



**City of Key West  
3126 Flagler Avenue  
Key West, FL 33040**

**ITB #12-003 – UTILITY BILLING**

**PROPOSAL DUE DATE:**

April 11, 2012 3:00 p.m.

*Proposal submitted by:*



Level One LLC  
Corporate Headquarters  
3 Great Valley Parkway, STE 100  
Malvern, PA 19355-1416  
610.229.9200 main  
610.771.4600 fax  
[GoLevelOne.com](http://GoLevelOne.com)

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Level One LLC  
3 Great Valley Parkway, Suite 100  
Malvern, PA 19355-1416  
610.229.9200 main  
golevelone.com



Dear Committee Members:

I want to thank you on behalf of our company for the time that your team will spend evaluating Level One's proposal. We look forward to the next phase of this process so that we can demonstrate our qualifications and preparedness to provide the City of Key West with a reliable outsourced statement processing solution.

Established in 2004, Level One LLC is a U.S. based, privately held company headquartered in Malvern, Pennsylvania. Our core competency is providing improved billing and payment services for the municipal utility industry that result in significant savings of time and money for our customers. We accomplish this by developing customer specific solutions that allow our innovative technology to be seamlessly integrated into their billing platforms.

By employing a staff with over 40 years of combined utility bill processing experience, Level One has become an industry leader. Through years of providing services for utilities in 17 states, we've gained an understanding of the industry's business processes and challenges. This enables us to design solutions that meet and exceed our customers' expectations.

Level One's services are supported by a comprehensive suite of technology solutions we developed called OneVIEW® (discussed in detail later) that is specifically designed to meet the needs of the utilities industry. Although this award winning technology is remarkable, it is our unwavering commitment to customer service that truly separates us. Just ask our customers.

Today, we process over 8,000,000 critical customer communications for various utilities, municipalities and other entities in 21 states on a monthly basis. These communications include customer bills, reminder notices, shut off notices, and on-demand letter/booklet projects. Most importantly, we offer multiple outbound delivery channels (paper and electronic) and consolidate a wide variety of inbound payment channels that has benefits throughout the entire organization.

What really sets us apart from other companies is our deep understanding of the water utility business. We have expertise working with all major CIS and municipal management software platforms including SunGard HTE, Harris, Ventyx, Cayenta, SAP, and several others. Our document composition engine has no limitations with regard to receiving any type of data or receiving multiple input files from disparate data streams. Level One's specific knowledge of this industry space also allows us to integrate our electronic billing platform and interfaces to work seamlessly with the City's existing SunGard platform.

Level One's design environment and formatting tools are best-in-class and provide robust functionality with optimal flexibility to combine customer data, business rules, and complex conditional logic to drive unique presentment—personalized to each customer. Whether processing multiple metered and special handling accounts (exceptions, pulls), dynamic messaging, customizing a usage history graphs, or integrating the delivery of a range of document types (Bills, Notices, Permits, Licenses, etc.), no company handles the unique processing and output requirements as easily and efficiently as Level One.

Level One is an equal employment opportunity employer. It is our policy that all employment, procurement and subcontracting decisions be made without regard to race, creed, color, religion, national origin, ancestry, gender, age, disability, veteran or active military status, marital status, political affiliation or any other basis prohibited by state or federal laws. Level One operates a Drug Free workplace.

Level One certifies it has no current or future interest which would conflict with the performance of services under any potential future contract; nor do any current or will any future employees have any interests that would conflict with the performance of services under this contract.

John Parker Boland, President and CEO, will be signing this response and is authorized to make decisions as to pricing quoted and has not participated, and will not participate, in any action contrary to the above-statements.

Level One certifies it is not now, nor will be in the future, associated with any parent, affiliate, or subsidiary organization of The City of Key West, in supplying the products and services outlined in this response.

Level One certifies it has not been retained, nor has it retained an outside contractor, agent, or lobbyist to solicit The City of Key West for any products or services we are proposing in this proposal, or any related matters as described above.

In summary, our services are efficient, accurate, and extremely cost competitive. Our experience within the water utilities industry allows for smooth implementations and will provide the City of Key West with a customer management/service team that is second to none.

The corresponding pages provide in-depth details of our solutions for the specific services you've requested. I'm confident you will find them compelling and the most advantageous to the City.

By signing this cover letter, I certify that all information contained herein is accurate, and agree to hold Level One bound and in compliance of all terms and conditions set forth by the City of Key West.

I also acknowledge receiving Addendum 1, dated April 3, 2012.

On behalf of everyone at Level One, I'd like to thank you for the opportunity to respond to your Request for Proposal. Given the opportunity, we know it will be a mutually beneficial relationship and one that will continue to strengthen for years to come.

Sincerely,

John Parker Boland

President and CEO

## SECTION II. EXECUTIVE SUMMARY

The following sections of this proposal will outline in detail Level One's approach, methodology, and proposed solutions for providing utility bill outsourcing services to the City of Key West. Our solutions will provide the City with a fully integrated customer communications system called OneVIEW™ that includes conventional printing and mailing services, electronic delivery of customer communications (web or mobile), electronic payment processing, and a host of web enabled customer service tools that are easy to use and provide for improved customer account management.

Our approach is simple, yet powerful. Find out specifically how our clients want to improve upon their existing customer communications platform, and then design a system using our flexible technology and production services that meet *their* goals with respect to functionality and price.

We utilize a four-phase methodology for New Client implementations:

- Develop a mutually agreed upon plan
- Design an effective customer bill
- Accurately program and thoroughly test all data variables, printing variables, scan-line for lockbox
- Create a clearly defined implementation plan – including reporting procedures, training procurement, and ongoing project management.

During the initial design phase, our in depth understanding of the municipal water utilities industry enables our graphics specialists to be powerful consultants during the bill design process. Additionally, our programmers utilize what we believe is the most advanced document formatting software in our industry that can handle virtually any standard data input file format with ease (XML, CSV, Fixed Field, etc.).

We receive billing extract files from our clients 24/7/365. Successful file transmissions trigger our fully automated file handling processes, which send receipt notification e-mails, and generate pre-production and validation reports. Of significant benefit to The City of Key West, your customer service representatives will have access to our proprietary web based PreVIEW™ tool, which is an online document pre-production “review and disposition” module that is the most advanced and easiest to use in the industry.

On the production side, we have multiple print/mail SAS70 certified production facilities equipped with various high speed laser printing and mail insertion systems. We boast some of the most secure physical production plants and computer hardware/software systems in our industry to ensure guarding against a breach of sensitive customer data.

In addition, if the City chooses to fully integrate all elements of mail and electronic delivery, Level One offers the city the additional flexibility of delivering customer communications via conventional USPS delivery, electronic presentment (web), or mobile / smart phone.

The following pages offer more detailed descriptions to the services outlined above.

## SECTION III: PROPOSED PRODUCTION PROCESS

### File Transfer

Raw billing extract data files can be transferred (24/7) between The City of Key West and Level One via secure FTP transmission. Each transmission includes verifications to assure successful uploads and integrated error messaging in the rare case when a transmission is unsuccessful. Automated emails are used to validate record counts, A/R Totals, or any other parameters as defined by The City of Key West.

