



Outsourcing Services Proposal For:



Tuesday, April 10, 2012



Confidentiality Agreement

This document is for the sole use of City of Key West. It is intended for City of Key West employees on a need-to-know basis. Its contents should not be disclosed to any other parties without the prior written consent of Southwest Direct.

Date submitted: Tuesday, April 10, 2012



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Executive Summary

Southwest Direct can perform the tasks as outlined in the ITB #12-033 for only 0.126 per mail piece. This includes the outgoing envelope, reply envelope, 8.5 x 11 custom printed form with backer, data processing (CASS, NCOA, DPV, LACS), variable digital imaging, folding, inserting and delivery to the post office on the same day as the file is sent. We are unique in that we charge the same rate for color or black and white.

The Southwest Direct statement processing program is straightforward, cost-effective, and efficient - and offers the flexibility to customize and personalize statements with a minimal start-up time.

Southwest Direct can provide City of Key West with more than basic statement services. We can provide a flexible, customized, one-stop, in-house, high-quality service that benefits both the City and its statement recipients. The company can perform high volume, high quality printing and mailing with same day turnaround, groupings of commercial bills and house holding of residential bills with more than 1 statement goes to the same address. We are also able to selectively insert #9 reply envelopes based on whether or not the customer is on auto-pay.

Southwest Direct's extensive experience in statement production enables us to offer customized and accurate statements and provide significant cost savings. Our goal is to be a true extension of the business office, providing value-added services throughout the entire invoicing process – from the production and mailing of your statements up to the moment you receive payment from your clients.

Our local clients include:

Clay County Utility Authority
City of Ocoee
City of Inverness
City of Lake Alfred
City of Fort Myers
City of Englewood
Lee County Utilities
Lee Memorial Health System

Lee County Electric Coop
City of Groveland
City of Crystal River
City of St. Augustine
City of Cape Coral
Bonita Spring Utilities
Collier County Utilities
Boca Raton Hospital

Manatee County Utilities
City of Fruitland Park
City of Brooksville
City of Marco Island
City of Naples
Gateway Communities
Resource Conservation
Naples Community Hospital

...plus many more outside the State.

City of Key West is looking for someone to take ownership of this project, to see it through from beginning to end, with superior project management and hands on customer service – Southwest Direct is that company. We are a Florida based firm, headquartered in Fort Myers for 24 years, with 62 customers in 23 states. Come to a place where you will be welcomed and appreciated. Anyone can put ink to paper, the Southwest Direct difference is personalized service. You're not just hiring a production organization, you are hiring a team of dedicate people with decades of experience in statement processing for cities and counties.

For further information regarding our service and how we can improve City of Key West billing efficiency, please contact me at 239-768-9588 x33.

Mariusz R. Bielecki, MBA
Vice President of Business Development



Southwest Direct Company Overview

Company Information

Southwest Direct is a privately owned printing and mailing company based in Fort Myers, Florida. Founded in 1988 by Anthony Correnti Sr., SouthWest Direct began as a local letter shop serving the Southwest Florida area. Over the years SouthWest Direct has developed into a full service highly specialized mail production facility offering statement design, database management, full color printing, digital imaging, statement processing, mailing services and fulfillment.

In 1991 the company began processing billing statements for a community hospital in Naples, Florida. Each day boxes full of preprinted continuous forms were picked up, folded, inserted and mailed. As technology advanced, new equipment allowed us to propose a better way. Working with the hospital, Southwest Direct designed a color custom statement onto which patient data was laser printed. The result was a statement that was patient friendly and easy to read. Soon the company began processing billing for clinics, labs, and utilities. That billing statement process evolved into Southwest Direct Statement Services. We have invested ten years and several million dollars in developing a statement billing process that is among the most technologically advanced in the world. We are now able to offer our statement processing services to clients nationwide.

Southwest Direct – Strategic Plan

Southwest Direct's business strategy is to service the growing outsourcing market for major industries. Southwest Direct's strategic direction is to produce personalized business-to-customer communications that use variable data to deliver time-sensitive mailed and electronic documents rendered to the Internet, electronic document libraries, and archiving media, all supported by a project management organization that provides professional services.

The Southwest Direct facility, located in Fort Myers, Florida, is approximately 30,000 sq. feet and has 50 employees. The facility strategy calls for equipment and resources to be added incrementally, as our clients' needs grow. The Fort Myers, FL facility includes the senior management team and the project management organization. Subsequent facilities will only staff production employees. Our strategy will eliminate duplication of effort and increase efficiency and continuity.

Southwest Direct's statement division currently produces 1,000,000 finished mail pieces per month on top of the 2,000,000 pieces produced for SouthWest Direct commercial mail clients. Southwest Direct has designed an infrastructure that will allow for data receipt, processing and output of 10,000,000 packages by the year 2015. Complete order tracking, inventory, purchasing, data processing, printing and inserting systems are included in this infrastructure. Southwest Direct accepts files 24 hours per day, 7 days per week.

Product and Service Offering

As experts in distributed communications, both correspondence mail and production mail, Southwest Direct can make City of Key West communications more effective and efficient. Southwest Direct services include:



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- Statement design
 - Data programming
 - Document mapping
 - Print production and inserting
 - Tracking and reporting
 - Address hygiene and postal discounts
 - Total project management

Statement Experience

Southwest Direct has extensive experience servicing the outsourcing needs of customers who mail statements. The company currently works with hospital systems, cities, counties, universities, physician groups, colleges, billing system vendors, collections agencies, as well as others. References are available upon request.

