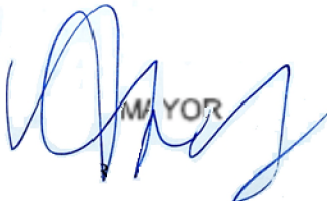


<b>TRANSMITTAL</b>		0150-09805-0004
TO The Council	DATE 06/07/16	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	
<p><b>Authority for the Director of Finance to execute an agreement with Electronic Output Solutions for variable imaging, mailing services, and electronic billing communications.</b></p> <p>Approved as requested. See the City Administrative Officer report attached.</p> <div style="text-align: center;"> MAYOR (Ana Guerrero)</div>		

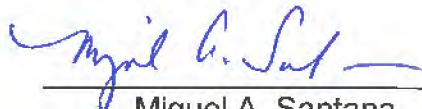
**TRANSMITTAL**

0150-09805-0004

TO The Mayor	DATE 06-03-16	COUNCIL FILE NO.
FROM The City Administrative Officer		COUNCIL DISTRICT

**Authority for the Director of Finance to execute an agreement with Electronic Output Solutions for variable imaging, mailing services, and electronic billing communications.**

Approved as requested. See the City Administrative Officer report attached.



Miguel A. Santana  
City Administrative Officer

MAS:ECM:01160061c

**Report From**  
**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**  
**Analysis of Proposed Contract**  
(\$25,000 or Greater and Longer than Three Months)

To: Mayor	Date: 06-03-16	C.D. No. n/a	CAO File No.: 0150-09805-0004
Contracting Department/Bureau: Office of Finance		Contact: Ken White	
Reference: Transmittal from the Office of Finance dated May 5, 2016			
Purpose of Contract: For variable imaging (printing), mailing services, and electronic billing communications			
Type of Contract: ( x ) New contract ( ) Amendment		Contract Term Dates: June 1, 2016 through May 31, 2019 with an option to extend two more years	
Contract/Amendment Amount: Compensation is based on usage of the Contractor's services			
Source of funds: Department 39, Fund 100, Account 2120 (Printing and Binding)			
Name of Contractor: Electronic Output Solutions			
Address: 2510 Commerce Way, Vista, CA 92081			
	Yes	No	N/A*
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: 0%			
8. Contractor has complied with:			
a. Equal Employmt. Oppty./Affirm. Action	X		
b. Good Faith Effort Outreach**	X		
c. Equal Benefits Ordinance	X		
d. Contractor Responsibility Ordinance	X		
e. Slavery Disclosure Ordinance	X		
f. Bidder Certification CEC Form 50	X		
g. Bidder Contributions CEC Form 55	X		
*N/A = not applicable ** Contracts over \$100,000			

**COMMENTS**

The Office of Finance (Department) requests approval to execute a contract with Electronic Output Solutions (Contractor) for variable imaging (printing), mailing services and electronic billing communications. The term of the contract is June 1, 2016 through May 31, 2019, with a two-year option to renew. The City Attorney has reviewed the contract as to form and content.

On March 9, 2015, the Department released a Request for Proposals (RFP) for variable imaging, mailing services, and electronic billing communications. The Department received three proposals. A panel of three Department employees reviewed and scored the proposals based on the quality of the proposal, pricing, experience, and key personnel. The Contractor offered the best pricing and received the highest score.

The Department's most recent contact for these services was with the Contractor and expired on May 31, 2016. At the request of the Department, the Contractor has continued to provide services after the

			
ECM	Analyst	Assistant CAO	City Administrative Officer

expiration of the Contract. Execution of the proposed agreement would ratify the services that have been provided to date.

Under the terms of the proposed agreement, the Contractor shall convert data into finished mail pieces that will be mailed via the United States Postal Service (USPS) or distributed electronically. The Contractor will have 72 hours upon receipt of the data to deliver the finished pieces to the USPS. The Department will establish a postage fees escrow account for the Contractor. The Contractor shall maintain a tracking system that shows what files have been received, shipment records, distribution history, and invoicing.

Compensation shall be based on the type of job and is detailed in lines one through 15 of the proposed agreement. The minimum charge per production shall be \$25. The pricing structure represents a 3.7 percent cost increase over the existing contract, which was executed in 2012. The average expenditure from 2012 through 2015 was \$55,000.

In accordance with Charter Section 1022, the Personnel Department has determined that the services set forth in the proposed contract can be performed by City employees, but that there is currently insufficient staff to complete the work and that any staff hired to complete this work cannot be employed on an ongoing basis. Therefore, this Office finds that it is more feasible to contract for these services.

In accordance with the Los Angeles Administrative Code Section 10.5(a), Council approval of the proposed agreement is required because the total term exceeds three years. To the best of our knowledge, the Contractor has complied with all standard provisions for City contracts, as well as City contracting requirements.

## **RECOMMENDATION**

1. That the Council, subject to the approval of the Mayor, authorize the Director of Finance, or designee, to execute a contract with Electronic Output Solutions for a term of June 1, 2016 through May 31, 2019, with an option to extend by up to two years, for a total of five years.
2. That the Council, subject to approval of the Mayor, authorize the Director of Finance, or designee, to extend the term of the agreement with Electronic Output Solutions by up to two additional years, for a total of five years, subject to review and approval by the City Attorney.

## **FISCAL IMPACT STATEMENT**

Funding for the contract is available in Department 39, Fund 100, Account 2120 (Printing and Binding). This recommendation is in compliance with the City's Financial Policies in that there is no additional impact on the General Fund.

