and income statement. If the proponent is a new partnership or joint venture, individual financial statements must be submitted for each general partner or joint venture thereof. If firm is a publicly held corporation, the most current annual report should be submitted.

Any proponent who, at the time of submission, is involved in an ongoing bankruptcy as a debtor, or in a reorganization, liquidation, or dissolution proceeding, or if a trustee or receiver has been appointed over all or a substantial portion of the property of the proponent under federal bankruptcy law or any state insolvency, may be declared non-responsive.

Response:

We operate as an independent business under the Hearst Corporation, a global corporation with 127 years of knowledge and over \$12 billion in annual recurring revenue. Hearst provides guidance to help us take on new initiatives and enables us to make significant investments in our core solution platforms and infrastructure to better support our clients.

KUBRA is a private company and we do not provide financials in public facing RFP's. We will confidentially provide financials to the City on request outside of the RFP.

As an independent unit of the Hearst Corporation, KUBRA provides the City with an experienced, proven, and financially strong partner. KUBRA is recognized as a leader in print, e-billing, and self-service solutions – feature-rich functionality and established best practices all powered by one common technology platform. With four production facilities across North America, delivering over 400 million first class mail pieces, 50 million e-bills, 100 million e-payments, and 750 million online documents composed and stored annually, you can have the confidence in our experience and track record.

Corporate Structure, Organization

Describe how your firm is organized, noting major divisions and any parent/holding companies, as well as brief history of the firm and all personnel potentially to be involved in the project including all sub-consultants. Designate the Principal in Charge and other key personnel. Include résumés. Also provide a description of the experience your firm has had with similar processes.

Response:

KUBRA provides customer experience management solutions to billers across North America. Our portfolio of solutions include bill printing and mailing, electronic presentment, payments, mobile apps, and alert solutions for our clients and their customers. With our U.S. headquarters located in Tempe, Arizona and a local CA presence in Gardena (Los Angeles), we process more than 1 billion customer experiences annually, allowing us to provide performance-driven value to more than 550 clients every day, of which, 235 are North American utilities spanning municipal, water, electric, and gas.

From our beginnings in 1992 providing outsourced printing and mailing services, KUBRA has evolved over the years to focus on customer experience solutions via print and electronic channels. KUBRA's acquisition of iFactor in 2016 strengthened our solution by enhancing our outbound communication and customer preference management solutions. iFactor products connect with clients' backend systems to enable them to communicate with customers via automated messaging, utility maps, and mobile applications for notifications, storm updates, gas leaks, and street light outages.

Ownership

KUBRA operates as an independent unit under Hearst who on September 3, 2014, announced the acquisition of an 80% stake in KUBRA. This acquisition provides us the opportunity to take on a number of new initiatives and enables us to make significant investments in our core solution platforms and support infrastructure to better support our clients and our partners going forward. Hearst brings 127 years of knowledge and financial strength generating in excess of \$12 billion in annual recurring revenue.



Solution Categories (Divisions)

Many organizations today are grappling with how to deliver exceptional customer service with the latest billing, communication, and payment functionality - while minimizing the number of vendors needed to support their business processes. KUBRA's approach to servicing the Home Services (Utility) vertical is to be the one partner that delivers a complete and fully integrated platform for all customer experiences.

KUBRA was formed in 1992 and our first product was outsourced invoice print and mailing services. We initially focused on the commercial and distribution verticals where we printed and mailed invoices, statements, and reminder notices for a number of organizations. We developed our own composition software internally to receive and render documents for print production. Over the years, we have expanded our product line to include a document archival and retrieval solution as well as full e-bill presentment and payment services to meet the demands of the marketplace.