Southwest Direct Differentiators

The world of business is a very different place than it was even five years ago with technology breakthroughs, globalization, and the faster pace of economic, political and social change. Customers choose Southwest Direct for our ability to make messaging technologies and processes that are cost-effective, easy to access, easy to use and flexible for our customers, through our products, financing and services.

At Southwest Direct, our technology capabilities are grounded in how people work; our infrastructure gives us direct access to our end users; and we have stayed focused in those messaging business areas where we have accumulated a great deal of knowledge. Our core competencies deliver the business support services needed, so that our customers can focus on their core competencies. We continue to study market trends to provide the products, services and programs that our customers need.

Southwest Direct's competitive strength lies in several key areas:

- **Mailing industry knowledge and expertise**
- **Leading-edge proprietary software and technology**
 - State-of-the art programming tools; C++, Oracle object-oriented tools
 - Data communications and print language manipulation capability
 - Document Composition software
 - Real-time job tracking
- **Complete offering / total solution**
 - Design and development services
 - Programming and composition
 - Print production and inserting
 - Tracking and reporting online and offline
 - Address hygiene and mail forwarding
- **Client Server environment**
- **Resources availability**
- **Processing efficiency**



Proposal

Proposed Solution

City of Key West can benefit from the document processing services provided by Southwest Direct including total project management, project status, statement printing, variable electronic printing, inserting, mailing, and electronic statement presentment.

City of Key West can also take advantage of our state-of-the-art technology that offers greater flexibility and customization than traditional composition and printing methods.

Account Management Approach and Staffing

A typical account structure consists of a Sales Representative, Project Manager, the Director of IS/IT, the Director of Applications Development, and the Manager of Postal Affairs. The Project Manager is assigned to the City of Key West account to understand your expectations, identify the project requirements, and develop a project plan that ensures the project is delivered on time with flawless execution. The Project Manager will be responsible for planning, monitoring, and controlling the project. This includes:

- Client communications
- Communication and integration with City of Key West staff and processes
- Project plan development
- Defining internal production requirements
- Monitoring and reporting on project development and implementation status
- Component inventory control
- Execution of changes to the project

Change Management Process

All modifications to production processes, programs, files, resources, etc. are controlled by the change management process and recorded and tracked via a change management document. External changes require City of Key West approval. Changes to IS-related components resident on the production server require the approval of the Director of IS/IT prior to production migration. All print related resources are maintained on the production server. A Programmer Analyst, with approval of the Director of IS/IT, is the individual authorized to modify the production resources. For each print file created, the appropriate resources are appended to the beginning of each file and transmitted to the production imaging equipment along with the print stream.

The Project Manager assigned to the City of Key West account will manage the Change Management Process within Southwest Direct. The Southwest Direct Project Manager will collect changes requiring City of Key West approval.



Technology

Graphics and Form Design Capabilities

Southwest Direct utilizes Doc 1 from Group 1 Software™ to create dynamic documents for your organization. Doc 1 is the premier software application for customer information management and document composition in the world. Southwest Direct statements are data driven and can be personalized right down to the individual bill. Southwest Direct offers you flexibility where other services simply cannot. Changes can be made quickly and easily, whether you need to make minor changes or redesign your entire form. Statements can be coded to print in 28 different languages. You can even view your printed statements on the Internet or archive them on CD-ROM. These features combined with CASS certification, Postnet Bar-coding, Zip plus 4, address correction and mail forwarding make Southwest Direct the obvious choice.

Customer Name: CUSTOMER, A **01/15/2007**
Service Address: 1234 SERVICE ADDRESS **Account No:** 99999

Notes:
PLEASE MAKE SURE THAT YOUR SPRINKLERS AND SPRINKLER TIMERS ARE OPERATING PROPERLY. IF YOUR PROPERTY IS VALUANT, THEN PLEASE HAVE SOMEONE CHECK FOR UNWANTED WATER USES OR A REGULAR BASIS. PLEASE MAKE SURE THAT OUR OFFICE HAS AN EMERGENCY CONTACT PHONE NUMBER ON FILE.

www.cityofmarcoisland.com

Page 1

Please send all ADDRESS CHANGES and other correspondence to:
Marco Island Utilities
960 N. Collier Blvd., #105
Marco Island, FL 34145
Phone: (239) 394-3800
FAX: (239) 394-4286
OFFICE HOURS:
Monday - Friday
9 am - 4 pm
AFTER HOURS:
AFTER HOURS EMERGENCY PHONE: (239) 394-3800

Balance Forward	\$117.34	
Payment - Thank you	01/10/2007	\$117.34
Total Amount Past Due	\$0.00	

CURRENT CHARGES:

Sewer Base	\$19.67
Sewer Usage	\$23.46
Water Base	\$24.11
Water Usage - Tier 1	\$50.43
Total Current Charges	\$117.67

THIS AMOUNT WILL BE DIRECT DEBITED ON 02/10/2007 \$117.67

METER	SERIAL#	PREVIOUS READ	CURRENT READ	DAYS	USAGE	EST.		
Meter	9999999	17/12/06	1748100	01/11/07	1764800	30	14700	NO

GALLONS USED

CITY OF MARCO ISLAND
P.O. BOX 2039
MARCO ISLAND, FL 34145

SERVICE ADDRESS: 1234 SERVICE ADDRESS
ACCOUNT NO: 99999

1-800-AUTO-5-DIGIT-34145
CUSTOMER, A
CUSTOMER, B
101 WATER CONSERVATION WAY
MARCO ISLAND, FL 34145

TOTAL AMOUNT DUE BY 02/10/2007
AMOUNT PAID

AUTO PAID
\$117.67

0000999994 0000117671

Data Processing

Southwest Direct's data processing strategy focuses on flexibility and integrity. Southwest Direct offers around the clock data transmissions, 365 days of the year. We are equipped to accept multiple data streams from more than one site.