Attachment



CITY OF LOS ANGELES  
CALIFORNIA



2016 MAY -9 PM

ERIC GARCETTI  
MAYOR

(213) 978-1774

May 5, 2016

The Honorable Eric Garcetti  
Mayor of the City of Los Angeles  
200 North Spring Street, Room 303  
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

Subject: **Approval to Execute Contract for Variable Imaging, Mailing Services and Electronic Billing Communications**

Dear Mayor Garcetti:

**SUMMARY**

In accordance with Mayor's Executive Directive No. 3, the Office of Finance (Finance) requests approval to execute the attached proposed contract with *Electronic Output Solutions* for Variable Imaging (Printing), Mailing Services and Electronic Billing Communications. The term of the proposed contract is three years with the option to extend by up to two additional years if both parties agree. The contract is the result of a Request For Proposal (RFP) released by the Office of Finance March 9, 2015. Three proposals were received in response to the RFP. The proposal submitted by *Electronic Output Solutions* represents the lowest cost to the City for the requested services. *Electronic Output Solutions* is the current provider of the services proposed in this contract and has performed well over the term of the current contract. The City Attorney is currently reviewing the agreement as to form and legality. The current contract for the proposed services expires May 29, 2016.

Finance relies on the extensive use of data mailer forms to collect money, provide various certificates, and provide information to the public. There are currently more than 475,000 active Business Tax accounts. The services proposed in this contract are essential to the administration and collection of millions of dollars in tax and fee revenue annually. The Office of Finance will continue to utilize the Publishing Services Division of the Department of General Services for all print jobs for which it has the capability and for which it makes economical sense to do so, which is the clear majority of our printing. The Director of Publishing Services has been previously consulted and agreed that the nature of the work contained in this contract is more economical and / or feasible than moving it to his operation.

## KEY CONTRACT PROVISIONS

This proposed contract will continue the printing and mailing of forms and notices as well as support an Internet-based portal for the electronic distribution of mailings to taxpayers that opt for that cost-saving delivery method.

## FISCAL IMPACT

Funds for this contract have been budgeted within the Printing and Binding Account of the Office of Finance. No appropriation of additional funds will be required. The services proposed in this contract are essential to the administration and collection of millions of dollars in tax and fee revenue annually.

## RECOMMENDATIONS

The Office of Finance recommends:

1. That the Mayor authorize the Director of Finance, or her designee, to execute the proposed contract with *Electronic Output Solutions* and submit the proposed contract to the City Council for its consideration;
2. That the City Council authorize the Director of Finance, or her designee, to execute the proposed contract with *Electronic Output Solutions*; and extend the term of the contract for up to an additional two years subject to final review and approval by the City Attorney

Your expeditious review of this matter is greatly appreciated due to the revenue generating nature of this contract. If you require any further information regarding this matter, please contact Ken White at (213) 978-1510 or [ken.white@lacity.org](mailto:ken.white@lacity.org) or Carl Sampson at (213) 928-9092 or [carl.sampson@lacity.org](mailto:carl.sampson@lacity.org).

Respectfully,



Claire Bartels

Director of Finance/City Treasurer

Attachments

cc: Emily Mayeda, Office of the City Administrative Officer

**CONTRACT**  
**Between**  
**THE CITY OF LOS ANGELES**  
**And**  
**ELECTRONIC OUTPUT SOLUTIONS, INC.**

This Agreement is made and entered into by and between the City of Los Angeles (hereinafter CITY), a municipal corporation, acting by and through its Office of Finance, with offices located at 200 N. Spring St., Room 220, Los Angeles, CA 90012 and Electronic Output Solutions, Inc. (hereinafter CONTRACTOR), a corporation authorized to conduct business in the State of California, with offices located at 2510 Commerce Way, Vista, CA 92081 for the provision of Variable Imaging, Mailing and Electronic Billing Communications Services.

**WHEREAS**, the Office of Finance, pursuant to the City Charter, is responsible for collecting and enforcing the various tax ordinances of the City in addition to various permit fees that are under the jurisdiction of the Police, Fire, and other Departments; and,

**WHEREAS**, there are now approximately 475,000 active Business Tax accounts in the City's database; and,

**WHEREAS**, the City uses data mailer forms to collect money, provide various certificates, and provide information to the public; and,

**WHEREAS**, the City also utilizes an Internet-based portal for the electronic distribution of billing notices for businesses that register to receive them; and,

**WHEREAS**, the City seeks to continue contracting for creating, imaging, post-processing and mailing of forms used by City Departments and the provision of electronic distribution of mailings through an Internet-based portal; and,

**WHEREAS**, the City's current contract for such services expires May 29, 2016; and,

**WHEREAS**, the Contractor's services shall supplement and not replace the services provided by the Department of General Service's Publishing Services Division; and,

**WHEREAS**, the City issued a Request For Proposals March 9, 2015; and,

**WHEREAS**, Electronic Output Solutions was judged to have provided the most responsive proposal with the lowest ultimate cost to the City;

**NOW, THEREFORE**, in consideration of the above premises and of the representations and covenants hereinafter set forth, the parties hereto represent and covenant as follows:

## **I. Scope of Services**

The City currently makes extensive use of data mailer forms to collect money, provide various certificates, and provide information to the public. Each of these forms has a specific purpose with a specific remittance address and is processed and mailed at different intervals during the year.

Contractor shall be responsible for fulfilling the processing requirements of converting raw data into finished mail pieces delivered to the U.S. Post Office. Some forms may be returned to the City for further processing. Forms are defined within the City's LATAX System as Microsoft Word templates and Contractor will utilize these templates in defining form overlays.