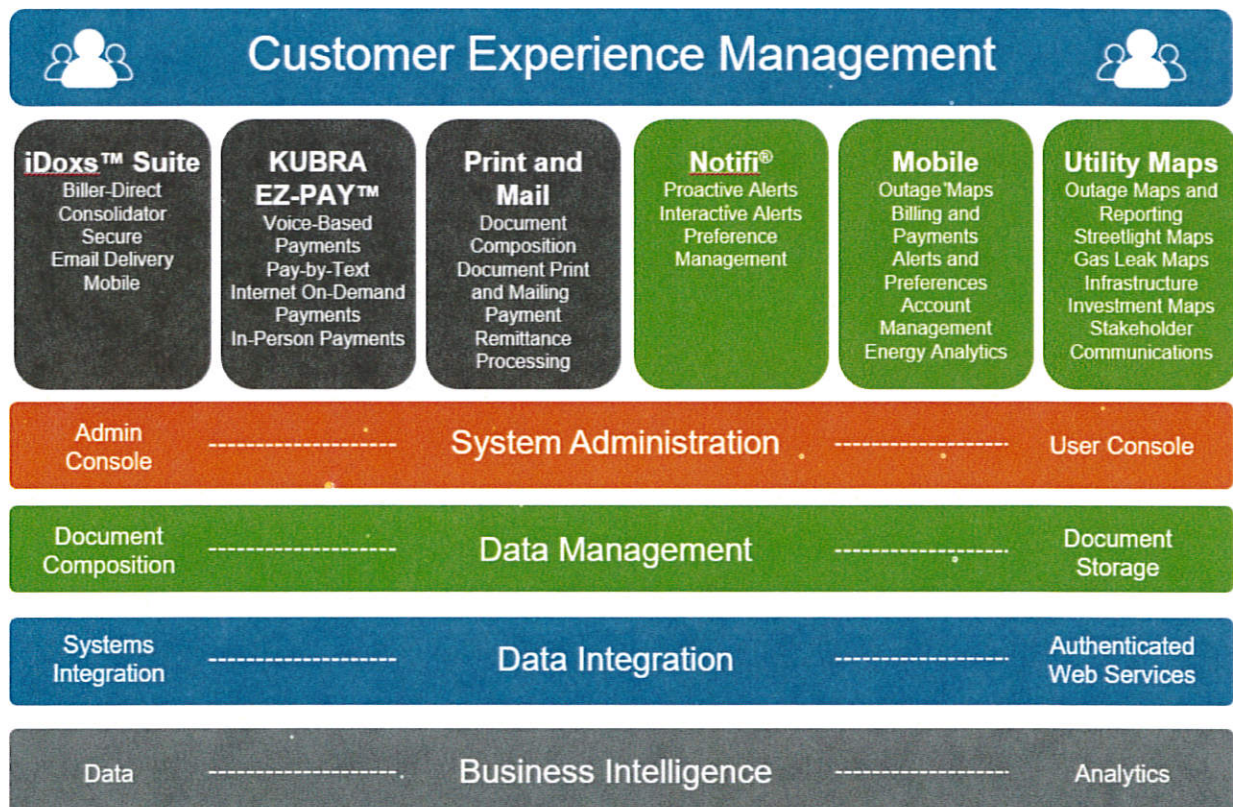


Figure 4: KUBRA's Integrated Solution Suite (Confidential)

Personnel to be involved:

KUBRA has 470 employees spread across five (5) locations [four (4) print] in North America.

We have a Utility practice that is focused on your industry and staffed with resources that have more than 10 years of experience. **Greg Weeks** is a **Regional Sales Manager** and reports to Jordan Khamra, Director of North American Sales. Greg has 18 years of experience in the utility space and is focused on the utility market within the Western Region. His unique background in project implementations and management, solution architecture, and sales management provides his clients and prospects with an expert in every aspect of the transactional document delivery process. Greg will be the City's primary point-of-contact during the RFP evaluation/Sales process.

Tony Di Iorio is our **SVP of Service Delivery** and brings over 16 years of experience in the outsourcing marketplace. Tony leads our Implementations, Operations, and Client Services Departments. KUBRA maintains a Client Relationship Management (CRM) team led by **Braden Short, VP of North American Sales & Client Relations**.

All KUBRA implementation teams have significant experience implementing all services for Utility accounts as KUBRA is proud to serve over 550 clients, of which 235 are North American utilities. Our diverse client base includes Water, Electric and Gas Utility clients including many in State Utilities such as Eastern Municipal Water District (EMWD), San Jose Water, California Water (Cal Water), Golden State Water, SMUD and more.

Pre- and Post-implementation, we provide our clients with a team of resources for support and service delivery. Team are not assigned until contract award but based on current resource assignments, we would project the team would be led by **Monika Zagorda, Manager, Client Solutions** (who reports to Tony Di Iorio). Monika's team is the primary point-of-contact for all support and production-based requirements and issues.

The Project Manager, **Faranak Hashemi** will be responsible for the administration and technical direction of all applications and deliverables as well as the overall success of the project. At a minimum, Faranak will schedule weekly status meetings during the life of the implementation; and, weekly status reports will be distributed to provide a listing of the deliverables achieved as well as a status of deliverables in progress for the following week. This includes a status of each deliverable (e.g., critical), the detail, due date, and resource assignment.

Below is a list of the key personnel that KUBRA anticipates assigning to the City's account as part of your CSt during the implementation and who will be involved with on-going maintenance as well.

Resource #1 – Monika Zagorda, Manager, Client Solutions

Resource #2 – Jaro Leken, Technical Lead, Client Solutions

Resource #3 – Various, Sr. Programmer/Analyst

Resource #4 – Faranak Hashemi, Project Manager

Resource #5 – Diana Lamb, Sr. Client Relationship Manager

Resource #6 – Christopher McLeod, Support Lead

The City's assigned CSt will be available during KUBRA's normal business hours Monday - Friday and outside of business hours as reasonably needed. High-level example resumes listing the qualifications and work experiences of key personnel that will be assigned to the City's account is included within **Appendix A – KUBRA Project Personnel Example Resumes**.