Level One's FTP file transfer environment is highly automated, and involves several levels of exception and failure reporting. Level One's report notifications are set to initiate a file transfer failure report with text message or email contact after (4) hours have elapsed from the planned transfer time. This reporting mechanism will also trigger immediately upon any error that causes the FTP file transfer to abort a file for any other reason.

Successful file transmissions will be automatically uploaded to our production server and processed according to the pre-established business rules. After preprocessing is completed, automated emails will be sent back to The City of Key West with a summary reporting on vital statistics pertaining to that days billing cycle, including, but not limited to the following:

- File Name
- Transaction Time
- Total Files Received
- Total Files Processed
- Cycle Code
- Document Type
- Date Received
- Statement Count
- Total Page Count
- A/R Totals (i.e. - Broken down by category or region if required)
- Disposition of Records (e.g. Pull and do not print)

### PreVIEW™

Level One allows our clients the ability to review and either “approve or delete” the processed file(s) online prior to printing or presenting bills electronically to The City of Key West's customers. Our unique PreVIEW™ tool is a query-based web portal for reviewing bills prior to printing that streamlines the review process for better quality assurance. During this preview process - bills, notices, or other applications are made available for viewing on-line prior to printing and mailing.

Essentially, once a data file has been processed and a PDF bill image file has been created, this image file would be posted to their customized PreVIEW™ site for The City of Key West to review. Through custom queries, The City of Key West's staff will be able to select a file and view any subset of bills from that file that meet selected criteria. (If needed, all bills could be reviewed.)


Level One's query building screen can be customized to include any criteria. Searches can be specific or provide a range (high – low) to capture all possible bills meeting those parameters. Level One has built this tool to be dynamic. Although most companies offer some sort of “bill file review” process, few, if any, allow client's to change the disposition of bills **online** with the touch of a mouse pad, eliminating other time consuming forms of correspondence typically required for changes.

PreVIEW<sup>®</sup> provides great functionality, is simple to use and is **easy to customize to The City of Key West's requirements**. This is a competitive differentiator.



The following screens may be displayed on start-up to the end-user

**Welcome to OneView**



---

**PreView**  
*Pre-Production Quality Assurance*  
Never again let an incorrect bill reach your customer. PreView streamlines your quality control process by enabling your billing team to search, review, and approve bills through our proprietary web portal prior to printing or e-presentation. Query-based searches based on parameters that fit your needs give you quick access to all customer communications, including exception bills and notices.

**SureView**  
*Image Archive Repository*  
Image archive tool which gives you a history of bills over time. Allows you to access a hosted archival of PDF images of all bills and notices. Electronically present bills to your customers through fax, print, or email duplicate bills on-demand.

**eView**  
*Electronic Bill Presentation and Payment*  
Our e-billing and e-payment platform, provides a secure single sign-on for paperless billing and electronic payments with complete functionality that is customer friendly and easy-to-manage.

**ePayments**  
Our Electronic Bill Presentation and Payment solution (EBPP) allows our customers the ability to electronically view and make payments online anytime.

- ACH
- Credit Cards
- Debit Cards

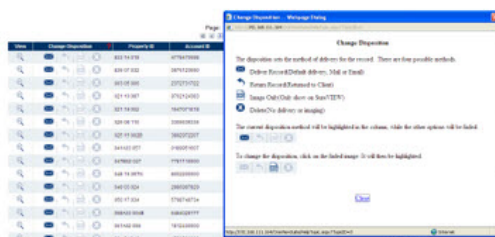
Show On Startup



You can now find help with most of the functionality on OneView Suite. Just look for the ? symbol on our web pages.


View	Change Disposition	?	P
			833
			836
			833

When you click on the ? a help box will popup and give you tips.



Show On Startup

The graphic below depicts Level One's PreVIEW™ functionality, which would allow the CITY to view all bills, a range of bills (as shown below based on Account Number, Balance or Name), or individually selected bills. These index fields were selected as relevant for this particular utility.



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- PreVIEW
- SureVIEW
- Control Panel
- Log Out

## PreVIEW

**Processed files pending approval**

Select File	Run Date	Datafile Name	Record Count	AR Total
<input type="radio"/>	3/3/2010 9:18:00 AM	Artesian-test.dat	1203	174793.70

[Generate 50 Random Samples](#)

**Select a Query**

All Records

Search Range of Records

Account ID:

Property ID:

Balance\*:  to

Name:

\* "To" field is optional, only needed when searching for a range within that field.

[Submit](#)

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The resulting set of bills meeting these criteria is shown in the graphic on the next page. Bills can be assigned default dispositions, and then authorized staff is able to view the bill PDF's, change the



dispositions of certain bills, and release the file to print. Dispositions could be defined as “Image Only”, “Suppress” (Do Not Print), “Print & Return”, “E-bill Only”, etc.

View	Account ID	Property ID	Name	Balance	Disposition	Change Disposition
	00000	084 02	Reynolds,Alan L	147.52	Image Only	
	00000	090 16	Madison,Claude	149.73	Image Only	
	00000	085 02	Eaton,G	100.55	Image Only	
	00000	085 05	Hoxter,L	142.05	Deliver	
	00000	085 12	Derrickson,Julie	138.91	Deliver	
	71484	088 01	Hughes,Beverly	106.94	Deliver	
	62269	075 06	Hart,Worrell	115.10	Deliver	
	00000	091 04	Gibbs,Carmen	101.51	Deliver	

As depicted on the previous page, different pull codes can trigger a different path through production. It is even possible to sort and send bills directly to the individual who requested the pull. This type of reporting provides rich information to managers regarding the volume of work being handled and understanding the reason behind why certain bills are pulled for review. Once the file is approved, (with or without changes) a print file is created and transmitted through SFTP to the designated print facility.

## Laser Printing

Level One utilizes multiple high-speed laser printers, both cut-sheet and continuous, in order to meet our large volume of daily printing. Our facilities have achieved **SAS 70 Type II certifications** and have comprehensive, documented, and proven quality assurance programs that address specific production phases of production, starting with Quality Control in Laser Printing.

During the electronic printing process, the following checks are in place to ensure that The City of Key West’s output meets the following requirements:

- Every application is assigned a unique job code to ensure correct specification set-ups
- The code is used to call in the correct electronic forms, assign fonts and logos, and account for insert splits
- Print samples are gathered every 15 minutes throughout the run to check for visible quality and numerical integrity, OCR scan line accuracy, 2D barcodes integrity
- Any discrepancies found are reported immediately to a supervisor, who will contact the responsible parties to decide on further action

- Counts generated are checked against counts provided on production and reconciliation reports
- When printing is completed, output is sent to the Production Mail Center.

Boxed output will be counted and compared to The City of Key West's count provided in their transmittal, and to the associated Production reports. Any disparity will be reported immediately to a supervisor for action and resolution.