The Contractor shall also provide an Internet-based portal for the electronic distribution of mailings to recipients that opt for this delivery method. Electronically distributed mailings will include any of the form items specified under this Agreement for physical mailing along with specific annual mailing items processed by the City.

The City utilizes generic forms that are imaged using laser printers with duplex printing capabilities. #10 window envelopes are used to send out the mail and #9 window envelopes are used for return remittances. Contractor will utilize the data electronically transmitted from the City to create the forms and image the data, including postal bar code. Contractor will stuff the form(s) and #9 envelope into the #10 envelope and mail them. (Some low volume jobs will require printing the forms only and returning them to the user department for further processing.)

### **A. Forms Redesign/Re-engineering Services**

Contractor shall provide all consultation and design services necessary to take advantage of current technology available to redesign the forms to maximize the form's effectiveness while minimizing the after-handling steps necessary upon receiving remittance. On occasion, Contractor shall provide redesign services as necessary to accommodate changing forms requirements. When new forms are developed or old ones modified, a proof must be submitted and approved by the user department and tested before they can be placed into production.

### **B. Production Services**

The City will provide data transmission over the Internet via "FTP" or "PGP" encrypted data files or other mutually agreed secure data transfer mechanisms for all records to be processed as required. Contractor is to execute their imaging programs on the appropriate laser equipment necessary to convert raw data into imaged mail pieces for all non-electronically distributed mailings. The mailing addresses are to be CASS certified in order to standardize the addresses and apply Zip + 4 and bar codes to ensure the lowest possible postage rate.

### **C. Post-Processing Requirements**

Contractor is to provide all post-processing steps necessary, after imaging, to produce mail pieces capable of being accepted by the U.S. Postal Service for mailing. Post-processing includes folding the laser-imaged sheets and stuffing them into a #10 envelope. In the case of form Types I and II it also requires stuffing a #9 envelope into the #10 envelope; form Type III does not require a return envelope. All form types require sealing the #10 envelope. (Some low volume jobs will require imaging the form only and the finished forms are to be returned to the user department for further processing.)

### **D. Mailing Requirements**

Upon completion of post-processing steps, Contractor is to deliver mail pieces to the U.S. Postal Service, prepared in such a manner as to procure the lowest possible postal rate per piece. City shall establish a Postage Fees Escrow Account (Account) with the Contractor from which Contractor will pay postage fees associated with fulfilling the terms of this Contract. City agrees to maintain at all times a balance in the Account an amount estimated by City sufficient to pay postage fees for at least the following thirty (30) days. Contractor shall provide a monthly statement containing the number of items mailed, the amount of postage charged to the Account and the Account balance. Contractor shall refund to the City within ten (10) business days of the termination of this Agreement the remaining balance of the Account less any outstanding amounts which are then due to the Contractor. No jobs will be mailed unless sufficient postage funds are available to support all postage/shipping related cost.

### **E. Penalty Clause**

Timely processing of mail pieces is essential to ensure adequate receipt of tax monies due. Should the Contractor be unable to deliver finished pieces to the U.S.P.O. within 72 hours of receipt of raw data, excluding non-postal business days, the City reserves the right to assess a penalty of \$1,000 for each 24-hour delay.

The Contractor shall be entitled to a reasonable extension of time, without imposition of penalty, for unavoidable delay in delivery due to causes which are entirely beyond the control of, and without the fault or negligence of the Contractor, including, but not limited to, acts of God or a public enemy, war or other national emergency making delivery temporarily impossible or illegal, strikes and labor disputes not brought on by any act or omission of the Contractor, fires, floods, epidemics, earthquakes, quarantine restrictions, or freight embargoes.

### **F. Electronic Distribution Requirements**

Contractor is to provide an Internet-based portal or distribution system for recipients that elect electronic distributions of their mailings/billings. Upon receipt of mailing data to be processed from the City, the Contractor is to segregate items related to accounts

opting this distribution method. Contractor will notify Recipients by e-mail that a mailing/billing item is available for viewing/retrieval. The Contractor will provide a file of all accounts registered for electronic distribution to the City. The City will provide mailing data on an annual basis for electronic distribution of items not physically mailed by the vendor such as annual business tax and permit renewals based on this registration file. A listing of forms to be produced/distributed is attached as Appendix 1.

#### **G. Equipment Requirements**

Contractor must maintain the capability to receive an "FTP" or "HTTPS" transmission through the Internet and ability to provide web-based portal for secure enrollment and distribution of electronic statements.

#### **H. Job Reruns**

Jobs that require reprocessing of output due to Contractor error, whether human, mechanical or electronic, are to be re-run at Contractor's expense and with no additional cost to the City.

#### **I. Additional Considerations**

The City may request to have personnel present at the Contractor's plant for the post-processing of some jobs to assist in identifying all variable fields and to ensure that correct information is imaged on those fields. At the City's option, the Contractor may be requested to produce a test run of the forms and provide the test output for inspection and approval by the City before a production run is made.

#### **J. Testing**

When new forms are developed or old ones modified they must be tested before they can be placed into production. Contractor shall maintain security procedures to assure that test forms are not distributed as production forms to taxpayers. City's representative must review and approve representative test samples of all new or modified forms prior to their being released into production.

#### **K. Current Forms**

A listing of all forms and anticipated annual mailing requirements and imaging frequency is included in Appendix 1.