Due to privacy concerns, detailed, full-length resumes for our key personnel are considered confidential and are not released in public forums such as RFP responses. The City's final assigned implementation team will be assigned at contract award for any changes or additions to the services that are provided today.

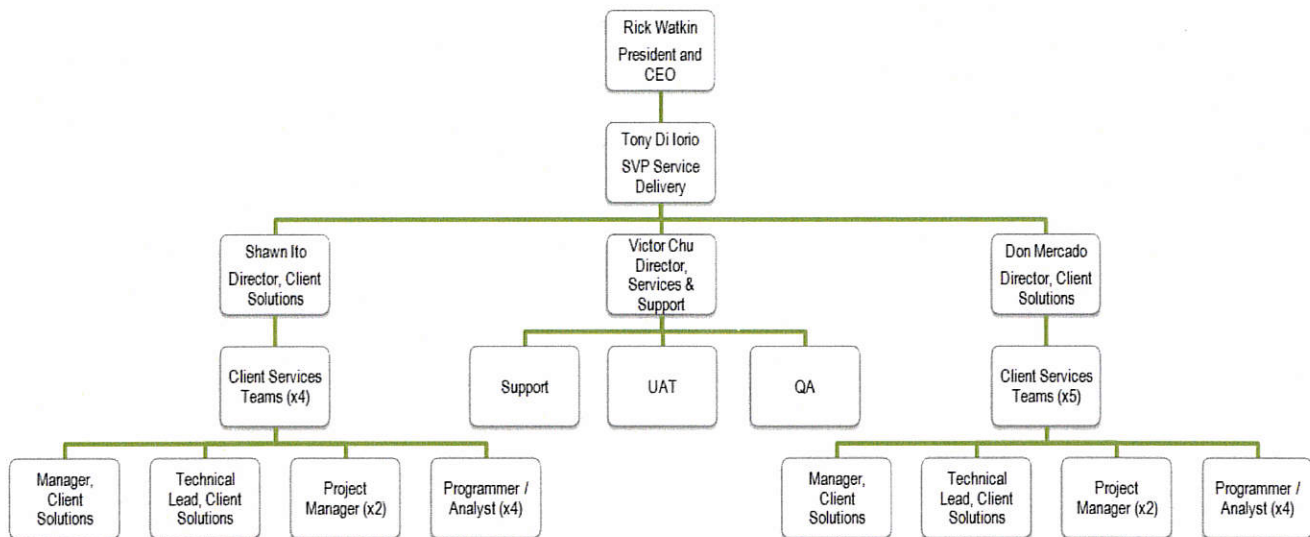


Figure 5: Corporate Hierarchy of Service Delivery Teams (Confidential)

The City's project will be supported through KUBRA's Dallas, TX (Coppell), Gardena, CA (Los Angeles), and Mississauga, ON (CAN) offices. Our Gardena, CA (Los Angeles) office will serve as the U.S. headquarters for the City.



Proposal Fee (Under Separate Cover)

Refer to the separately provided Pricing proposal.

Scope of Work

The successful firm will have the capability to perform all services required to print and mail approximately 90,000 City utility bills monthly (1.1 million annually), 8,000 delinquency and cutoff notices monthly (96,000 annually), and 1,200 various accounts receivable invoices monthly (14,000 annually). The firm will receive an electronic data file from the City's utility billing customer information system by remote means and process the data to generate printed City utility bills. All printing, folding, inserting and mail processing services will be performed by the firm. The firm shall provide materials including City approved bill stock and envelopes. The City may elect to furnish printed informational inserts that the Contractor will store at its location until inserted in the utility bills. It is also desirable for the firm to have the capability to design and print inserts at the City's option.

Response:

KUBRA has the capability and capacity to perform the print and mail for the City from our in State production facility in Los Angeles (Gardena). Nationwide we operate four highly secure, redundant and SSAE 16 compliant production facilities delivering over 400 million packages annually

Additionally, the successful firm will be able to:

A. Pick up mailing inserts from a City designated location on the next business day following notification by City that materials are ready. Business days are Monday through Friday, 52 weeks per year (except holidays as determined by the City).

Response:

Approximately 95% of our clients prefer to drop-ship inserts and newsletters to our various facilities from their preferred local print vendors using their preferred courier/shipping companies. KUBRA has a comprehensive receipt and processing routine that includes the inspection of the inserts and other consumables, a digital picture and weighing process, validation of quality, and logging the quantity into our inventory management system. All inserts are required to arrive at our facility 24 hours prior to the scheduled run of the file.