## On-Demand Insert Printing

In addition, Level One has the unique capability to reduce the cost associated with custom inserts with our print on-demand solutions. Level One provides a portal to allow customers to create inserts that are printed on the fly as part of the print stream. This functionality has been highly successful in reducing the costs associated with printing, inventorying, shipping and managing the insert process.

Level One has the advantage of complete flexibility to respond to The City of Key West's requirements, regardless of the volume or distribution of the inserts. We estimate that the our solution could potentially save The City of Key West up to tens of thousands of dollars annually in printing and mailing costs with utilizing our ability to print inserts on the fly. Level One requires only as little as 24-48 hour notice to add or change inserts that are included within the print-ready file.

## Inserting / Mailing Operations

Our production mail centers utilize multiple high-speed intelligent insertion systems to meet our large volume of daily mail. To guarantee accuracy in the inserting, sorting and mailing of The City of Key West's bills, the following quality control measures are in place:

- A Quality Control Coordinator assigned to the project will oversee and check all aspects of the insertion and mailing process
- The number of pieces generated for mailing is matched against counts provided on the production and reconciliation reports
- Material codes are verified and supply counts checked
- Inserts are matched against the samples in the job ticket and must be signed off by a supervisor before the job begins
- Samples are gathered at regular intervals throughout the run to check for quality and count accuracy
- Bills are not released for mailing unless the weight of every 2,500 bills reconciles to the postage amount used during insertion
- Any numerical discrepancies will stop processing, which will not resume until the Quality Control Coordinator is certain that counts and quality of the output meet acceptable standards
- Sample mail pieces are weighed to verify postage rates
- Envelopes are inspected for proper sealing and appearance, and the correct positioning of addresses and postal meter stamps
- IMB barcodes are checked for correct positioning in the envelope to qualify for postal discounts
- Any damaged bills are retained for recovery and a report is produced for tracking

- An inventory of remaining materials is made and confirmed by the Quality Control Coordinator
- All remaining materials are labeled, sealed and stored on-site for future use

## Reconciliation

Following the completion of each run, the job tracking report is reconciled by the Production Supervisor for completeness and accuracy. It includes number of units mailed, number of forms used in printing, amount of postage used on completed units, number of international units and international postage. After the Completion Report is finished and reconciled, a Production Report is posted to the customer portal. Level One has very few limitations on the format and content presented in Production Reports. Some of the standard items found in the report are:

- Day and date mailing was processed
- File Receipt Processing Summary
- Qty of Active, Pull Suppressed
- Insert/Hopper Detail
- Number of bills / notices submitted from customer
- Number of bills / notices mailed
- Pulls by Code (“Exceptions”)

One of the benefits to our proposed solutions is that there are limited integration requirements or costs (if any). We’ve developed our tools to be accessible through any internet browser and be compatible with all core systems. All our reports and processed files can be seamlessly uploaded into your system.

## SureVIEW™ Image Archive Repository

Level One’s SureVIEW™ provides instant internet browser access to bill images immediately after your billing files are processed through our application code, prior to bill printing. Images are available for a period of 13 months. Longer archive periods are available and can be negotiated later if necessary.

Level One’s SureVIEW™ product literally puts the ‘so CSR’s on the same page as the customer giving them the ability to view, print, email, fax, or send a hard copy duplicate bill on-demand right from their desktop. Level One has also had success further integrating this product with many clients CSR desktops by planting a button on the CIS screen that provides a link to the Level One’s SureVIEW™ site. The criteria available allow the selection of a particular bill for a certain cycle or a range of bills meeting multiple criteria. This is another way that Level One can act as an extension of your billing department.

The graphic below indicates how a CSR might initiate a search of bill images that met the criteria shown. The criteria available allow the CSR to perform very narrow searches (for a specific customer) or broader searches (for a range of customers or statements). The City of Key West has the flexibility to define these data elements, based on the data available in the extract file.

In the graphic on the next page, the search shown is for a specific Account Number.

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PreVIEW  
SureVIEW  
Control Panel  
Log Out

## SureVIEW

Select a Query

All Records

Search Range of Records

Statement Date\*:  to

Account Number:

Security Code:

Balance\*:  to

Name:

\* "To" field is optional, only needed when searching for a range within that field.

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Wednesday, June 23, 2010

PreVIEW  
SureVIEW  
Control Panel  
Log Out

## SureVIEW

Page:  / 1

View	Statement Date	Account #	Security Code	Name	Balance	Original Datafilename
	Jun 22, 2010	30004	1 792	PAUL	12.02	06232010-scwad56A.dat
	Mar 25, 2010	30004	1 792	PAUL	31.33	03262010-scwad56A.dat
	Mar 24, 2010	30004	1 792	PAUL	-8.74	03252010-scwad55A.dat
	Dec 23, 2009	30004	1 792	PAUL	48.81	scwad56A.dat

Records Per Page:

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The graphic above shows the results of this query. To view a particular view in PDF format, the CSR would simply click on the PDF icon or the word "View". This will open the document in a PDF viewer/reader and the CSR can print locally, email or fax (if a fax server is available) the bill. Level One's SureVIEW™ application is highly configurable, depending on our customers' data structure and their query needs. The highlighted fields above are only a few of the many available dimensions on which to query the bill database.

## DISASTER RECOVERY (Overview)

Level One has designed and implemented a corporate network infrastructure around business continuity and disaster recovery. Virtually every aspect of our infrastructure contains various levels of redundancy and backup using “state-of-the-art” technology. Level One refers to our model as one of **Disaster Avoidance** rather than recovery.

Level One has made substantial investments in our technological and automation infrastructure and has likewise made investments to protect this infrastructure and our customers’ data and applications. We have contracted with DBSI, Inc. to provide full operational redundancy to support Level One’s disaster recovery requirements. Level One’s Data Center is located at:

DBSI, Inc.  
1000 Adams Avenue  
Norristown, PA 19403

DBSI is a technological leader in its industry that provides innovative IT solutions for financial service companies, hospitals, medical insurance companies, and others that require exceptional IT solutions for business critical environments. They are a leader in energy efficient “green” data centers utilizing high density power and cooling systems. DBSI also owns and manages all of its five (5) facilities. The facilities are outfitted with mantraps and iris scanners at critical locations, and maintain multiple fiber providers with diverse entrances.

In the event of a natural or other disaster, print & mail workflows are immediately shifted from one facility to the other with virtually no downtime. In addition should there be a loss of electrical power at any production facility, we have a 500 kW diesel fuel backup generator that will automatically start up, run and power the entire facility without interruption of any aspect of our operation.

The regional positioning of our facilities means that local disasters can be easily dealt with since each plant is in a different area of the country. Some companies use DR sites that are in the same region of the country. This does not cover them in case of a regional disaster.

This total coverage gives our clients the business continuity that is required. Our disaster recovery processes are tested daily, monthly semi-annually and annually depending upon the client’s service level requirements.