## **II. Deliverables**

#### **A. Accounting / Tracking System**

Contractor shall maintain an invoice reconciliation system and processes for tracking print, mail and electronic distribution history. The City requires an online tracking

system that shows files received along with their amounts, excluded records and shipment reports. Office of Finance employees shall be able to log in and review the files that have been submitted via ftp for processing. These files will be reviewed for accuracy (template format) and some individual records may need to be excluded if necessary from the print/mail job.

The following reports shall be available:

1. **Shipment Report** – showing the date that a file was printed and mailed. This report is to be formatted to be acceptable in court as a proof of mailing.
2. **Daily Detail Report** – showing a recap of the number of records mailed/excluded for a particular file.
3. **Daily Submission Detail Report** – showing the account numbers, legal names, amounts, totals and exclusions (if any) for a particular file.
4. **Paperless Program Report** – in addition to the listed paperless requirements, a monthly report shall be provided showing what records were processed through the program. This report will be used in conjunction with the regular Daily Detail reports in order to track the progress of the program and confirm monthly invoiced amounts.

#### **B. Disaster Recovery / Business Continuity Plan(s)**

Contractor shall maintain a Disaster Recovery / Business Continuity Plan(s) which provides for the ongoing capability to continue to provide the services described herein if:

1. Workload exceeds capability to meet schedules;
2. Their production facility is disabled by whatever cause (including the contingency for relocating production to another facility); or
3. If electronic data transmission lines are down, the alternatives available to meet production schedules.

#### **C. Contractual Line Items**

1. Contractor shall provide **all** of the products and services specified in Lines 1 through 15 below.
2. Prices do not include Sales Taxes or Federal Excise Tax. Sales Tax will be added by the City at time of order. Any other taxes must be included in the proposed prices.
3. Prices include all delivery and unloading charges to the US Postal Service excepting for items requested by City to be delivered to City rather than to the U.S.P.S., where the actual cost of shipping may be added to invoice.
4. The **minimum charge** per production run for any combination of lines 1, 2, 3, 4, 5, 6, 7, 8 and 9 shall be \$25.00.



5. Wherever RECYLED\* content is quoted in the following, Recycled and/or Post Consumer Waste Content shall be a minimum of 30%
  6. **Cost Increases** – Upon presentation by Contractor of documentation satisfactory to City of increases in the cost of paper to the Contractor, City may agree to adjust the prices for **Line Items 1, 2, 3, 4, 5, 6, 11, 12 and 13** of this Agreement by written amendment to this Agreement. Such adjustment shall not exceed the actual direct cost increase to the Contractor with no Contractor markup.
- 

**LINE 1 FORM TYPE I** Estimated Annual Quantity over first 3 years of contract: 52,200

**Description:** PRINTING, TO INCLUDE IMAGING OF FORMS USING VARIABLE LASER IMAGING, PER FOLLOWING SPECIFICATIONS:

One page, 20 lb. paper, entire form is returned to the City with customer's remittance; when folded, must fit into a #9 return envelope.

**A. PRINTED 1 SIDED / SIMPLEX** (all black imaging)

Unit price per thousand with **VIRGIN** paper content:

20# PAPER

Unit Price: \$34.05 / 1,000

24# PAPER

Unit Price: \$38.59/ 1,000

Unit price per thousand with **RECYCLED\*** content:

20# PAPER

Unit Price: \$36.35 / 1,000

24# PAPER

Unit Price: \$44.98/ 1,000

**B. PRINTED 2 SIDED / DUPLEX** (all black imaging)

Unit price per thousand with **VIRGIN** paper content:

20# PAPER

Unit Price: \$59.05 / 1,000

24# PAPER

Unit Price: \$63.59/ 1,000

Unit price per thousand with **RECYCLED\*** content:

20# PAPER

Unit Price: \$61.35 / 1,000

24# PAPER

Unit Price: \$69.98/ 1,000

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**LINE 2 FORM TYPE II** Estimated Annual Quantity over first 3 years of contract: 181,400

**Description:** PRINTING, TO INCLUDE IMAGING OF FORMS USING VARIABLE LASER IMAGING, PER FOLLOWING SPECIFICATIONS:

Two or three page form printed on 20# or 24# paper, all black imaging, to be folded, nested and inserted into a #10 double window envelope with a single #9 window reply envelope. Page 1 printed duplex. Page 2 printed simplex and may be perforated across the sheet 2/3 way down the page. Page 3 if required by City, printed duplex.

**A. 2 PAGES (1 PAGE 2-SIDED DUPLEX AND 1 PAGE 1-SIDED SIMPLEX WITH POSSIBLE PERFORATION)**

Unit price per thousand with **VIRGIN** paper content:

20# PAPER

**Unit Price: \$93.69 / 1,000**

24# PAPER

**Unit Price: \$101.04/ 1,000**

Unit price per thousand with **RECYCLED\*** content:

20# PAPER

**Unit Price: \$104.70 / 1,000**

24# PAPER

**Unit Price: \$121.95/ 1,000**

**B. WHEN 3<sup>RD</sup> PAGE IS REQUIRED (2 PAGES 2-SIDED DUPLEX AND 1 PAGE 1-SIDED SIMPLEX WITH POSSIBLE PERFORATION)**

Unit price per thousand with **VIRGIN** paper content:

20# PAPER

**Unit Price: \$132.04 / 1,000**

24# PAPER

**Unit Price: \$136.04/ 1,000**

Unit price per thousand with **RECYCLED\*** content:

20# PAPER

**Unit Price: \$104.70 / 1,000**

24# PAPER

**Unit Price: \$121.95/ 1,000**

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**LINE 3 FORM TYPE III** Estimated Annual Quantity over first 3 years of contract: 10,000

**Description:** PRINTING, TO INCLUDE IMAGING OF FORMS USING VARIABLE LASER IMAGING, PER FOLLOWING SPECIFICATIONS.

One page form, 20 lb. paper with large City Seal; this is a one way form with no return envelope. Printed 1 Sided / Simplex (all black imaging).