Southwest Direct is equipped to accommodate any type of transmission protocol across any type of bandwidth speed. We can support leased point-to-point lines, frame relay, dial-up lines, SNA, TCP/IP networks, file transfer products such as FTP or Connect Direct, with the goal of multi-vendor interoperability.



Data Security

Southwest Direct is committed to safeguarding your security and has implemented several lines of defense to protect you. We use industry-standard hardware and software in combination with authentication and certification by third parties to protect the transmission of data, the processing of data and storing data.

We have taken extensive steps to ensure that any data transmitted by our users cannot be intercepted, viewed, or blocked by unauthorized parties. We have also established policies telling our users how we use and store their information.

Southwest Direct is committed to maintaining a secure environment to store and receive your sensitive information. We have taken every precaution to protect your data and are constantly improving our security procedures. We will continue to make data security a top priority as new technologies become available.

Additionally, the facility adheres to the following telecommunications security procedures:

- All external connections will be secured with user ID/Password protection
- CISCO firewalls or an equivalent will be used
- All external communications are fire walled

Printers

Southwest Direct statements are printed using Konica model 7035 digital printers. Whether using our Premium Statement or Basic Statement, you are guaranteed the highest quality print resolution available. Our laser printers allow us to produce custom statements in high volumes with maximum efficiency. Your statements can be printed simplex or duplex with variable data throughout. Multiple page statements can be handled with ease. Our inserting department is fully automated and can insert over a million statements per week.

Quality Assurance

When Southwest Direct receives City of Key West data via transmission; we will inspect the data for any physical damage and verify that the record count agrees with the transmittal. All data files will be tested for read errors. City of Key West will be notified immediately if any problems occur with the transmission and a time will be established for retransmission of the data. Southwest Direct will work closely with City of Key West to make sure the data files are formatted correctly minimizing any chance of error. However, City of Key West will ultimately drive the integrity of the data.

Quality assurance production procedures

City of Key West can verify 100% mail / matching of all project(s) through extensive reporting that will be provided by Southwest Direct including:

- A transmission reply from Southwest Direct verifying the number of records received, the number processed for production, the exact postage amount, and sort analysis for each processing cycle can be issued at the time of production.
- Production verification upon completion of the mail processing can be issued detailing the number of pieces mailed.
- Custom reports can be configured based on end user specifications.



Implementation

The implementation time to live status is minimal and efficient. Southwest Direct receives an enrollment form, sample or current statements, and a test file as basic criteria to begin a project. The following steps are typical in setting up the account :

- Assign Project / Account Manager
- Establish Contact
- Submit sufficient test data and current statement / record layout for applications desired
- Receive sample form with your data or custom mock-up
- Make changes or approve form
- Submit postage deposit
- Account is ready for live status
- Account is ready for live production data

The Southwest Direct project manager assigned to City of Key West will be very pro-active in guiding City of Key West through implementation process.



Production

Hardware components used to execute print and fulfillment requirements include:

Item	Description	Strengths
Konica 1050	Cut-Sheet Printers	<ul style="list-style-type: none"><input type="checkbox"/> Accommodates packages with various stocks.<input type="checkbox"/> Accommodates all required graphics, including logos, check images, and charts<input type="checkbox"/> Accommodates OCR printing requirements<input type="checkbox"/> Utilize "print assurance feature" which ensures that the correct stock is being used<input type="checkbox"/> Accommodates duplex printing requirements<input type="checkbox"/> Accommodates MICR printing requirements
Bowe Bell+Howell 8-series Inserters	High-Speed Inserters	<ul style="list-style-type: none"><input type="checkbox"/> Accommodates all package designs, including #10, 6 x 9, 9 x 12 envelopes.<input type="checkbox"/> Accommodates selective inserting requirements

Southwest Direct's automated processing capability is the corner stone to our production strategy. The channel connected based processing platform provides real-time project tracking from file processing through mailing and record maintenance, as well as improved system performance, throughput and integrity.

The file server is interfaced with the client server and the inserter stations. This allows a mailing job to be run on any inserter or split between inserters as needed. Jobs are processed more efficiently when a project can be shared across multiple networked inserters.

NCOALink™ Address Correction Service

As an added benefit, we also offer address correction and mail forwarding through a licensed agreement with the United States Postal Service. We utilize NCOALink™ from the USPS to update client billing files as statements are being printed. This is done electronically by matching the names and addresses contained within client billing data against the national database of changes filed during the past 18 months. The NCOALink™ system contains over 16 million change-of-address records and is updated weekly.

Southwest Direct can update client data each time client statements are mailed (in-stream processing) to ensure it is delivered to the intended recipient the first time. NCOALink™ automatically corrects a customer database and statements have the correct address applied to them. Our fee for address correction is significantly less than the cost returned mail or standard postal mail forwarding.

If they choose, customers can also send us their entire client database (batch processing) periodically to clean records for all their client mailings. Either way, NCOALink™ saves time and money. We can even provide a report of all changed addresses each time patient data is processed.

UNIT PRICE BID SCHEDULE

Quantities may vary due to online billing and conversion of City's sewer billing to Florida Keys Aqueduct Authority.