Level One has made significant investments in technology to achieve the most redundant network for a company of this size. Expanding on the infrastructure, the production facilities utilize several T1 lines for voice and data communications, with additional T1 lines at the co-location facility. In the event of a disaster at one facility, network and voice connectivity is re-routed to the “hot site” cabinet where a telephone PBX and system servers continue processing traffic. With this point-to-point connectivity and BGP4 routing, communication outages in our data processing facility are effectively limited. The co-location “hot site” becomes the processing center continuing its day-to-day operations, and one of our other printing partners becomes the primary printing facility.

## SECTION III. REFERENCES

The following are just a few examples of customer applications along with contact information for referral purposes. Pricing for these contracts are covered under confidentiality agreements and are not made public.



### Aqua America, Inc.

located in Bryn Mawr, PA is the nation’s largest U.S. based, publicly-traded water utility, providing water and wastewater services to approximately 2.5 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, New Jersey and South Carolina.

Offeror Name	Level One
Reference Utility	Aqua America (11 States)
Address	762 W. Lancaster Ave, Bryn Mawr, PA 19010
Active Customer Size of Utility	2.5 million customers (Water and Wastewater)
Annual Number of Documents Produced	Over 12,000,000 (Average of 50,000-60,000 bills per daily cycle)
Type of Utility Company	Water and Wastewater
Reference Contact Name	Daniel Callahan
Contact Person Position	National Billing Manager
Contact Person Telephone	610-520-6370
Applications Installations	e-Billing, e-Payments, paper billing, reminder letters, shut off notices, water quality reports, welcome kits
Major Modifications Made	Level One was able to modify the application code to fill gaps with deficiencies found in Banner/Customer Suite
Equipment Installed	No equipment necessary
Professional Services Performed	Document design, Business intelligence, data analytics, web development, SSO,
Primary Offeror or Sub Offeror	Primary
Original Cost Estimates	Confidential
Actual Final Costs	Confidential
Comments	Level One's management has been doing business with Aqua since 1999

Customer bills cycle daily (21x) per month

Volume: 850,000 customer bills (11 different states); Avg. 50,000-60,000 bills per daily cycle

120,000 postcard bills;

55,000 customer letters

### Services include:

Customer billing using both postcards and bill stock & envelopes; PreVIEW® SureVIEW® – bill image archival and retrieval, reminder and disconnect notices; periodic mailings; insert printing; inventory and supply-chain management program. Aqua also utilizes Level One’s Print-on-the-Run capabilities for the distribution of various inserted materials, including Annual Water Quality Reports.

### Service Level Commitment

(Turnaround time) – EBPP (Same business day) Print/mail - next business day



## Suffolk County (NY) Water Authority

New York State's first public benefits corporation for water service SCWA services 352,763 residential and business customers.

Offeror Name	Level One
Reference Utility	Suffolk County Water Authority
Address	4060 Sunrise Highway, Oakdale, NY 17769
Active Customer Size of Utility	Approximately 360,000 quarterly customers (Water and Wastewater)
Annual Number of Documents Produced	2,000,000 (Average of 8,000 bills per daily cycle)
Type of Utility Company	Water and Wastewater
Reference Contact Name	Mike Litka
Contact Person Position	Director, IT
Contact Person Telephone	631-563-0304
Applications Installations	e-Billing, e-Payments, paper billing, reminder letters, shut off notices
Major Modifications Made	No modifications necessary
Equipment Installed	No equipment necessary
Professional Services Performed	Document redesign, Business intelligence, data analytics, web development, SSO
Primary Offeror or Sub Offeror	Primary
Original Cost Estimates	Level One was the lowest bidder
Actual Final Costs	As quoted in original bid
Comments	

### Monthly volume

Customer bills cycle daily

165,000 customer bills per month

### Services include:

Customer billing for SCWA accounts and managed accounts, reminder notices; insert printing; inventory and supply-chain management program.

This is an active contract.

### Service Level Commitment

(Turnaround time) – EBPP – same day; Print/Mail – Next business day



**Pittsburgh Water & Sewer Authority**

Offeror Name	Level One
Reference Utility	The Pittsburgh Water & Sewer Authority
Address	Penn Liberty Plaza I, 1200 Penn Avenue, Pittsburgh, PA 15222
Active Customer Size of Utility	Approximately 360,000 quarterly customers (Water and Wastewater)
Annual Number of Documents Produced	1,600,000 (Average of 6,500 bills per daily cycle)
Type of Utility Company	Water and Wastewater
Reference Contact Name	Antoinette Shaw
Contact Person Position	Customer Service Manager
Contact Person Telephone	(412) 255-8800
Applications Installations	e-Billing, e-Payments, paper billing, reminder letters, shut off notices, welcome kits
Major Modifications Made	No modifications necessary
Equipment Installed	No equipment necessary
Professional Services Performed	Document redesign, web design, commercial printing and insert design
Primary Offeror or Sub Offeror	Primary
Original Cost Estimates	Level One was the lowest bidder
Actual Final Costs	As quoted in original bid
Comments	

**Monthly volume**

Customer bills cycle daily  
 140,000 customer bills per month

**Services include:**

Customer billing for SCWA accounts and managed accounts, reminder notices; insert printing; inventory and supply-chain management program.  
 This is an active contract.

**Service Level Commitment**

(Turnaround time) – EBPP – same day; Print/Mail – Next business day



## SECTION IV. SAMPLE CONTRACT

### **CONFIDENTIAL: NOT FOR PUBLIC DISTRIBUTION**

#### **PRINTING SERVICES AGREEMENT**

This Printing Services Agreement (the "Agreement") is made by \_\_\_\_\_ on behalf of itself and its affiliates, namely, \_\_\_\_\_ ("Company") and LEVEL ONE LLC ("Level One"), this, the \_\_\_\_ day of \_\_\_\_\_ 2010 ("Effective Date").

WHEREAS, "Statement Rendering Services" means accepting data transmissions from one or more of the Company's (or Company's managed contract company's) computer centers, verifying received data, processing data, laser imaging, folding, non-intelligent and/or intelligent inserting, postal pre-sorting, and delivery of documents to the United States Postal Service, together with all internal steps necessary to perform the listed tasks as set forth on Exhibit A; and

WHEREAS, Company desires to obtain Statement Rendering Services from Level One, for its own use or for resale to Company's clients in accordance with the terms and conditions hereunder; and

For good and valuable consideration received, including the exchange of promises herein, the parties hereby agree as follows:

#### **I. Services to be Provided**

- A. Level One shall provide to the Company such services as are requested and needed by the Company within the area of Statement Rendering Services, and/or otherwise within the services set forth on Exhibit A, incorporated herein. The services Level One can provide are listed on Exhibit A, and the prices for such services are set forth on Exhibit B, incorporated herein. The Company shall exclusively obtain Statement Rendering Services from Level One during the term of this Agreement for the work covered by this Agreement; subject to the terms and conditions hereunder. This Agreement does not obligate Company to purchase any minimum quantity of products and/or services of any kind.
- B. Additional services may be requested by the Company, beyond those listed on Exhibit A, and such services shall be provided upon written agreement by Level One, at mutually agreed prices.