Also note that KUBRA has the ability to print inserts on-demand (utilizing local vendors) eliminating the costs associated with transportation. We recommend a minimum notice of 15 business days be provided as we require five to seven (5-7) business days after the client approves the PDF proof to ensure that the insert is delivered on time. For inserts produced by KUBRA, the preferred file format is an illustrator file (vector art) with high resolution in .eps or .ai format (also called native files).

B. Process multiple mailings on the same day using different formats and specifications; i.e., utility bill, disconnect notices, or other mass mailings as required.

Response:

Confirmed; we are able to support different formats and specifications as you have described. From a timing standpoint, we are proposing our Gold Service level which provides for next day delivery to the post office for files that we receive prior to 6:00pm PST.

C. Provide billing and mailing supplies per City specifications. These supplies may include white or colored 8 1/2" x 11" paper stock, two (2) sided preprinted in color, perforated for tear-off stub, billing forms, #10 window mailing envelopes and #9 return envelopes. Proponent to ensure that envelopes meet postal regulations to qualify for most beneficial postage rates. Different paper types/colors/sizes and formats may be used for different types of mailings (i.e., white perforated paper for delinquency notices or colored pre-printed bill forms).

Response:

Confirmed specifications as described above and based on the samples provided in the Questions & Answers. KUBRA also supports full color if the City would like to consider moving away from pre-printed stock.

D. Provide equipment, staff and all materials and services necessary to design, revise and print various formatted billing and notice overlays in conjunction with printing bills and notices from data provided by City.

Response:

Confirmed; The KUBRA iMail solution includes document design; high-speed simplex or duplex printing, folding, and insertion; mail finishing and postal service; and, web-based tools for tracking and management. Our production facilities and technical development teams utilize advanced digital printing technology, quality control, and multiple print platforms to deliver unsurpassed document output solutions.

E. Print laser images (including bar coding) from mutually agreed format. Ability to receive data (including bar coding) electronically in a mutually agreed format. Proponent to provide necessary staff and equipment to receive/accept electronic transmission of data.

Response:

Confirmed; Raw data (Flat, Comma delimited, Pipe delimited, XML) is our preferred data file format, however, we support a number of industry standard data formats such as AFP, PDF.

KUBRA supports data transfer using FTP and Secure FTP (SFTP) as a standard. SFTPs are supported for Encrypted Data Transfers across the Internet or direct, point-to-point dial-up links to ensure data integrity and privacy.

We provide automated event driven alerts to keep you informed of the status of your file throughout the production process. This is facilitated through the DocWeb self-service portal which includes a Notifications Manager with over 30 e-mail reminders/notifications based on pre-defined system events.

F. Provide services to fold and stuff [bill, return envelope and various mailing inserts (as needed)] and to prepare these items for mailing in accordance with postal regulations to qualify for most beneficial postage rates [i.e., zip+4, bar coded, presorted, and Code Access Support System (CASS) Certificate compliance].

Response:

Confirmed; we utilize advanced postal correction, pre-sorting, and NCOA real-time processing to maximize the postage dollar for our clients. These three processes enable our clients to typically achieve 3 digit pre-sort rates on 95% of their mail pieces consistently. Utilities often receive a 5-digit per-sort rate due to the density of the mail file.

KUBRA uses the following tools to ensure our clients receive the best postage rates:

- CASS Certification Formatting (Coding Accuracy Support System - CASS)
- Address Correction (Address Element Correction - AEC)
- Address Pre-sorting (Pre-sort Accuracy Validation Evaluation - PAVE)
- Additional Address Processing/Hygiene Services
- National Change of Address Processing (NCOA Link) – real-time processing
- Return Mail Management

Any and all mailings presented to the USPS for automated postal discounts require a CASS certificate which demonstrates that all submitted addresses for a given domestic mailing have been double-checked against the USPS national database of valid addresses. A USPS approved suite of software creates the CASS certificate with each automated mailing file we process.

On a cyclical basis, KUBRA's software corrects the address. However, for addresses that are not correctable, the addresses fall into the standard first class rate. This ensures that respective bills are expediently mailed out. KUBRA prepares an exception list and sends this list to the client after each cycle processed for review and next steps. The following are the primary activities used to maximize postage savings:

- Address Correction Services are integrated with IMB and allow you to track down undeliverable mail for up to 90 days. You can use this information to update your customers' mailing addresses and start saving postage by minimizing the number of your undeliverable mail pieces.
- The mail will be pre-sorted to ensure the highest percentage of 3 and 5 digit per-sort rate pieces.
- Metered mail is applied at a fixed rate. There will be some pieces that cannot be pre-sorted. KUBRA can offer fixed rate pricing on those pieces below standard first class non pre-sort rates.