Printing of Bills, Stuffing of Envelopes, and Processing of Information per month - \$696.00

Billing Stock

8 1/2" x 11" 20 pound stock (12,100 quantity) per month-

\$411.42

9 Envelopes (12,100 quantity) per month-

\$229.90

10 Envelopes (12,100 quantity) per month-

\$181.50

9" x 12" Insertion Envelopes (70 quantity) per month-

\$ 14.70

Postage (pass through) (12,100 quantity) per month-

\$4,416.50

Other (Please List Each Item)

Ø

PDF OF EACH RUN

NO CHARGE

TOTAL -

\$5,950.00

CITY OF KEY WEST INDEMNIFICATION FORM

Contractor agrees to protect, defend, indemnify, save and hold harmless The City of Key West, all its Departments, Agencies, Boards, Commissions, officers, agents, servants and employees, including volunteers, from and against any and all claims, debts, demands, expense and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur or in any way grow out of any act or omission of the Contractor, its agents, servants, and employees, or any and all costs, expense and/or attorney fees incurred by the City as a result of any claim, demands, and/or causes of action except of those claims, demands, and/or causes of action arising out of the negligence of The City of Key West, all its Departments, Agencies, Boards, Commissions, officers, agents, servants and employees. The Contractor agrees to investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at its sole expense and agrees to bear all other costs and expenses related thereto, even if it (claims, etc.) is groundless, false or fraudulent. The City of Key West does not waive any of its sovereign immunity rights, including but not limited to, those expressed in Section 768.28, Florida Statutes.


These indemnifications shall survive the term of this agreement. In the event that any action or proceeding is brought against the City of Key West by reason of such claim or demand, Contractor shall, upon written notice from the City of Key West, resist and defend such action or proceeding by counsel satisfactory to the City of Key West.

The indemnification provided above shall obligate Contractor to defend at its own expense to and through appellate, supplemental or bankruptcy proceeding, or to provide for such defense, at the City of Key West's option, any and all claims of liability and all suits and actions of every name and description covered above which may be brought against the City of Key West whether performed by Contractor, or persons employed or utilized by Contractor.

The Contractor's obligation under this provision shall not be limited in any way by the agreed upon Contract Price as shown in this agreement, or the Contractor's limit of or lack of sufficient insurance protection.

CONTRACTOR: SOUTHWEST DIRECT SEAL:

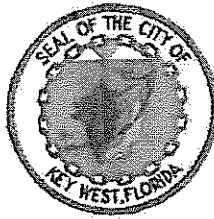
2129 ANDREA LANE
Address


Signature

MARIUSZ R. BIELECKI, MBA
Print Name

VP BUSINESS DEVELOPMENT
Title

DATE: 4/10/12



THE CITY OF KEY WEST
Post Office Box 1409 Key West, FL 33041-1409

ADDENDUM # 1

**Invitation to Bid (ITB) # 12-003
Utility Bill Processing, Printing,
Postage, Print Stock, and Envelopes**

April 3, 2012

To All Prospective Bidders:

The following changes, additions, and/or deletions are hereby made a part of the Bid Documents for the Utility Bill Processing, Printing, Postage, Print Stock, and Envelopes (ITB # 12-003) dated March, 2012 as fully and completely as if the same were fully set forth therein:

QUESTIONS FROM RESPONDANTS:

(Answers in Italics)

1. Is printing simplex or duplex?

The utility bills are printed duplex (two-sided) on one sheet of paper.

2. Please clarify 9x12 insertion envelopes? Are you looking for pricing on the envelopes, using 70 per month?

Correct. We have a small number of customers where multiple bills are sent in the larger 9"x12" envelopes. Cost should include fee for inserting other bills in 9"x12" envelopes.

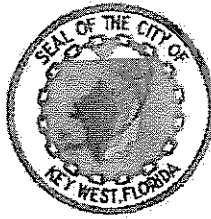
3. How many pages generally go into one #10?

Just the one page duplex bill along with the # 9 return envelope.

4. Is there any printing on the #10 and #9 envelopes? Is the printing color or black and white?

MPS

Key to the Caribbean – average yearly temperature 77 ° Fahrenheit.



THE CITY OF KEY WEST
Post Office Box 1409 Key West, FL 33041-1409

There is printing on both envelopes in one color (black). The # 10 envelope has the City's return address along with the City seal. The # 9 envelope has the City's address. Please see the photos of the envelopes that are part of this addendum.

5. Is there a window on the #9 BRE

There is no window on this return envelope.

6. I am requesting what the current contract costs are for this project and a copy of the bid tabulation when it was last bid.

# 9 Envelopes -	\$23.95 per 1,000
#10 Envelopes (with window)-	\$28.25 per 1,000
8 ½" x 11" Bill Stock 20 pound -	\$16.99 per 1,000
Postal Presort -	\$13.64 per 1,000
Laser Imaging -	\$40.87 per 1,000
Insertion of Bill + #9 Envelope -	\$ 34.06 per 1,000
9"x12" Envelope Insertion -	\$ 2.68 each

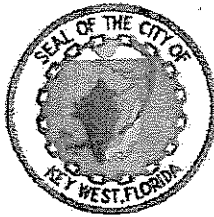
We do not have a copy of when the last time this project was bid. We piggybacked on a contract from another local utility – Keys Energy Services. Barrett and Company from Key West is our current contractor.

7. Is it possible to get a physical sample of your bills and envelopes?

We don't have time to send a physical sample to everybody, so I have included a photograph in this addendum.

8. Is there any color printing on your bill preprinted form?

No. All printing is in black.