Unit price per thousand with **VIRGIN** paper content:

20# PAPER

**Unit Price: \$34.05 / 1,000**

24# PAPER

**Unit Price: \$38.59/ 1,000**

Unit price per thousand with **RECYCLED\*** content:

20# PAPER

**Unit Price: \$36.35 / 1,000**

24# PAPER

**Unit Price: \$44.98/ 1,000**

---

**LINE 4 FORM TYPE IV** Estimated Quantity over first 3 years of contract: 10,000

**Description:** PRINTING, TO INCLUDE IMAGING OF FORMS USING VARIABLE LASER IMAGING, PER FOLLOWING SPECIFICATIONS.

USPS Tri-fold self-mailer (3 panels tri-fold). Two page form printed on 20# or 24# paper, all black imaging with up to five areas printed in a different color ink. Page 1 printed duplex. Page 2 printed duplex. Both pages attached via perforation down the middle of page 1 and 2.

**A. PRINTED IN COLOR**

Unit price per thousand with **VIRGIN** paper content:

20# PAPER

**Unit Price: \$320.00 / 1,000**

24# PAPER

**Unit Price: \$330.00/ 1,000**

Unit price per thousand with **RECYCLED\*** content:

20# PAPER

**Unit Price: \$330.00 / 1,000**

24# PAPER

**Unit Price: \$350.00/ 1,000**

**B. PRINTED IN BLACK AND WHITE**

Unit price per thousand with VIRGIN paper content:

20# PAPER

**Unit Price: \$120.00 / 1,000**

24# PAPER

**Unit Price: \$130.00/ 1,000**

Unit price per thousand with RECYCLED\* content:

20# PAPER

**Unit Price: \$130.00 / 1,000**

24# PAPER

**Unit Price: \$150.00/ 1,000**

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**LINE 5**      Estimated Quantity over first 3 years of contract: 3,000

**Description: PRINTING AND INSERTING ONE ADDITIONAL 8 ½" x 11" SHEET INTO THE #10 ENVELOPE**

**A. PRINTED 1 SIDED / SIMPLEX (all black imaging)**

Unit price per thousand with VIRGIN paper content:

20# PAPER

**Unit Price: \$34.05 / 1,000**

24# PAPER

**Unit Price: \$38.59/ 1,000**

Unit price per thousand with RECYCLED\* content:

20# PAPER

**Unit Price: \$36.35 / 1,000**

24# PAPER

**Unit Price: \$44.98/ 1,000**

**B. PRINTED 2 SIDED / DUPLEX (all black imaging)**

Unit price per thousand with VIRGIN paper content:

20# PAPER

**Unit Price: \$59.05 / 1,000**

24# PAPER

**Unit Price: \$63.59/ 1,000**

Unit price per thousand with RECYCLED\* content:

20# PAPER

**Unit Price: \$61.35 / 1,000**

24# PAPER

**Unit Price: \$69.98/ 1,000**

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**LINE 6** Estimated Quantity over first three years of contract: 3,000

**Description: PRINTING AND INSERTING ONE ADDITIONAL 8 1/2" x 3 2/3" SHEET INTO THE #10 ENVELOPE**

**A. PRINTED 1 SIDED / SIMPLEX (all black imaging)**

Unit price per thousand with **VIRGIN** paper content:

20# PAPER

**Unit Price: \$11.00 / 1,000**

24# PAPER

**Unit Price: \$12.50/ 1,000**

Unit price per thousand with **RECYCLED\*** content:

20# PAPER

**Unit Price: \$13.00 / 1,000**

24# PAPER

**Unit Price: \$14.50/ 1,000**

**B. PRINTED 2 SIDED / DUPLEX (all black imaging)**

Unit price per thousand with **VIRGIN** paper content:

20# PAPER

**Unit Price: \$12.00 / 1,000**

24# PAPER

**Unit Price: \$25.00/ 1,000**

Unit price per thousand with **RECYCLED\*** content:

20# PAPER

**Unit Price: \$26.00 / 1,000**

24# PAPER

**Unit Price: \$29.00/ 1,000**

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**LINE 7** Estimated Quantity over first 3 years of contract: 330 hours

**Description: PROGRAMMING AND SET-UP FOR PRINTING FORMS**

Programming and Set-up charges are charges applicable to new forms (those not included in the listing provided in Appendix 1) and to modify existing forms.

- **Minor change:** change in address, hours of operation or other minor form revisions. Hourly charge is limited to one (1) hour.
- **Moderate change:** change of information in a few locations of the form, etc. Hourly charge is limited to two (2) hours.
- **Major change:** significant re-design of the form. Hourly charge is limited to three (3) hours.

**Hourly Rate: FORM TYPES I to IV     \$ 60.00 per hour**

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**LINE 8**      Anticipated Annual Quantity over first three years of contract: 243,600

**Description: PRODUCTION SERVICES FOR PRINTING FORMS**

The City will provide data transmission over the Internet via "FTP" or "PGP" encrypted data files or other mutually agreed secure data transfer mechanisms for all records to be processed as required. Contractor is to execute their imaging programs on the appropriate laser equipment necessary to convert raw data into imaged mail pieces for all non-electronically distributed mailings. The mailing addresses are to be CASS certified. CASS certification will standardize the addresses and apply Zip + 4 and bar code to ensure the lowest possible postage rate.