G. Deliver prepared mailings to Stockton Post Office or arrange postal permit that does not designate city of origin if city of origin is other than the City of Stockton.

Response:

KUBRA will arrange a postal permit that does not designate the City of Origin as we are located just outside of Los Angeles in Gardena. To expedite mail delivery for our clients, we deliver the mail directly to the main USPS Business Mail Entry Unit (BMEU) instead of to the closest local USPS facility. KUBRA delivers mail to the main USPS Regional Business Mail Entry Unit located at:

7001 S. Central Ave. Los Angeles, CA 90052-9621

This facility is eight (8) miles (15-20 minutes) from our facility, but by delivering mail to this facility, we expedite mail delivery by bypassing the local facility in Gardena (which is closest to our facility).

H. Guarantee delivery of bills to Post Office no later than mailing deadline of next postal business day following receipt of data from City. For example:

- 1. DAY 1 - City notifies proponent by 5:00 p.m. of material ready for pick-up or transmission for next day.**
- 2. DAY 2 - Material picked up from City at mutually agreed upon time (not earlier than 11:00 a.m.). Electronic transmission (no earlier than 11:00 a.m.).**
- 3. DAY 3 - Printed, mail-ready bills, delivered to U.S. Post Office by the mailing deadline for that day.**

Response:

Confirmed. As noted earlier, from a timing standpoint, we are proposing our Gold Service level which provides for next day delivery to the post office for files that we receive prior to 6:00pm PST.

As we are located in Gardena (just outside of Los Angeles), material will need to be shipped and not picked up by KUBRA, however, as noted earlier in the response we are also able to print the inserts on request.

I. Provide detailed monthly billing for services provided by type of job as specified by City, i.e.; one bill for printing and mailing utility bills, another bill for printing and mailing shut-off/delinquency notices for utilities, another bill for printing and mailing Miscellaneous A/R invoices and statements. Each periodic bill to include detail information for each printing and mailing job performed.

Response:

Confirmed.

J. Receive and process City's electronic transmissions.

Response:

Confirmed. Through our online Customer Portal, Doc Web, the City can monitor the delivery of data files with integrated compliance tracking, encryption tools, and alerts. The system supports error tracking and data/time check validation along with reporting and historical file access.

The DocWeb Notification Manager includes over 30 e-mail/SMS reminders or notifications based on pre-defined system events. The notifications can be configured per user and can apply across file schedules to inventory threshold levels.

Alerts include:

| Alert Type | Description |
|--------------------------|---|
| Arrived | e-Mail an alert when a job arrives in the system and is ready to process |
| Transmission Error | e-Mail an alert when the transmission has produced an error |
| Unexpected | e-Mail an alert when an unexpected job arrives in the system |
| Late | e-Mail me an alert when an expected job has not arrived and is now considered late |
| Pending Approval | e-Mail an alert when job pending approval. Job will not process until it is approved |
| Done | e-Mail an alert when a job is complete When all components of the job are complete the job is considered complete |
| Error | e-Mail an alert when the job has produced a production error |
| SLA Late | e-Mail an alert when the job has exceeded SLA |
| Job Log | e-Mail the filter log when job has finished processing |
| Bounced E-Mails | e-Mail an alert when bounced e-mails are received |
| Stock Arrived | e-Mail an alert when stock has arrived |
| Hold For Stock | e-Mail an alert when the job has produced a hold for stock |
| Campaign Expired | e-Mail an alert when campaign expires |
| Campaign Started | e-Mail an alert when campaign is started |
| Campaign Cancelled | e-Mail an alert when campaign is cancelled |
| Campaign Skipped | e-Mail an alert when campaign is skipped |
| Campaign Enable Reminder | e-Mail an alert one day before start date when campaign is not enabled |
| Proofing Arrived | e-Mail an alert when proofing jobs have arrived for review |
| Job | e-Mail the selected reports as attachments |
| Service Bulletins | e-Mail me the selected service bulletins |

EXHIBIT B
Compensation



KUBRA's Pricing / Cost Proposal **(ORIGINAL)** to City of Stockton For Utility Bill Printing and Mailing Services (PUR 16-034)

DUE: April 27, 2017 at 2:00 p.m.

VERSION: 1.0

KUBRA Proprietary

This document is proprietary to KUBRA and must be treated on a confidential basis. It may be used solely for KUBRA purposes. Use or disclosure of the document or the information contained therein for any other purposes is not permitted without prior authorization.

© KUBRA 2017. All rights reserved. Proposal valid 120 days from date of issue.