THE CITY OF KEY WEST
Post Office Box 1409 Key West, FL 33041-1409

9. Is your return address printed in black on the #10 1-window outgoing envelope?

Yes it is, along with the City Seal.

10. Is the #9 return envelope a simple 1-window envelope?

There is no window on the return envelope. The return envelope is printed with the City's address and some other information. See photo for more information.

11. I would like to make a public record request for current contract information on Key West Local Utility billing, printing materials mailing services and postage associate with getting the monthly Sewer and Garbage billings produced and mailed.

I have attached a copy of the City's current contract with this addendum.

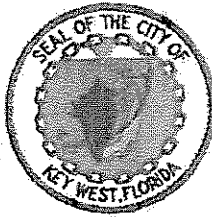
12. Reading through your invitation to bid. I wanted to know if it would be OK to substitute a double window #10 for the single window #10 you have in the Description of Current Environment. The reason I am asking is that a double window envelope eliminates an additional step in the production process of imprinting the logo and return address onto the face of a single window envelope -- thus eliminating the cost as well. Instead, the return address and logo is printed onto the bill which shows through the top window (I have attached an example).

By using a double window envelope across our entire customer base it allows everyone to benefit from a large envelope order, instead of running dozens of short runs for each individual customer. This would be helpful since we are trying to arrive as the lowest cost.

We plan on keeping our one window # 10 envelope that we are currently using. Please bid on a one window # 10 envelope.

13. Sungard has the ability to export multiple file formats; of the export file types, the PDF export is less desirable as these files have significantly less flexibility when it comes to format changes. Our normal process with Sungard customers is to work with their text export file or the multiple data table export files; we use these as we work with our

WB



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409

customers to create a customized statement. Does this sufficiently cover the needs of the City?

We would prefer to use the same PDF export we are using currently.

14. Is it safe to assume that you require PDF image copies of all bills prior to printing, so you can review any and all statements?

Yes.

15. You state that 20 lbs is the minimum requirement, however automated payment vendors and equipment require 24 lbs long-grain paper. Do you anticipate requiring 24lbs long-grain paper for any automation in the future?

We anticipate that we will continue to use the 20 lbs minimum. No change is anticipated.

16. On the Bid Schedule, you are asking the cost for monthly quantities of #9 envelopes. We normally use selective feeding for #9 envelopes to save our customers money for Bank Draft customers and other accounts that are paid automatically. Do you have an estimate of the accounts that would not require #9 envelopes in your mailings, if any?

We do not have such an estimate. You should plan on using the full amount of # 9 envelopes.

All Bidders shall acknowledge receipt and acceptance of this Addendum # 1 by acknowledging this Addendum in their proposal or by submitting the addendum with the bid package. Bids submitted without acknowledgement or without this Addendum may be considered non-responsive.


Signature

SOUTHWEST DIRECT
Name of Business



References

Bill Boyd
City of Cape Coral
PO Box 150027
Cape Coral, FL 33915

Volume: 60,000 per month
Software: Sungard
239-242-3895

Cathy Sills
City of Ocoee
150 North Lakeshore Drive
Ocoee, FL 34761

Volume: 15,000 per month
Software: ADG
407-905-3100

Jim Lang
City of Marco Island
50 Bald Eagle Drive
Marco Island, FL 34145

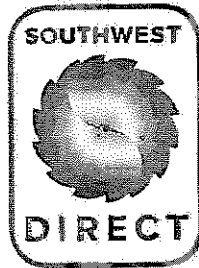
Volume: 10,000 per month
Software: ADG
239-389-5190

Christie Christie
City of St. Augustine
50 Bridge St
St. Augustine, FL 32084

Volume: 15,000 per month
Software: Black Mountain
904-209-4244

Ann Marie Ricardi
City of Naples
735 8th Street South
Naples, FL 34102

Volume: 10,000 per month
Software: Sungard
239-213-1820



CONTRACT

This Contract represents an agreement between Southwest Direct, Inc., 2129 Andrea Lane Fort Myers, FL 33912 and City of Key West, PO Box 1409 Key West, FL 33041-1409.

1. On or about April 10, 2012, Southwest Direct, Inc. will provide electronic data transfer statement mailing services to **City of Key West** using Southwest Direct, Inc., an electronic data transfer statement mailing service developed by Southwest Direct, Inc. and owned by Southwest Direct. Southwest Direct, Inc. will receive billing data from **City of Key West** in order to print invoices, affix Southwest Direct, Inc. postage to envelopes and mail to payors by the next business day excluding holidays and weekends. The charge for this service shall start at \$0.123 per single page statement, and \$0.095 for additional pages. Charge for set up and implementation are as follows: FEE WAIVED. NCOALink address correction service is offered at 0.003 per record.
2. The single page rate is based on United States Postal Service rates as of April 10, 2012. When postage rates change the price will go up by the same amount as the new postal rate for the class of mail covered by this contract. **City of Key West** is responsible for any postal increase. Postage is estimated at 0.365. Postage is due prior to each months mailing period.
3. Southwest Direct, Inc. agrees not to use any Confidential Information, including but not limited to health benefits-related transaction information and private personal, medical and/or other information of any person which is protected by law, that it receives in access pursuant to the Agreement in any way which would produce or cause **City of Key West** or its affiliates to be held to have produced a violation of the Privacy Act, or of any other applicable federal or state statute or regulation, or principal of common law.
 - a. Southwest Direct, Inc. agrees to hold all confidential information in strict confidence. Southwest Direct, Inc. agrees not to make the Confidential Information available in any form to any third party or to use the Confidential Information for any purpose other than for uses permitted hereunder. Southwest Direct, Inc. agrees to take all reasonable steps to ensure that the Confidential Information is not disclosed or distributed by its employees or agents in violation of the provision of the Agreement.
4. Neither party will be responsible for delays or failures in performance resulting from acts or events beyond its control, including but not limited to, acts of nature, governmental action, fire, labor difficulties, or shortages, civil disturbance, transportation problems, interruption of power, supply or communication by natural disasters, provided such parties will take reasonable efforts to minimize the effect of the Acts or events. Both parties will take reasonable steps to communicate to the other party the circumstance and impact of the delay.
5. Either party may cancel this agreement by providing to the other party a written notice of such intent (30) sixty days prior to the termination of Agreement.