**Unit Price FORM TYPES I to IV: \$ 10.00 / 1,000**

---

**LINE 9**      Anticipated Annual Quantity over first three years of contract: 243,600

**Description: POST PROCESSING SERVICES FOR PRINTING FORMS**

Contractor to provide all post-processing steps necessary, after imaging, to produce mail pieces capable of being accepted by the U.S. Postal Service for mailing. Post-processing includes folding the laser-imaged sheets and stuffing them into a #10 envelope. In the case of form Types I and II it also requires stuffing a #9 envelope into the #10 envelope; form Type III does not require a return envelope. All form types require sealing the #10 envelope. (Some low volume jobs will require imaging the form only and the finished forms are to be returned to the user department for further processing.)

**Unit price per thousand:**

A.    TYPE I    FORM    **\$ 30.00 / 1,000**

B.    TYPE II   FORM    **\$ 40.00 / 1,000**

C.    TYPE III   FORM   **\$ 30.00 / 1,000**

D.    TYPE IV   FORM   **\$ 60.00 / 1,000\*\***    (\*\* fold, perforate 11 x17 to 8.5 x 11  
trifold and tab)

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**LINE 10** Estimated Quantity over first 3 years of contract: 222,000

**Description:** POSTAGE, FIRST CLASS, PRICE PER OUNCE

Unit price may be adjusted periodically by written agreement of both parties not to exceed the "First Class, Mixed AADC" postage rate per ounce adopted by the US Postal Service.

**Unit Price:** \$ 419.00 / 1,000

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**LINE 11** Estimated Annual Quantity over first three years of contract: 222,000

**Description:** ENVELOPE, #10, TWO WINDOW – Per sample provided - WITH MESSAGE IMPRINTED IN GREEN ON BACK ENVELOPE FLAP  
Minimum 24 lb. paper

**Unit Price:** \$ 26.70 / 1,000

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**LINE 12** Estimated Quantity over first three years of contract: 3,000

**Description:** INKJET IMPRINT MESSAGE IN GREEN, RED OR BLUE ON BACK ENVELOPE FLAP

**Unit Price:** \$ 17.00 / 1,000

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**LINE 13** Estimated Annual Quantity over first three years of contract: 212,000

**Description:** ENVELOPE, #9, STANDARD ONE-WINDOW, with LINES TO BE PRINTED @ TOP LEFT OF ENVELOPE FOR RESPONDENT TO ENTER RETURN ADDRESS ALONG WITH A "Check this box if this is a new address" CHECKBOX.  
Minimum 24 lb. paper

**Unit Price when ordered in lot of 120,000:** \$ 22.95 / 1,000

**Unit Price when ordered in lot of 60,000:** \$ 27.37 / 1,000

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**LINE 14**

**Description: RUSH SERVICE CHARGE**

Additional charge per thousand forms for jobs requested to be delivered in less than standard 72- hour delivery standard stated below.

**A. Service completed in 8 hours - Unit Price: \$ 80.00 / 1,000**

**B. Service completed in 24 hours - Unit Price: \$ 50.00 / 1,000**

**C. Service completed in 48 hours - Unit Price: \$ 25.00 / 1,000**

Turn-around time is defined as the time from when electronic (FTP) transmission of the file is made available to the vendor until the job is completed, post processed and delivered to the Post Office.

Contractor to provide turn around processing within 72 hours (three consecutive calendar days excluding holidays). Different City Departments may have processing deadlines sooner than 72 hours. Rush service will be requested for any jobs requiring less than 72 hours processing time. The City requires that vendor deliver any completed processing jobs to the destination (U.S.P.S. or Department) upon completion whether or not the 72 hours has been used.

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**LINE 15**      Estimated Quantity over first 3 years of contract\*\*\*: 18,000

*\*\*\* This service only became operation in the last year of the current contract. Approximately 5,400 accounts are currently actively enrolled in the program. City's goal is to substantially increase the number of accounts enrolled in the program as it matures. The City currently has approximately 478,000 active Business Tax Accounts.*

**Description: ELECTRONIC BILLING COMMUNICATON SERVICE**

Contractor to provide an Internet-based portal or distribution system for recipients that elect electronic distributions of their mailings/billings. Upon receipt of mailing data to be processed from the City, the Contractor is to segregate items related to accounts opting this distribution method. Contractor will notify Recipients by e-mail that a mailing/billing item is available for viewing/retrieval. Contractor to provide a file of all accounts registered for electronic distribution to the City. The City will provide mailing data on an annual basis for electronic distribution of items not physically mailed by the Contractor such as annual business tax and permit renewals based on this registration file. A listing of forms to be produced/distributed is attached as Appendix 1.

Contractor is to provide setup and maintenance of an electronic billing communication service for electronic distribution of mailings/billings through an Internet-based portal. Contractor shall also be responsible for providing an Internet-based portal for the electronic distribution of mailings to recipients that opt for this delivery method. Electronically distributed mailings will include any of the form items specified under this Agreement for physical mailing along with specific annual mailing items processed by the City.