**PROPOSAL CONTACT
INFORMATION:**

ADDRESS: KUBRA
14105 S Normandie
Gardena, CA 90249
www.kubra.com

SALES REP: Greg Weeks
Manager, Regional Sales

PHONE: 800.766.6616 ext. 230
EMAIL: greg.weeks@kubra.com

KUBRA Proprietary

This document is proprietary to KUBRA and must be treated on a confidential basis. It may be used solely for KUBRA purposes. Use or disclosure of the document or the information contained therein for any other purposes is not permitted without prior authorization.



Table of Contents

| | |
|-------------------------------------|---|
| Cover Letter | 3 |
| Proposal Fee (Under Separate Cover) | 5 |

Cover Letter (Pricing/Cost Proposal)

April 24, 2017

City Clerk
City of Stockton
425 North El Dorado Street
Stockton, CA 95202-1997

Re. RFP for Utility Bill Printing and Mailing Services

KUBRA Data Transfer Ltd. ("KUBRA") is pleased to submit our Pricing / Cost Proposal for RFP for Utility Bill Printing and Mailing Services to The City of Stockton ("City").

KUBRA proposes our print and mail production solution iMail to serve the City. iMail is an integrated service that provides sophisticated document production and distribution capabilities in highly secure and controlled environments. With advanced address hygiene and data management tools, selective messaging and marketing and a distributed mail production and delivery network, the KUBRA iMail solution reduces delivery times, and improves accuracy rates. KUBRA iMail also provides an online self-service portal, DocWeb, allowing web-based, real-time access, tracking, management, and control of all critical functions and applications associated with the document generation and distribution processes.

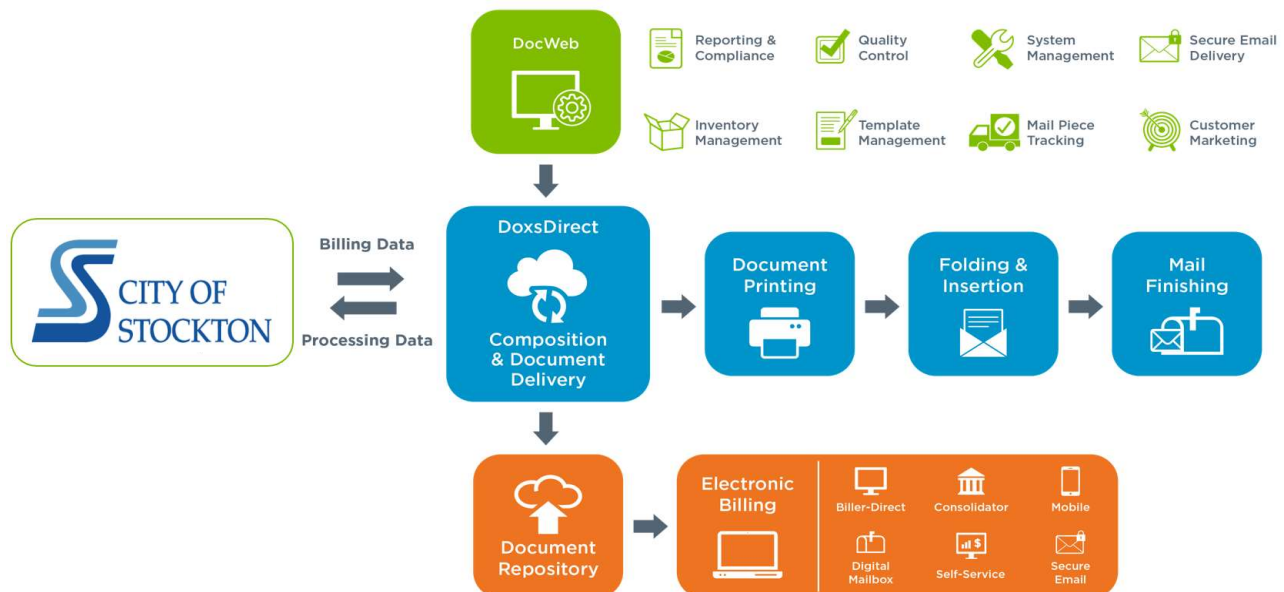


Figure 1: Solution Overview

We are confident in our capabilities to deliver on your requirements and look forward to the opportunity to speak to you further pertaining to KUBRA. Should you have any questions regarding this proposal, please feel free to contact Greg Weeks to speak further.

Solution Highlights:

- ***Printed and Mailed in State*** (Gardena, California)
- ***Next day delivery*** of Utility bills, delinquency/cut-off notices and AR Invoices
- ***Online Production Monitoring portal*** for event driven alerts, pulls, on-document messaging, and more - Provides real-time production tracking of the document progress from the moment we receive the data until the minute the print job leaves our facilities and the mail carrier's hands and beyond
- ***Postal Processing Optimization*** - Supports advanced postal processing capabilities including return mail management, real-time NCOA updates, and advanced address hygiene processing
- ***Disaster Recovery*** supported through multiple print centers
- ***Quality of Service*** - Our Quality of Service (QoS) Department is solely focused on internal audits and quality processes with 35 quality and production checkpoints, various balancing controls, and reconciliation reports throughout the entire production process resulting in near 100% reliability and accuracy.