6. Notices required hereunder shall be in writing signed by an officer of the notifying party, and delivered personally or sent by registered or certified mail, charge prepaid, or overnight courier service to the address noted on the top of this Agreement (or to other address as the recipient may have previously designated by notice) and shall be deemed given when so delivered or four days after the mailing, whichever comes first.
7. This Agreement and the right and obligations hereunder may not be assigned by Southwest Direct, Inc., in whole or in part, without the prior written consent of **City of Key West**, which consent shall not be unreasonably withheld.
8. No representations have been made to induce either party to enter this Agreement except for the representations explicitly stated in this Agreement. This Agreement supercedes all prior or contemporaneous written or oral agreements or expressions of intent or understanding and is the entire Agreement between the parties with respect to its subject matter.
9. All terms, conditions or provisions which may appear on any purchase or sale, order or invoice issued pursuant to this Agreement, to the extent inconsistent with the terms and conditions of this Agreement, shall be of no force or effect, notwithstanding the fact that such order or invoice may have been executed subsequent to the date of this Agreement, any preprinted terms of any such order or invoice shall have no force or effect.
10. This Agreement cannot be changed except pursuant to a writing signed by an authorized officer of the parties. No waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by an authorized officer of the party charged with such waiver and such waiver shall be strictly limited of the terms of such writing.
11. The laws of the State of Florida govern this Agreement.

Southwest Direct, Inc.

City of Key West

Sign: _____

Sign: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



Business Continuity and Disaster Planning Overview

Southwest Direct is committed to maintaining on-going business operations regardless of any disruptive event. We recognized that our customers depend on our ability to mitigate risks that could arise from . Business Continuity depends on several key elements: trained personnel, facilities, equipment and utilities. Safety is also on primary concern. As a commitment to our customers, Southwest Direct has contingency plans in place to maintain operations off-site in the event of a major catastrophic event. Southwest Direct has provided continuous uninterrupted service since 1988.

Our plans are based on a three-tiered level of disruptive events:

Tier System:

Tier 1: Low level event such as short term (1 day or less) power outage, Internet interruption, phone system outage, employee disruption, equipment theft or supplier problems.

Tier 2: Medium level event such as any outage longer than 1 business day, some loss or critical equipment, or personnel reporting problems.

Tier 3: High level event that would totally disrupt operations at our main headquarters. These would include major weather events (i.e. hurricane or tomado), building fire, flooding, bio-hazard, etc.

Planning Process:

Our basic planning process consists of the following:

Threat Assessment: Purpose of which is to identify and prioritize the types of events and hazards that would disrupt normal operations, taking into account their likelihood, and impact on our business and employees.

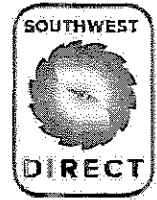
System Analysis: This was a complete analysis of all operations with the goal to identify critical tasks and equipment needed in each to maintain operations.

Personnel Analysis: To assess employees skills, personal issues which could affect availability, and to assign response priorities based on function.

Facility Analysis: To identify the current state of our facility, including: security, communications, power usage needs (both overall, and by function), and to determine minimum needs for offsite operations.

Customer Assessment: To identify the types of customers and the needs of each. This relates to both short term, and long term account maintenance, as well as communication assessment during the event.

Recovery Timeline: To identify, based on length of disruption, functions, personnel and equipment needed to re-establish normal business operations.



Threat Assessment

Response to an event that could affect the way business operations are normally conducted to ensure any negative effects to customers, employees, community are mitigated.

Disaster Recovery
Business Recovery
Business Resumption
Contingency Planning

Details how the various departments will perform their responsibilities in the event of a disaster, and the various safeguards undertaken in preparation for a potential disaster.

Supported by management and has as its objective to provide a documented method of responding to a disaster which might disrupt the company's ongoing operations. Plan will aid management during and following a crisis that impairs the company business.

Summary of Key Areas

Power – on site 1000 KW diesel generator

Equipment – redundant, networked, and fully integrated. Commonly used spare parts in inventory on site. Machine shop staffed with technicians on site in case delivery of additional parts unavailable. Maintenance contracts with equipment vendors in place.

Data – off site mirrored data backup for all processes located in Winterhaven, FL.

Facility – off site recovery vendor with Mutual Aid Agreement in place in Canton, MA.

Communication – management and staff kept in regular contact via cell phone, home phone, text messaging, VOIP, Skype, email, and social media.