**A. Unit Price: \$ 145.00 / 1,000**

**B. State initial setup cost: No Charge**

**C. Programming cost: \$ 95.00 per hour (New form design / maintenance)**

**D. Cost for conversion of existing archive of electronic forms / user accounts:  
Unit Price: \$ 95.00 / Hour**

**E. Optional text message notifications: \$ 0.10 each**

**F. Any “e-Tax” bill not viewed by taxpayer within a time period established by the City (for example, 14 days) will be automatically printed and delivered via USPS to ensure taxpayer receives bill.** This action will also cause taxpayer to revert to paper bill delivery until such time as taxpayer re-enrolls in electronic delivery again.

**G. Included in above system at no additional charge, Contractor will provide two portals, one for testing of new templates and to proof changes to existing templates prior to being placed into production and a second production portal where all “e-Tax” bills will be hosted for delivery to taxpayers.**

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### **III. Term**

The initial term of this Agreement shall be for a three-year period commencing June 1, 2016. This Agreement may be extended by up to an additional two years if both parties agree to the extension.

### **IV. Incorporation of Standard Provisions**

**A. Los Angeles Municipal Code - SEC. 21.17 - CONFIDENTIAL CHARACTER OF INFORMATION OBTAINED – DISCLOSURE UNLAWFUL.**

“It shall be unlawful for the Director of Finance or any person having an administrative duty under the provisions of this Article or Article 1.6 to make known in any manner whatever the business affairs, and operations of, or the nature, amount or source of income, profits, losses, expenditures, net worth, or any particular thereof, or any other

information set forth in any statement or return or obtained by an investigation of records and equipment of any person required to obtain a business tax registration certificate or sales or use tax permit, or pay business, sales or use tax or any other person visited or examined in the discharge of official duty, or to permit any statement or return, or copy of either, or any book containing any abstract or particulars thereof to be seen or examined by any person..."

All personnel that are involved in the Program may be required to execute City Confidentiality Statements and acknowledge that misuse of confidential information is prohibited under LAMC Section 21.17.

## **B. STANDARD PROVISIONS**

Hereby incorporated by reference into this Agreement are the "Standard Provisions for City Contracts" (Rev. 3-09) attached as Appendix A. Also incorporated by reference are the City's RFP and Electronic Output Solutions, Inc.'s proposal which are attached hereto as Appendix B and C respectively.

## **C. COMPLIANCE WITH LOS ANGELES CITY CHARTER SECTION 470(c)(12)**

The Contractor, Subcontractors, and their Principals are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the contract is valued at \$100,000 or more and requires approval of a City elected official. Additionally, Contractor is required to provide and update certain information to the City as specified by law. Any Contractor subject to Charter Section 470(c)(12), shall include the following notice in any contract with a subcontractor expected to receive at least \$100,000 for performance under this contract:

### *Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions*

*As provided in Charter Section 470(c)(12) and related ordinances, you are subcontractor on City of Los Angeles contract #\_\_\_\_\_. Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Subcontractor is required to provide to contractor names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the 12 month time period. Subcontractor's information included must be provided to contractor within 5 business days. Failure to comply may result in termination of contract or any other available legal remedies includes fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213/978-1960.*

Contractor, Subcontractors, and their Principals shall comply with these requirements and limitations. Violation of this provision shall entitle the City to terminate this Agreement and pursue any and all legal remedies that may be available.

**D. Order of Precedence**

In the event of any inconsistency between any of the provisions of this Agreement (including amendments thereto), and the documents incorporated by reference, the inconsistency shall be resolved by giving precedence in the following order:

1. Sections of this Agreement (including amendments thereto);
2. Standard Provisions for City Contracts (Rev. 3-09) attached as Appendix A;
3. The CITY's RFP attached as Appendix B; and,
4. Electronic Output Solutions' Proposal attached as Appendix C.

**Signature Page Follows**

IN WITNESS THEREOF, the parties hereto have caused this instrument to be signed by their respective duly authorized officers:

**Approved Corporate Signature Methods (please sign in blue ink):**

- a) Two signatures: one by Chairman of Board of Directors, President or Vice President; **and** one by Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer. -- **OR** --
- b) One signature by Corporate designated individual **together with** properly attested resolution of Board of Directors authorizing person to sign on the company behalf.

**CITY OF LOS ANGELES**

**ELECTRONIC OUTPUT SOLUTIONS, INC**

By: \_\_\_\_\_  
CLAIRE BARTELS  
Director of Finance / City Treasurer

Date: \_\_\_\_\_

By: \_\_\_\_\_  
*Signature*

Name: \_\_\_\_\_  
*Printed / Typed*

Title: \_\_\_\_\_  
*Printed / Typed*

Date: \_\_\_\_\_

By: \_\_\_\_\_  
*Signature*

Name: \_\_\_\_\_  
*Printed / Typed*

Title: \_\_\_\_\_  
*Printed / Typed*

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**  
MICHAEL N. FEUER  
City Attorney

By: \_\_\_\_\_  
Assistant City Attorney

Date: \_\_\_\_\_

**ATTEST:**  
HOLLY L. WOLCOTT  
City Clerk

By: \_\_\_\_\_  
Deputy City Clerk

Date: \_\_\_\_\_

# APPENDIX 1

## LATAX Printing & Electronic Distribution Forms Sample

02/02/15

*Mailing quantities and frequency subject to change - listing below is for reference only*