#### **II. Company Obligations**

- A. The Company and/or its authorized representatives shall be responsible for the accuracy and adequacy of all data and other information submitted by the Company for processing to Level One, as well as all of its errors in such data or information. The Company is responsible for the accuracy and reliability of the programs it develops itself or procures, data it delivers for processing, and the resultant output therefrom as it relates to such programs, data and information necessary to Level One's performance hereunder.
- B. The Company will establish and fund a prepaid postage account at the appropriate United States Postal Service facilities. Each account must be established in advance of Level One providing the mailing services described herein, and such accounts must have a sufficient postage balance at all times to ensure mailing of all invoices

when delivered to the Post Office. Level One will not be responsible for delays solely due to the Company not properly funding the postage account.

- C. The Company shall provide all instructions for processing in writing to Level One.
- D. The Company shall comply with all reasonable written obligations and duties required of it by Level One and provided by Level One to the Company, regarding data transmission and formatting, printed forms, inserts and postage as set forth on Exhibit A.

### **III. Level One Obligations.**

Level One shall provide additional services to the Company as follows:

- A. In addition to the services set forth in this Agreement, Level One will provide the Company with the services requested in writing and agreed in writing to be provided by Level One. Each request shall be signed by authorized representatives for the Company and Level One; in the case of Company, such authorized representatives shall be limited to Company's authorized persons and their designee(s) and replacements (as identified in writing to Level One from time to time) ["Authorized Persons"]; an initial list of same is attached hereto as Exhibit C and incorporated herein by this reference. Level One shall provide the Company with the services initiated by the request under the terms and conditions and for the applicable fees set forth in the agreed upon request and in this Agreement, unless otherwise agreed in writing. However, this Agreement shall govern between it and any request and/or related document.
- B. All written requests placed by the Company shall be subject to acceptance or non-acceptance by Level One, in its sole and absolute discretion, until the requests are signed by Level One. In addition, Level One shall have the specific right to refuse any request, in whole or in part, at any time the Company is in breach of the material terms of this Agreement or has failed to pay when due any amounts payable under any Level One invoice (other than amounts as to which Company has claimed, in writing, a good faith basis for nonpayment) pursuant to the terms set forth in Section VI of this Agreement.

### **IV. Pricing and Billing Information**

- A. During the Term of this Agreement as set forth in Section VI.A, the pricing is set forth on Exhibit B. In addition to the charges payable under this Agreement, the Company shall be responsible for payment of all of its state and local sales and/or use taxes, if any, levied upon the charges payable hereunder during the Term of this Agreement.

The Company will be billed monthly. Such invoices will be due and payable within thirty (30) days of receipt. In the event any payment is not made as required in this Agreement, the Company shall be liable to Level One for the full invoice amount, plus interest from the date payment was due at the annual rate of prime plus 1.0 percent. Checks shall be made payable to Level One and addressed to the attention of Level One LLC, P.O. Box 2093, Southeastern, PA 19399-2093.

- B. If the Company selects a custom statement form, Level One reserves the right to purchase twelve (12) months' supply at a time based on historical use or as otherwise agreed upon by the parties in writing, at the Company's expense, in accordance with the terms set forth herein on Exhibit B. Level One will notify Company prior to replenishing inventory of preprinted components for any more than a (12) months' supply at a time. For the avoidance of doubt, any order of supplies or any replenishment of inventory in connection with this Agreement shall be upon the prior written agreement of the parties.
- C. The Company is responsible for payment of all of its freight for sending materials to and receiving materials from Level One for such items as tapes, diskettes, inserts, preprinted components, exception bills, etc. Level One shall use a Courier Service (hereinafter defined) unless otherwise requested. Any freight incurred by Level One for the Company will be billed by Level One in the month it incurs. Level One shall not mark up its incurred cost of Courier Services more than 20%. The term "Courier Services" shall mean services through FedEx, UPS, or other reasonably recognizable parcel shipment and delivery companies.

**V. Warranty, Liability and Disclaimer**

- A. Level One warrants that any services provided under this Agreement shall: (i) conform to their description stated in this Agreement; (ii) conform with then-current generally accepted industry practices and standards for such services; (iii) be produced and provided in full compliance with all laws, acts and regulations, as amended, applicable to Level One and (iv) not violate or infringe the intellectual property rights or other rights of any third party, except for information supplied by Company and Company warrants, that any information supplied by it to Level One will not violate or infringe the intellectual property rights or rights of any third party. Level One warrants, covenants and represents that it has the authority to enter into this Agreement, conduct such business without any restriction whatsoever, and that this Agreement does not violate any prior or current agreements of which it is a party.
- B. In addition, Level One further warrants and represents to Company that all services provided hereunder will be performed in a workmanlike manner, using the standard and degree of care and skill prevailing in the marketplace for substantially similar services and that all services hereunder shall be performed by trained, properly supervised personnel in accordance with current industry practices and applicable laws, including all applicable laws and regulations regarding the conduct of its business as a service provider including, all data protection and privacy laws and regulations applicable to Level One.
- C. In addition to Level One's obligations in connection with a Data Loss (hereinafter defined) or its indemnity obligations as described herein, upon receipt of Company's written notification of any error in connection with this Agreement, Level One shall promptly investigate such matter and provide Company with its summary of the matter. [Subject to all other provisions of this Section V of this Agreement.](#) Level One shall bear any costs associated with Level One errors.
- D. In addition to the other warranties hereunder and without limiting them in any way, if data furnished by the Company is lost, destroyed, impaired or disclosed in contravention of the confidentiality provisions herein, ("Data Loss") by Level One or its services hereunder, including Statement Rendering Services, then Level One shall restore Company data from archives or other available resources and [pay Company](#)

for damages incurred by Company if any, as a result of such Data Loss, subject to all other provisions of this Section V of this Agreement.

Level One will, and will cause each party working with Level One or on its behalf to: (1) comply with Level One's Security and Safeguarding Policy, an initial copy of which is attached hereto as Schedule 1 and incorporated into this Agreement by this reference and (2) protect the confidentiality of records and information of Company including its data provided to Level One, to protect and safeguard same against anticipated threats or hazards to the integrity of, and the unauthorized or accidental disclosure, destruction, loss, alteration or use of same (subparts (1) and (2) collectively referred to as "Level One Data Safeguards"). Level One warrants to Company that the Level One Data Safeguards shall at all times meet or exceed the specifications identified in this Agreement and that it shall at all times maintain the specifications as set forth in Level One's Security and Safeguarding Policy. On as much prior written notice as is practicable, but not to exceed 10 days, Level One shall notify Company of any changes to Schedule 1 and identify such changes accordingly. Upon reasonable prior written notice to Level One, Company shall have reasonable access to and the right to audit the Level One Data Safeguards to confirm Level One's compliance under this Section.