**Threat Assessment
Ranked By Overall
Impact**

Hazard	Probability	Human Impact	Property Impact	Business Impact	Total	
Cat 3-5 Hurricane	8	15	15	15	53	T I E R 3
Cat 1-2 Hurricane	11	10	11	11	43	
Tornado	7	10	13	13	43	
Bldg System Failure/Collapse	3	11	14	14	42	
Flooding	6	10	12	12	40	
Explosion	3	10	11	11	35	
Building Fire	3	4	14	13	34	
Tropical Storm	15	5	6	8	34	
T-Storm, Lightning, Hale	15	6	7	5	33	
Power Service Interruption	15	2	3	12	32	T I E R 2
Bio Terrorism	4	8	7	10	29	
Extreme Heat	12	10	2	3	27	
Cyber-Attack	8	3	3	12	26	
Emergency Water Shortage	5	8	5	8	26	
Sabotage, Fraud, Theft	5	4	7	10	26	
Hazardous Material	6	9	3	6	24	
Violence in Workplace	5	7	3	8	23	
Radiological Emergency	3	8	3	8	22	
Bomb Threat	3	8	5	5	21	T I E R 1
Adjacent Hazard	4	7	4	5	20	
Loss of Key Staff	5	3	3	8	19	
Terrorism	3	7	3	6	19	
Environmental Health	6	5	3	3	17	
Sinkhole	5	2	3	5	15	
Work Force Disruption	3	3	3	5	14	
Civil Unrest	3	3	3	3	12	
Drought	5	2	2	1	10	
Wildfire	2	2	2	2	8	
Extreme Cold	1	1	1	1	4	



**Threat Assessment
Ranked By
Occurrence**

Hazard	Probability	Human Impact	Property Impact	Business Impact	Total
T-Storm, Lightning, Hale	15	6	7	5	33
Tropical Storm	15	5	6	8	34
Power Service Interruption	15	2	3	12	32
Extreme Heat	12	10	2	3	27
Cat 1-2 Hurricane	11	10	11	11	43
Cat 3-5 Hurricane	8	15	15	15	53
Cyber-Attack	8	3	3	12	26
Tornado	7	10	13	13	43
Flooding	6	10	12	12	40
Hazardous Material	6	9	3	6	24
Environmental Health	6	5	3	3	17
Emergency Water Shortage	5	8	5	8	26
Violence in Workplace	5	7	3	8	23
Sabotage, Fraud, Theft	5	4	7	10	26
Loss of Key Staff	5	3	3	8	19
Sinkhole	5	2	3	5	15
Drought	5	2	2	1	10
Bio Terrorism	4	8	7	10	29
Adjacent Hazard	4	7	4	5	20
Bldg System Failure/Collapse	3	11	14	14	42
Explosion	3	10	11	11	35
Bomb Threat	3	8	5	5	21
Radiological Emergency	3	8	3	8	22
Terrorism	3	7	3	6	19
Building Fire	3	4	14	13	34
Work Force Disruption	3	3	3	5	14
Civil Unrest	3	3	3	3	12
Wildfire	2	2	2	2	8
Extreme Cold	1	1	1	1	4



**Threat Assessment
Ranked By Human
Impact**

Hazard	Probability	Human Impact	Property Impact	Business Impact	Total
Cat 3-5 Hurricane	8	15	15	15	53
Bldg System Failure/Collapse	3	11	14	14	42
Tornado	7	10	13	13	43
Flooding	6	10	12	12	40
Cat 1-2 Hurricane	11	10	11	11	43
Explosion	3	10	11	11	35
Extreme Heat	12	10	2	3	27
Hazardous Material	6	9	3	6	24
Bio Terrorism	4	8	7	10	29
Emergency Water Shortage	5	8	5	8	26
Bomb Threat	3	8	5	5	21
Radiological Emergency	3	8	3	8	22
Adjacent Hazard	4	7	4	5	20
Violence in Workplace	5	7	3	8	23
Terrorism	3	7	3	6	19
T-Storm, Lightning, Hale	15	6	7	5	33
Tropical Storm	15	5	6	8	34
Environmental Health	6	5	3	3	17
Building Fire	3	4	14	13	34
Sabotage, Fraud, Theft	5	4	7	10	26
Cyber-Attack	8	3	3	12	26
Loss of Key Staff	5	3	3	8	19
Work Force Disruption	3	3	3	5	14
Civil Unrest	3	3	3	3	12
Power Service Interruption	15	2	3	12	32
Sinkhole	5	2	3	5	15
Drought	5	2	2	1	10
Wildfire	2	2	2	2	8
Extreme Cold	1	1	1	1	4



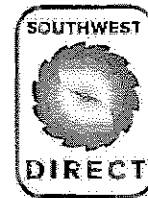
**Threat Assessment
Ranked By Property
Impact**

Hazard	Probability	Human Impact	Property Impact	Business Impact	Total
Cat 3-5 Hurricane	8	15	15	15	53
Bldg System Failure/Collapse	3	11	14	14	42
Building Fire	3	4	14	13	34
Tornado	7	10	13	13	43
Flooding	6	10	12	12	40
Cat 1-2 Hurricane	11	10	11	11	43
Explosion	3	10	11	11	35
T-Storm, Lightning, Hale	15	6	7	5	33
Bio Terrorism	4	8	7	10	29
Sabotage, Fraud, Theft	5	4	7	10	26
Tropical Storm	15	5	6	8	34
Emergency Water Shortage	5	8	5	8	26
Bomb Threat	3	8	5	5	21
Adjacent Hazard	4	7	4	5	20
Power Service Interruption	15	2	3	12	32
Cyber-Attack	8	3	3	12	26
Hazardous Material	6	9	3	6	24
Violence in Workplace	5	7	3	8	23
Radiological Emergency	3	8	3	8	22
Loss of Key Staff	5	3	3	8	19
Terrorism	3	7	3	6	19
Environmental Health	6	5	3	3	17
Sinkhole	5	2	3	5	15
Work Force Disruption	3	3	3	5	14
Civil Unrest	3	3	3	3	12
Extreme Heat	12	10	2	3	27
Drought	5	2	2	1	10
Wildfire	2	2	2	2	8
Extreme Cold	1	1	1	1	4