I, Braden Short, Vice President of Sales & Client Relations, am authorized to obligate KUBRA contractually. I acknowledge that the proposal, including pricing and that it is considered firm for one-hundred (120) days after the due date for receipt of proposals or receipt of the last revised offer submitted

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Braden Short'.

R. Braden Short | VP Sales & Client Relations
(P) 800.766.6616 ext. 375
(E) braden.short@kubra.com

A handwritten signature in blue ink, appearing to read 'Greg Weeks'.

Greg Weeks | Manager Regional Sales
(P) 800.766.6616 ext. 230
(E) greg.weeks@kubra.com

Proposal Fee (Under Separate Cover)

1. Setup Fees: Initial programming

~~\$10,000~~ **\$0.00** – Waived implementation costs include the following:

Proofing Manager - Allows the City to build sophisticated filtering applications to allow for Q&A of specific documents without impacting the Service Levels of the entire file.

Document Template Manager (DTM) - Allows you to add/edit letters/correspondence. Set-up application within DocWeb does not include the building out of the letter templates themselves

Messaging Manager and Insert Campaign Manager -The Messaging Manager allows the City to create and edit messages on the bill. The Insert Campaign Manager allows the City to control inserts to be included in the envelope. With the Messaging Manager and Insert Campaign Manager this includes the configuration of the application but not the building out of the actual campaigns or entering the data into the system

Target Manager - Set up of Targets for marketing (using the Messaging and Insert Campaign Managers)

Returns Manager - Including Nixie and Change of Address (COA)

IMB - Full Service IMB

2. Support Fees:

a) Software usage and support fee

Included

b) Additional programming (if necessary)

\$165/hour Professional Services

- Adjustments to the in-production system or development. An estimate will be created with respect to the number of billable hours required and a statement of work signed for any work estimated to exceed 4 hours. In the event that changes are required that would alter the scope defined by this proposal and the subsequent contracted SOW, a Project Change Request ("PCR") will be initiated.

3. Transactional pricing

The KUBRA transactional pricing is based on the individual unit as this method is more cost effective to the City as you only pay for what you use. Please refer to the next page for total package costs.

| Service Fees | Unit Charges |
|--|--------------|
| Pre-processing | Included |
| Printing (Black) on plain or pre-printed forms | \$0.015 |
| Insertion – Automated Folding and Insertion | \$0.017 |
| Marketing Insert Fees | \$0.00* |
| Consumable Fees | Unit Charges |
| Paper: Utility Bill Stock or Delinquent notice (20#) – Current pre-printed 2/1, 1/1 or 1/0 with or without perf | \$0.015 |
| Paper: AR Invoice or AR Statement (20#) - Plain White with or without perf | \$0.01 |
| # 10 Outer Mailing Envelope (OME) – Current Double Window or Single Window | \$0.022 |
| # 9 Business Reply Envelope (BRE) – Current Generic | \$0.013 |

| Service Fee definitions | Definition |
|---------------------------------|--|
| Pre-processing | This fee is applied per image received irrelevant of eventual document production and includes all core document composition activities including Communication/Data Receipt, Data extraction & parsing, Document composition, Business rules application, Personalization, Postal processing and Print File Construction and Routing. |
| Printing | This fee is applied per impression and includes the actual application of the ink on a document at the noted distribution facility. This fee includes the actual service of printing and the ink consumables. |
| Automated Folding and Insertion | This fee includes the intelligent folding and insertion of said documents into an OME (Outer Mailing Envelope). |
| Marketing Inserts | The BRE and first insert station is included . Additional inserts are billable at \$0.005/insert/station. Does not include the cost to produce materials but this is available as an optional service. |

PRICE BREAKDOWN:

Price per Utility Bill or Delinquency/Cut-off Notice:

| Service Fees | Unit Charges | Per Piece |
|--|----------------|----------------------|
| Pre-processing | Included | 1 |
| Printing (Black) on pre-printed forms | \$0.015 | See total cost below |
| Insertion – Automated Folding and Insertion | \$0.017 | 1 |
| Marketing Insert Fees | \$0.00* | 2 (Included) |
| Consumable Fees | Unit Charges | Per Piece |
| Paper: Utility Bill or Delinquency (20#) – Current pre-printed 2/1, 1/1 or 1/0 with or without perf | \$0.015 | See total cost below |
| # 10 Outer Mailing Envelope (OME) – Current Double Window or Single Window | \$0.022 | 1 |
| # 9 Business Reply Envelope (BRE) – Current Generic | \$0.013 | 1 |
| Total Cost per Utility bill or Delinquency | Unit Charges | |
| Price per 1 page document printed and mailed including paper and outer envelope | \$0.069 | |
| As above with reply envelope | \$0.082 | |
| Price per 2 page document printed and mailed including paper and outer envelope | \$0.099 | |
| As above with reply envelope | \$0.112 | |