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

EXCEPT FOR LEVEL ONE'S INTENTIONAL TORTS, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT FOR ACTUAL DIRECT DAMAGES, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, EXCEED THE INSURANCE COVERAGE FOR THE PAYMENT OF ANY SUCH DAMAGES, PURSUANT TO THE INSURANCE POLICIES REQUIRED BY SECTION IX OF THIS AGREEMENT.

LEVEL ONE SHALL IN NO EVENT BE LIABLE FOR ERRORS RESULTING FROM ORAL INSTRUCTIONS FROM THE COMPANY.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES SHALL NOT BE LIABLE TO ONE ANOTHER OR ANY OTHER ENTITY OR INDIVIDUAL(S) FOR ANY CONSEQUENTIAL EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES OR ANY OTHER INDIRECT LOSS OR DAMAGE OR FOR LOST PROFITS OF ANY KIND, AT ANY TIME AND FOR ANY REASON, ARISING OUT OF THIS AGREEMENT OR ANY OBLIGATION RESULTING HEREFROM, OTHER THAN, FOR A PARTY'S INTENTIONAL TORTS, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

- E. Neither Level One nor Company shall be in default by reason of failure in its performance under this Agreement if such failure results, whether directly or indirectly, from any cause not within its reasonable control, including, but not limited to fire, explosion, strike, freight embargo, act of God, act of the public enemy, war, civil disturbance, de jure or de facto, material or labor shortage, transportation contingencies, unusually severe weather, quarantine, epidemic, catastrophe, unreasonable lack of timely instructions or essential information from the other.

- F. Company shall defend, indemnify, and hold harmless Level One from any claims, suits or actions by third parties arising from the processing, possession, or use by Level One of any data, programs and other materials furnished by Company. Level One shall defend, indemnify, and hold harmless Company from any claims, suits or actions by third parties arising from the processing, possession, or use by Company of any data, programs and other materials furnished by Level One.

In addition, Level One shall protect, defend, indemnify and hold Company and its subsidiaries, divisions and affiliated companies, directors, officers and employees harmless from and against any claim, lawsuit, loss, liability, fine, penalty, interest, damage, settlement or judgment, including without limitation, attorneys' fees and other expenses, incurred in the defense of a claim arising out of or alleging that such claimant's loss or injury was caused, in whole or in part, by: an alleged or actual breach of this Agreement or any obligation or warranty hereunder by Level One, its employees, contractors or agents. In addition to and without limiting the foregoing in any way, **as applicable**, Level One also warrants, covenants and represents that it has acquired any and all applicable licenses, consents, releases and/or approvals in connection with the services hereunder. Level One shall protect, defend, indemnify and hold Company and its subsidiaries, divisions and affiliated companies, directors, officers and employees harmless with respect to acquiring any such licenses, approvals, consents, releases and making their respective fees and payments and any claims relating to intellectual property infringement in connection with the services provided hereunder.

- G. Level One and Company agree that the operating programs of Level One, existing or developed pursuant to this Agreement, are the sole and exclusive property of Level One and are available to Company solely for the purpose of processing data in accordance with the terms of this Agreement.
- H. Notwithstanding anything to the contrary contained in this Agreement or otherwise, Company shall retain all rights, ownership, title and interest (including any applicable copyright and other intellectual property rights, or informational rights) in its data as provided, compiled, processed or generated hereunder. Level One, nor any party working with Level One or on its behalf shall sell, provide, convey, or lease any data/confidential information generated, compiled, or provided by Company hereunder to any third party or entity.

## VI. **Term and Termination**

- A. This Agreement shall remain in effect through December 31, 2016, unless terminated sooner as provided for herein.
- B. The Agreement shall then automatically renew for successive additional terms of one (1) year, commencing on \_\_\_\_\_, and each annual anniversary thereof ("Renewal Date"), unless either Company or Level One gives advance written notice of nonrenewal to the other party, which notice shall be given at least 60 days before the applicable Renewal Date.
- C. The "Term" of this Agreement shall include any renewal of this Agreement.
- D. During the Term of this Agreement, Level One may increase the per piece cost of the processing and mailing at the beginning of each anniversary date by an amount not to

exceed the applicable percentage rise in the applicable national Consumer Price Index over the preceding 12 months.

- E. If Level One determines that the Company has breached any of the provisions of this Agreement, it shall notify the Company of the breach in writing, and the Company shall have thirty (30) days to rectify the breach, except in the case of nonpayment, for which it shall have ten (10) business days after receiving written notice to rectify the breach. If the Company does not or cannot rectify the breach, Level One may, at the end of such 30-day period (10 business days for nonpayment), without waiver of any of its other rights and remedies, terminate this Agreement effective upon giving of written notice to the Company. Each party may also terminate this Agreement immediately if the other party ceases doing business, becomes unable to pay its obligations as they become due, or any proceedings are instituted by or against the other party under bankruptcy laws, by giving written notice to the other party.
- F. If the Company determines that Level One is not performing the services specified in accordance with the terms of this Agreement and notifies Level One, in writing, of the specific facts supporting failure of this performance, Level One has thirty (30) days to rectify that failure. If Level One cannot or does not rectify that failure, then the Company may, at the end of such 30-day period, terminate this Agreement immediately by giving of written notice to Level One. By terminating this Agreement for failure to perform on the part of Level One, the Company does not waive any other remedies it may have.
- G. Immediately upon termination of this Agreement, each party shall promptly destroy or return to the other all data, programs, materials, and other properties of the other held by it in connection with the performance of this Agreement. Each party will assist the other party in effecting an orderly termination of this Agreement.
- H. In the event of any termination of this Agreement all materials that were ordered for the Company, either as authorized by this Agreement or with the Company's written approval, and were not used will become the property of the Company. Level One shall, as directed by Company, deliver, or cooperate with Company or its designee in the pickup of such inventory addressed in this Section, with risk of loss passing at delivery or pickup, as the case may be [and shall pay for such items at the prices in this Agreement plus freight as provided in the following paragraph](#). Company shall incur its own freight costs in such instance.

Within 60 days after the termination of this Agreement, Level One shall provide Company with a complete list of its remaining inventory containing Company Marks (hereinafter defined) [or purchased specifically for use in Company applications](#). Company shall review such list within a reasonable amount of time of its receipt and pending its approval shall pay Level One for its undisputed, unpaid remaining inventory of such items at a purchase price equal to then-current mutually agreed upon prices for such items. Company shall not be responsible for purchasing items which are defective, which do not contain Company Marks [or are not specifically for use in Company applications](#), and/or which do not resemble the items that were in use immediately preceding the termination of this Agreement. Level One shall not stockpile, or otherwise over-press its inventory of items containing Company Marks and shall only maintain [the](#) supply of items [approved in writing by](#) Company. Level One, within 30 days after its receipt of payment from Company, as described in this Section, shall destroy any items containing Company Marks, which Company does not [want delivered or picked-up](#) in accordance with [the previous](#) paragraph.