**Threat Assessment
Ranked By Business
Impact**

Hazard	Probability	Human Impact	Property Impact	Business Impact	Total
Cat 3-5 Hurricane	8	15	15	15	53
Bldg System Failure/Collapse	3	11	14	14	42
Tornado	7	10	13	13	43
Building Fire	3	4	14	13	34
Flooding	6	10	12	12	40
Cyber-Attack	8	3	3	12	26
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Loss of Key Staff	5	3	3	8	19
Hazardous Material	6	9	3	6	24
Terrorism	3	7	3	6	19
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Work Force Disruption	3	3	3	5	14
Sinkhole	5	2	3	5	15
Extreme Heat	12	10	2	3	27
Environmental Health	6	5	3	3	17
Civil Unrest	3	3	3	3	12
Wildfire	2	2	2	2	8
Drought	5	2	2	1	10
Extreme Cold	1	1	1	1	4



Systems Analysis

Uninterrupted power supply is provided by 1000 K diesel generator which provides 1 week worth of off-grid power on one tank of fuel. This system is connected to an automatic transfer switch (ATS) that automatically turns on when a power interruption is detected. The generator system is powerful enough to run the entire production organization and integrated with a UPS backup system for critical process servers and workstations.

Data backup is provided with mirrored servers at T3 Communications in Winterhaven, Florida. In the event of a catastrophic event, the redundant server configuration and communications systems can be operated remotely by a SWD technician and direct print production to our backup site in Canton, Massachusetts. The data backup contains all customer production templates, extraction and mapping programs, as well as art files for pre-printed forms and backers.

DISASTER AVOIDANCE AND RECOVERY

SouthWest Direct has applied significant resources to continue operations in the event of a disaster. While "five-nines" may not be required we do insure that we can be operational in less than 24 hours after a disaster.

Power

We have backup generators at both of our facilities. These are tested regularly and they start automatically when required. We also use advanced UPS technology within our data centers to insure clean uninterrupted power.

Redundant Communications

We have redundant wired communications and failover in case of an Internet provider failure.

Backup and Recovery

We use redundant BDR units (one at each facility) to insure data continuity. These appliances automatically backup specified resources and synchronize in real-time. They also can be used to do bare-metal restores to servers and provide Virtual Machines that can be used while a physical server is being restored.

Network Attached Storage

We use NAS technology via ISCSI for archival storage. Local drives on servers only house transient data and the operating system. The NAS units use RAID technology to help insure that a single drive failure does not impact production.

RAID on Servers

All servers have their internal drives mirrored via RAID to insure that a single drive failure does not hinder daily operations.



Facility Analysis

Building Security:

Total building security review to identify weaknesses and strengths has been completed

- Level and types of security for each building
- Employees access limited to job function, and role specific
- Non employee access
- Single point of access for visitors and employees
- 24-7-365 security monitoring by Checkpoint Security Inc (security & fire alarm system vendor)
- Fire alarm , extinguishers, training, and fire drills
- Vehicle access

Power Requirements by Function:

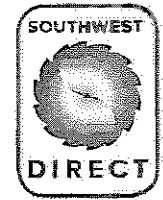
- Established peak draw of entire operation (Tier 1, 2, 3)
- Analyzed Departmental Use
- Determined Tier 1 & 2 levels of power to re-establish minimum operations.
- Inventoried current power generating equipment
- Identified short terms power backup and surge protection
- Invested \$75,000 into installing a diesel powered generator capable of running the entire operation for 1 week on 1 tank of fuel.
- Obtained fuel contract for fuel delivery in case of emergency

Communications:

- Phone system:
- Internet / Data co-location to provide redundancy of Internet FTP services

Critical Functions - Overview

Design	- Operator, Mac Computer with monitor and inkjet laser printer
Pre-Press	- Outsourced or nothing
Press	- Outsourced or nothing
Laser	- Operator, laser with electricity
Folding	- Operator, folder with electricity
Cutter	- Operator, small cutter with electricity
Inserter	- Operator, inserter with electricity
Purchasing	- Materials and supplies for Inkjet, Laser, Print and Mailing Depts. Hard copy of all vendors with phone numbers, account numbers, etc. for reference. Phone required.



- Estimating** – Hard copy of price lists and paper vendor stock books. Phone and calculator required.
- General** – Graphics and inks pose no problem as long as product ID#'s are available. With the exception of our paper, ink and graphics supplies vendors, the majority of the others are located out of state. All paper and ink vendors have multiple locations in Florida and should their Sarasota/Tampa facilities become damaged, we would be supplied from their Miami branches. Should graphics IV have a problem, we would need to have an alternate company supply chemicals, plates, etc.

When there is a threat to Florida, we will need to stock up on paper, ink, etc, in case our vendors have a disruption at their facilities. Problems with deliveries are a distinct possibility, but shouldn't be severe.

Critical Functions – Inserting

<u>Priority</u>	<u>Task</u>	<u>Staff</u>	<u>Resources</u>
HIGH	Inserter	1	220 Electric
HIGH	Meter Base	1	110 Electric
HIGH	New Meter	1	Peachtree or Manual
HIGH	Gas Truck	1	25 Gallons Gas
HIGH	Diesel Truck	1	25 Gallons Diesel
MEDIUM	Postal Supplied	1	GPC's Trays, Sacks