Price per AR invoice or AR Statement:

| Service Fees | Unit Charges | Per Piece |
|---|----------------|--------------|
| Pre-processing | Included | 1 |
| Printing (Black) on pre-printed forms | \$0.015 | 1 |
| Insertion – Automated Folding and Insertion | \$0.017 | 1 |
| Marketing Insert Fees | \$0.00* | 2 (Included) |
| Consumable Fees | Unit Charges | Per Piece |
| Paper: AR Invoice or AR Statement (20#) - Plain White with or without perf | \$0.01 | 1 |
| # 10 Outer Mailing Envelope (OME) – Current Double Window or Single Window | \$0.022 | 1 |
| # 9 Business Reply Envelope (BRE) – Current Generic | \$0.013 | 1 |
| Total Cost per AR invoice or AR Statement | Unit Charges | |
| Price per one page document printed and mailed including paper and outer envelope | \$0.064 | |
| As above with reply envelope | \$0.077 | |

Pricing Notes:

- Custom paper and envelope orders require a minimum order commitment as follows:
 - a. Paper / Utility Bills and Delinquency/Cut-off Notices = 3 months
 - b. Paper / AR Invoices and Statements = N/A (Generic item)
 - c. #10 Double Window Envelopes = 6 months
 - d. #10 Single Window Envelopes = 12 months
 - e. #9 Reply Envelopes = N/A (Generic item)
- Postage is a pass through and based on the City file. Two months upfront postage required.
- KUBRA reserves the right to increase consumable pricing (paper and envelopes) based on an industry-wide increase which is established through public articles from at least two pulp and paper mills.
- Upon termination of the agreement, City is required to pay for any consumable inventory at the noted fees referenced within this schedule.

Additional Pricing:

- PDF return or 36 months of bills hosted online is available for an additional \$0.01/bill
- Full Color print pricing is available on request

Exhibit C:
Insurance Requirements for Professional Services

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the **general aggregate limit shall be twice** the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers’ Compensation** insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease. ***(Not required if consultant provides written verification it has no employees)***
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Consultant’s profession, with limit no less than **\$2,000,000** per occurrence or claim, \$2,000,000 aggregate. (If Claims-made, see below.)

If the Consultant maintains higher limits than the minimums shown above, the City of Stockton requires and shall be entitled to coverage for the higher limits maintained by the consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Stockton.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers are to be covered as additional insureds on the CGL policy and AL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (**at least as broad as** ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the **Consultant's insurance coverage shall be endorsed as primary** insurance as respects the City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers. Any insurance or self-insurance maintained by the City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers shall be excess of the Consultant's insurance and shall not contribute with it. The City of Stockton does not accept endorsements limiting the Consultant's insurance coverage to the sole negligence of the Named Insured.

Notice of Cancellation

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the City of Stockton.**

Waiver of Subrogation

Consultant hereby grants to City of Stockton a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City of Stockton by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Stockton has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Stockton Risk Services. The City of Stockton may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII if admitted to do business in the State of California; if not admitted to do business in the State of California, insurance is to be placed with insurers with a current A.M. Best's rating of no less than A+:X.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. If Claims Made policy form is used, a three (3) year discovery and reporting tail period of coverage is required after completion of work.

Verification of Coverage

Consultant shall furnish the City of Stockton with original certificates and amendatory endorsements required by this clause. All certificates and endorsements are to be received and approved by the City of Stockton Risk Services before work commences. Failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City of Stockton reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time, for any reason or no reason.

Consultant shall, prior to the commencement of work under this Agreement, provide the City of Stockton with a copy of its Declarations Page and Endorsement Page for each of the required policies.

Certificate Holder Address

Proper address for mailing certificates, endorsements and notices shall be:

- City of Stockton
- Attention: Risk Services
- 425 N El Dorado Street
- Stockton, CA 95202

City of Stockton Risk Services Phone: 209-937-5037

City of Stockton Risk Services Fax: 209-937-8558

Maintenance of Insurance

If at any time during the life of the Contract or any extension, the Consultant fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately. Any failure to maintain the required insurance shall be sufficient cause for the CITY to terminate this Contract.

Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City of Stockton is an additional insured on insurance required from subcontractors.

Special Risks or Circumstances

City of Stockton reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.