**VII. Confidentiality**

The parties, their respective representatives and employees shall safeguard and maintain the confidentiality and physical integrity of each other's data, programs, and other property at all times. The parties, their respective representatives and employees shall not transfer or disclose the other's data, programs, or other property to any third party without the other party's prior written consent ([except and only to the limited extent required for Level One to perform Statement Rendering Services pursuant to this Agreement](#)). The Company and/or its representatives and employees and Level One, its representatives, subcontractors and employees shall take all reasonable steps, including appropriate instructions to and confidentiality agreements with their employees, subcontractors and/or representatives, to prevent the unauthorized transfer or disclosure of data, programs, or other property. Level One specifically designates as confidential, and entitled to protection hereunder, its pricing to the Company and any software, forms and other business systems it shares with the Company, and the Company specifically designates as confidential and entitled to protection hereunder, all lists of its customers and its Client's customers, billing information and business plans and programs and any other information the Company provides to Level One.

**VIII. Miscellaneous**

- A. Level One reserves the right to subcontract its obligations hereunder to its business suppliers, which are appropriate and qualified in Level One's discretion, and Company grants Level One the right to so subcontract. However, Level One shall remain ultimately responsible for the services/any applicable products provided hereunder.
- B. The terms of this Agreement shall be binding upon the successors and assigns of the parties hereto. However, neither this Agreement nor any rights or obligations under this Agreement may be assigned or otherwise transferred by Level One or the Company without the prior written consent of the other, except as allowed herein.
- C. No amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of both parties.
- D. Any notices given under this Agreement shall be deemed effective when faxed (followed by a copy sent via first-class postage-prepaid mail), sent by over-night postage-prepaid courier service or mailed by certified mail, postage paid, to the following address, or such other address as the parties from time to time designate by giving written notice in this fashion.

- 1. If to Level One:

John Parker Boland  
President & CEO  
Level One LLC

3 Great Valley Parkway, Suite 100  
Malvern, PA 19355-1425

with copies to:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

2. If to the Company:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

E. This Agreement (including Exhibits) represents the entire agreement of the parties and supersedes all prior oral or written discussions, proposals or agreements of any type or nature. This Agreement shall become effective only when executed by the parties.

F. This Agreement shall be governed by the substantive laws of the Commonwealth of Pennsylvania. (The conflicts of law principles of the Commonwealth of Pennsylvania shall not be applied to cause the substantive law of another jurisdiction to apply to this Agreement.) The Company and Level One further agree that the appropriate state courts in Montgomery County, Pennsylvania, or the United States District Court for the Eastern District of Pennsylvania shall be the exclusive forum in which any action may be brought, and the Company and Level One irrevocably submit to the personal jurisdiction and venue of those specified courts.

G. The parties will attempt to settle all disputes, controversies or claims through good faith negotiations. If Level One or the Company has a claim or dispute, it will notify the other party of the nature of and grounds for the claim or dispute. Within fifteen (15) days after such notice is given, the parties will meet and confer in good faith to attempt to resolve the matter set forth in the notice.

If those attempts fail to resolve the dispute within forty-five (45) days of the date of initial demand for negotiations, then the parties shall try in good faith to settle the dispute by mediation conducted in Montgomery County, Pennsylvania, under the CPR International Institute for Conflict Prevention and Resolution Mediation Procedure then in effect. Any remaining disputes not settled by mediation shall be submitted to final and binding arbitration in Montgomery County, Pennsylvania, under the then current Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall not have the power to award damages in excess of actual damages, such as punitive damages and damages excluded under this Agreement.

The procedure prescribed by this paragraph is the sole and exclusive procedure for the resolution of all of the Company's and Level One's controversies, claims, or disputes, regardless of when those claims arose or accrued.

H. No waiver by either party of any breach in the performance of its obligations on the part of the other party hereto, or any breach or series of breaches by the other party hereto of any of the terms or conditions of this Agreement, shall consequently waive any subsequent default or breach in performance of this Agreement.



- I. Any provision or provisions of this Agreement which in any way contravene the law of any state in which this Agreement is effective shall, in such state, to the extent of such contravention of law, be deemed severable and shall not affect any other provision hereof or the validity of this Agreement.

## IX. Insurance

Level One warrants that it will maintain sufficient insurance coverage to enable it to meet its obligations created by this Agreement and by law. Without limiting the foregoing, Level One will maintain at its sole cost and expense at least the following insurance covering its obligations under this Agreement, subject to the provisions below:

- (1) Commercial General Liability Insurance coverage in an amount not less than combined single limits of \$2,000,000 (including Contractual Liability, Broad Form Property Damage, Premises Liability, Products and Completed Operations Liability, Independent Contractor, Advertising Injury and Personal Injury) against all claims and liability for bodily injury, death or property damage arising out of the performance of work under the Agreement and with payment of defense costs outside of the liability limits.
- (2) Automobile Liability Insurance in an amount not less than combined single limits of \$500,000 including coverage for all owned, hired and non-owned automobiles.
- (3) Workers Compensation and Employers Liability Insurance  
Minimum Limits:

Coverage A	Statutory
Coverage B	\$1,000,000 Each Accident
	\$1,000,000 Disease/Policy Limit
	\$1,000,000 Disease/Each Employee
- (4) Errors & Omissions coverage and data protection liability insurance in the amount of one million dollars (\$1,000,000). Such coverage and insurance shall include coverage for claims and losses and liabilities for financial loss resulting or arising from acts, errors, or omissions, in rendering the services contemplated by this Agreement, or from breaches of security, network risks, data breaches, unauthorized access/use privacy violations, breach of security and/or privacy regulations, data theft, loss, damage, destruction, degradation or corruption, including without limitation, unauthorized access, unauthorized use, identity theft, theft of personally identifiable information or confidential corporate information, virus transmission, and denial of service in connection with the services provided under this agreement. Such insurance must address all of the foregoing without limitation if caused by an employee of Level One or an independent contractor working on behalf of Level One in performing services under this Agreement.
- (5) Electronic Data Processing Insurance providing coverage for all risks of loss or damage to Level One's and Level One's agents' equipment, data, media, and valuable papers, with a minimum limit of \$250,000.
- (6) The above limits may be obtained with Excess Liability (Umbrella) Coverage. Level One shall pay all deductible amounts provided under said policies.
- (7) Level One shall ensure that (a) the insurance policies listed above contain a waiver of subrogation in favor of Company and its affiliates, (b) the Commercial General Liability,

Business Auto Liability and Professional Liability policies name Company and its affiliates and assignees as additional insured's and do not limit coverage for cross-suits by insured's, and (c) all policies contain a provision requiring at least (30) days' prior written notice to of any cancellation, material modification or non-renewal. Within (30) days following the effective date of this Agreement, and upon the renewal date of each policy, Level One will furnish certificates of insurance and such other documentation relating to such policies as may be reasonably requested. All insurance must be issued by one or more insurance carriers Best's rated A- or better. Level One's insurance required under this Agreement will be deemed primary and Company's insurance programs will not be contributory with respect to all obligations assumed by Level One under this Agreement.