Line	FORM NAME	FORM TYPE	MAILING REQUIREMENTS	MAILING FREQUENCY	Sample #
1	Dance Hall Reporting Form	1	1,200 per year	Quarterly Renewal File	1
2	Incomplete Renewal Notice	1	6,000 per year	Files sent as needed	2
3	Notice of Multiple Year Delinquency	1	8,000 per year	Files sent as needed	3
4	Parking Occupancy Tax Reporting Form	1	22,000 per year	Monthly Renewal File	4
5	Communication User's Tax Renewal	1	4,000 per year	Monthly Renewal File	5
6	Transient Occupancy Tax Reporting Form	1	8,000 per year	Monthly Renewal File	6
7	LATMD Reporting Form	1	2,400 per year	Monthly Renewal File	7
8	Notice of Hearing LATMD	1	600 per year	Files sent as needed	8
		<b>Form Type 1 Total</b>	<b>52,200 Per year</b>		
9	1st Notice of Outstanding LATMD Assessment	2	100 per year	Files sent as needed	9
10	2nd Notice of Outstanding LATMD Assessment	2	100 per year	Files sent as needed	10
11	Assessment Non Permit	2	14,000 per year	Files sent daily as needed	11
11	Assessment Non Permit - Watch List	2	700 per year	Files sent daily as needed (OOF Review)	11
12	Assessment Permit	2	3,100 per year	Files sent daily as needed	12
12	Assessment Permit - Watch List	2	100 per year	Files sent daily as needed (OOF Review)	12
13	Audit Assessment	2	3,000 per year	Files sent daily as needed	13
14	Audit Notice of Tax Due	2	2,000 per year	Files sent daily as needed	14
15	Commercial Tenant's Occupancy Tax	2	150 per year	Quarterly Renewal File	15
16	Commercial Tenant's Occupancy Tax - NOH	2	50 per year	Files sent as needed	16
17	Estimated Assessment	2	92,000 per year	Files sent daily as needed	17
17	Estimated Assessment - Watch List	2	3,500 per year	Files sent daily as needed (OOF Review)	17
18	Notice of Hearing Dance Hall Reporting Form	2	500 per year	Files sent as needed	18
19	Notice of Hearing Parking Occupancy Tax	2	5,000 per year	Files sent as needed	19
20	Notice of Hearing Transient Occupancy Tax	2	2,000 per year	Files sent as needed	20
21	Notice of Overpayment	2	15,500 per year	Files sent as needed (Mail to OOF)	21
22	Notice of Tax Due Non Permit	2	29,000 per year	Files sent daily as needed	22
22	Notice of Tax Due Non Permit Watch List	2	1,900 per year	Files sent daily as needed (OOF Review)	22
23	Notice of Tax Due Permit	2	7,000 per year	Files sent daily as needed	23
23	Notice of Tax Due Permit Watch List	2	100 per year	Files sent daily as needed (OOF Review)	23
24	Revised Assessment	2	500 per year	Files sent daily as needed	24
25	Revised Audit Notice of Tax Due	2	100 per year	Files sent as needed	25
26	Communication User's Tax Statement - NOH	2	1,000 per year	Files sent as needed	26
		<b>Form Type 2 Total</b>	<b>181,400 Per year</b>		
27	Permit Status Notification	3	1,000 per year	Files sent as needed	27
28	Temporary Alarm Permit	3	9,000 Per year	Files sent as needed	28
		<b>Form Type 3 Total</b>	<b>10,000 Per year</b>		
		<b>Total All Form Types</b>	<b>243,600 Per Year</b>		

## Forms For Electronic Distribution (Annual Jobs)

02/02/15

*Quantities and frequency subject to change - listing below is for reference only*

Line	FORM NAME	FORM TYPE	QUANTITY MAILED	MAILING FREQUENCY	Sample #
1	Fire Reapplication - Fee	1	500 per year	Files sent annually as needed	29
2	Fire Reapplication - No Fee	1	0 per year	Files sent annually as needed	30
3	Fire Renewal - Fee	1	6,000 per year	Files sent annually as needed	31
4	Fire Renewal - No Fee	1	30 per year	Files sent annually as needed	32
5	Police Alarm Reapplication - Fee	1	16,000 per year	Files sent annually as needed	33
6	Police Alarm Reapplication - No Fee	1	200 per year	Files sent annually as needed	34
7	Police Alarm Renewal - Fee	1	137,000 per year	Files sent annually as needed	35
8	Police Alarm Renewal - No Fee	1	1,500 per year	Files sent annually as needed	36
9	Police Reapplication - Fee	1	750 per year	Files sent annually as needed	37
10	Police Reapplication - No Fee	1	60 per year	Files sent annually as needed	38
11	Police Renewal - Fee	1	6,800 per year	Files sent annually as needed	39
12	Police Renewal - No Fee	1	300 per year	Files sent annually as needed	40
13	Tobacco Reapplicaton	1	750 per year	Files sent annually as needed	41
14	Tobacco Renewal	1	5,000 per year	Files sent annually as needed	42
		<b>Form Type 1 Total</b>	<b>174,890 Per year</b>		
16	Business Tax Renewal Form A	2	255,000 per year	Files sent annually as needed	43
17	Business Tax Renewal Form G	2	40 per year	Files sent annually as needed	44
18	Notice of Hearing Business Tax Renewal Form A	2	154,000 per year	Files sent annually as needed	45
19	Notice of Hearing Business Tax Renewal Form G	2	10 per year	Files sent annually as needed	46
		<b>Form Type 2 Total</b>	<b>409,050 Per year</b>		
20	Business Tax Renewal Web Postcard Reminder	Postcard	224,000 per year	Files sent annually as needed	47
		<b>Postcard Total</b>	<b>224,000 Per year</b>		
		<b>Total All Form Types</b>	<b>807,940 Per Year</b>		

*Printing Services RFP 2015 - Appendix 1*

Initial Paperless Program availability began in late 2013 and has a current adoption rate of approximately 1%