- (8) The insurance coverage identified hereunder shall insure Company against all claims and liabilities described in this Agreement, including but not limited to those claims and liabilities described in Section V. F. In addition, Level One's failure to carry the insurance required hereunder shall not limit its liability under this Agreement or be held to waive any of the provisions of this Agreement. Accordingly, Level One shall be solely and directly liable for any such claims should Level One fail to carry the insurance required hereunder.

Prior to the commencement of any services under this Agreement, Level One shall provide Company certificates of insurance, endorsements and any other supporting documentation evidencing Level One's compliance with its insurance obligations hereunder.

**X. Audit**

Level One shall maintain records and accounts, together with supporting documents, evidencing all business matters with respect to this Agreement. All such records and accounts shall be preserved by Level One for at least three (3) years from the date of the transaction to which they relate. Level One agrees that the records and documents referred to herein shall be available for audit, inspection and copy by Company and/or its independent auditors and agents, upon reasonable prior notice during Level One's regular business hours.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first written above.

ACCEPTED BY:

LEVEL ONE, LLC

COMPANY

Signature\_\_\_\_\_

Signature\_\_\_\_\_

Name\_\_\_\_\_

Name\_\_\_\_\_

Title\_\_\_\_\_

Title\_\_\_\_\_

Date\_\_\_\_\_

Date\_\_\_\_\_

**SCHEDULE 1**

**LEVEL ONE'S SECURITY AND SAFEGUARDING POLICY**

**(TO BE ATTACHED BY LEVEL ONE)**

## EXHIBIT A

### **“STATEMENT OF WORK”**

#### A. Printed Materials

The following specifications will be used in the production of the established “standard formats” for paper and postcard utility bills and letters. Any deviation from these specifications will be deemed as a custom application and will require a custom quotation.

#### B. Data File Formats/Record Layout

#### C. Data Transmission

#### D. Data Validation & Production Reports

#### E. Remittance Processing Requirements

#### F. File Splits:

#### G. Multi-Page Bill Capabilities:

#### H. USPS Requirements and Commingling Services

I. Level One will provide the Company with the following services to optimize postal savings and to improve deliverability of the mail piece.

J. An escrow amount equal to two month’s amount of postage is required. In addition postage for any given month must be funded in advance as per the policies of the USPS.

#### K. Bill Imaging Capabilities:

1. PREVIEW<sup>®</sup> – to provide automated process control for viewing and segregating exception bills directly from a desktop prior to printing and mailing.
2. SUREVIEW<sup>®</sup> – to provide access to customer bill images via the Internet. Company has either a 6-month or a 12-month option for on-line access to stored images.
3. EVIEW<sup>®</sup> – EBPP product to provide electronic bill presentment via the Internet and e-payment including ACH check, credit/debit card.

#### L. Company Reports:

Level One shall provide Company with daily reports which shall confirm receipt of Company’s files/feed and processing of same (“Daily Production Reports”), monthly production reports (“Production Summary Reports”) and additional reports requested from time to time by Company (“Additional Reports”).

**EXHIBIT B**

**“CONTRACT PRICING”**

Transactional costs are based on assumptions provided by client on expected monthly volumes:

- Average of approximately xx,xxx mail pieces per month\*
- (Daily processing – xx days per month)

*\* A monthly minimum billing requirement of \$\_\_\_\_\_ per month will apply for processing and mailing. This minimum billing requirement is based on a unit cost of \$\_\_\_\_\_per mail piece. If the processing and mailing costs for any given month exceed the minimum billing requirement, no additional fees apply beyond the transactional costs listed below.*

**A. Base price per paper bill includes:**

**B. Preprinted Component Pricing:**

The cost of materials will be invoiced at time of production. The cost of storage and maintenance of inventory is included in the per piece pricing. So long as Level One provides the Company with thirty (30) days prior written notice, Level One may order up to a (12) month supply of inventory for each of the items identified in bill production.

**C. Data Transmission and Service Level Commitments:**

1. FTP Server; via Internet.
2. The Company agrees to transmit data daily to Level One prior to \_\_\_\_\_ a.m./p.m. If data is received prior to \_\_\_\_\_ a.m./p.m., Level One will use commercially reasonable best efforts to process a PreVIEW file for review by Company prior to 7:30 a.m. the same day. If Company approves the PreVIEW file and releases to print prior to \_\_\_\_\_ a.m. each business day, Level One will use commercially reasonable best efforts to process, print and deliver mail to the designated United States Postal Service (USPS) location adhering to the service level commitments as outlined in the following schedule:

Service Level Commitments

Target - Standard SLA	Next Business Day
Guaranteed SLA	2 Business Days
Breach*	>2 Business Days

\*Level One will be afforded a maximum of eight (8) late cycles per year when processing and mailing of bills and notices without causing a material breach of this Agreement.

**D. Price Adjustment for File Processing**

Contract per piece price for processing and mail preparation portion only is subject to a cost of living increase at the beginning of each anniversary date of the contract which will be based on the percentage increase in the Consumer Price index (CPI) for the previous 12 months.

**E. USPS Requirements and Commingling Services**

Level One will provide the Company with the following services to optimize postal savings and to improve deliverability of the mail piece.

An escrow amount equal to one month's amount of postage is required. In addition postage will be invoiced on either a monthly or quarterly basis, as preferred by Company and funded in advance as per the policies of the USPS. Level One will provide the necessary processing and sorting to obtain the lowest possible first class postage rate.

**F. Price Adjustment for Postage and Raw-Materials (Paper)**

Level One will provide advance written notice of any such proposed changes to either postage or preprinted billing components to Company, together with supporting documentation. Such revised costs will be paid by Company at the time of proposed increase.

Level One will provide storage and maintain adequate inventories at no cost to Company. So long as Level One provides the Company with thirty (30) days prior written notice, Level One may order up to (12) month supply of inventory for each of the items identified in bill production.

## Section V. Bid Pricing Page

Initial Set-up; programming fees -	<u>Waived</u>
Printing of Bills, Stuffing of Envelopes, and Processing of Information per month -	<u>\$75.00 per/M</u>
Billing Stock	
8 ½" x 11" 20 pound stock (12,100 quantity) per month -	<u>\$15.00 per/M</u>
# 9 Envelopes (12,100 quantity) per month -	<u>\$18.00 per/M</u>
# 10 Envelopes (12,100 quantity) per month -	<u>\$20.00 per/M</u>
9" x 12" Insertion Envelopes (70 quantity) per month - (includes insertion plus the envelope)	<u>\$0.75 ea.</u>
*Postage (pass through) (12,100 quantity) per month -	<u>\$0.36 per 1 oz.</u>
	<u>12,000 x .036 = \$432.00 per monthly "estimate"</u>
*This is an estimate per each 1 oz. piece. Actual postage will be charged. We anticipate the majority of the City's mail to qualify at the 5-digit presort rate.	
SureVIEW® - PDF image archive repository -	<u>\$10.00 per/M</u>
eVIEW® - Optional Online Billing Presentment and Payment Services (online billing and payment services are optional services we provide. To be discussed after acceptance of Level One Proposal)	<u>TBD</u>