
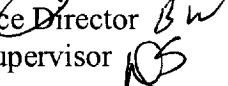



FINANCE MEMORANDUM  
#07-01

April 16, 2007

TO: Honorable Mayor Kathleen M. Novak and City Council Members

FROM: A.J. Krieger, City Manager   
Brent Worthington, Finance Director   
Debbie Staub, Revenue Supervisor 

SUBJECT: Resolution CR-27, Extending the Printing Contract with Output Services Inc.

**RECOMMENDATION:**

Authorize the attached contract extension between the City of Northglenn and Output Services, Inc. to provide printing and mailing services for City utility statements for a one year period from April 15, 2007 to April 15, 2008. The printing services are not to exceed \$15,600 plus postage not to exceed \$45,000 (total not to exceed \$60,600).

**BACKGROUND:**

On April 15, 2004, City Council approved an agreement between the City and Output Services, Inc to furnish printing and mailing services for utility statements. The original agreement was for a term of three years, with two one-year renewal options.

Output Services, Inc. (OSI) has provided excellent service to the City during the three year contract period. They have agreed to extend the original pricing for an additional year. OSI continues to exhibit extraordinary expertise, technology and disaster backup systems, quality and quality assurance performance and commitment to customer service.

**POTENTIAL OBJECTION:**

City Staff is not aware of any specific opposition to the proposed contract extension.

**BUDGET/TIME IMPLICATIONS:**

No budget impact; the 2007 Water Fund Budget includes an appropriation of \$15,600 for printing and \$45,000 for postage expense.

**STAFF REFERENCE:**

If Councilmembers have any comments or questions, they may contact Brent Worthington, [bworthington@northglenn.org](mailto:bworthington@northglenn.org)

SPONSORED BY: MAYOR NOVAK

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-27  
Series of 2007

\_\_\_\_\_  
Series of 2007

A RESOLUTION APPROVING AN EXTENSION AGREEMENT BETWEEN THE CITY OF NORTHGLENN AND OUTPUT SERVICES, INC.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The Agreement marked as **Exhibit A**, and attached hereto, between the City of Northglenn and Output Services, Inc, is hereby approved, and the Mayor is authorized to enter into the Agreement on behalf of the City Council of the City of Northglenn.

DATED at Northglenn, Colorado, this \_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
KATHLEEN M. NOVAK  
Mayor

ATTEST:

\_\_\_\_\_  
DIANA L. LENTZ, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
COREY Y. HOFFMANN  
City Attorney

**AMENDMENT TO AGREEMENT BETWEEN THE CITY OF NORTHGLENN AND OUTPUT SERVICES, INC.**

An Agreement between the CITY OF NORTHGLENN, hereinafter called the "City," and Output Services, Inc., hereinafter called the "Corporation," was made and entered into on the 15<sup>th</sup> day of April, 2004, for mailing and printing services and for a term of three years.

By this amendment to the Agreement, the City and the Corporation agree to renew the conditions of the Agreement for a period of one year, from the 15<sup>th</sup> day of April, 2007, to the 15<sup>th</sup> day of April, 2008.

**IN WITNESS THEREOF, THE PARTIES HERETO HAVE CAUSED THEIR RESPECTIVE AUTHORIZED REPRESENTATIVES TO EXECUTE AND ENTER INTO THIS AGREEMENT.**

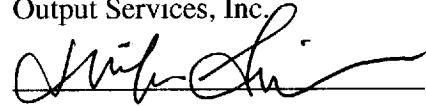
SIGNED on behalf of  
City of Northglenn

\_\_\_\_\_

(print)

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

SIGNED on behalf of  
Output Services, Inc.



Jennifer Simpson  
(print)

Date: April 4, 2007

## **IX. COMPLIANCE WITH LAW**

The work and services to be performed by Consultant hereunder shall be done in compliance with applicable laws, ordinances, rules and regulations.

**A. UNLAWFUL EMPLOYEES, CONTRACTORS AND SUBCONTRACTORS:** Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract. Contractor shall not knowingly contract with a subcontractor that (a) knowingly employs or contracts with an illegal alien to perform work under this Contract or (b) fails to certify to the Contractor that the subcontractor will not knowingly employ or contract with an illegal alien to perform work under this Contract. [CRS 8-17.5-102(2)(a)(I) & (II).]

**B. VERIFICATION REGARDING ILLEGAL ALIENS:** Contractor has verified or attempted to verify through participation in the basic pilot program of the United States Government that Contractor does not employ any illegal aliens or Contractor verifies that Contractor has not been accepted into the basic pilot program prior to entering into this Contract. Contractor further verifies that if Contractor has not been accepted in to the basic pilot program of the United States Government, Contractor will apply to participate in the basic pilot program of the United States Government every three months until Contractor is accepted or this Contract is completed, whichever is earlier. [CRS 8-17.5-102(2)(b)(I).]

**C. LIMITATION REGARDING BASIC PILOT PROGRAM:** Contractor shall not use basic pilot program procedures to undertake preemployment screening of job applicants while performing this Contract. CRS 8-17.5-102(2)(b)(II).]

**D. DUTY TO TERMINATE A SUBCONTRACT; EXCEPTIONS:** If Contractor obtains actual knowledge that a subcontractor performing work under this Contract knowingly employs or contracts with an illegal alien, the Contractor shall, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien:

- (a) notify the subcontractor and the City within three days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
- (b) terminate the subcontract with the subcontractor if, within three days of receiving notice that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien, the subcontractor does not stop employing or contracting with the illegal alien. CRS 8-17.5-102(2)(b)(III)(A) & (B).]

**E. DUTY TO COMPLY WITH STATE INVESTIGATION:** Contractor shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to C.R.S. 8-17.5-102 (5). CRS 8-17.5-102(2)(b)(IV).]

**F. DAMAGES FOR BREACH OF CONTRACT:** In addition to any other legal or equitable remedy the City may be entitled to for a breach of this Contract, if the City terminates this Contract, in whole or in part, due to Contractor's breach of any paragraph A through E inclusive, Contractor shall be liable for actual and consequential damages to the City.

**G. SOLE PROPRIETOR** A Contractor that operates as a sole proprietor hereby swears or affirms under penalty of perjury that the Contractor (i) is a citizen of the United States or otherwise lawfully present in the United States pursuant to federal law, (ii) shall comply with the provisions of CRS 24-76.5-101 et seq. and (iii) shall produce one of the forms of identification required by CRS 24-75.5-103 prior to the effective date of this Contract. Except where exempted by federal law and except as provided in CRS 24-76.5-103(3), a Contractor that receives federal or state funds under this contract must confirm that any individual natural person eighteen years of age or older is lawfully present in the United States pursuant to CRS 24-76.5-103(4) if such individual applies for public benefits provided under this contract.

PROSPECTIVE CONTRACTOR'S CERTIFICATE REGARDING EMPLOYING OR  
CONTRACTING WITH AN ILLEGAL ALIEN

FROM: Output Services, Inc.  
(Prospective Contractor)

TO: CITY OF NORTHGLENN  
c/o Tammy Guenther  
11701 Community Center Drive  
Northglenn, Colorado 80233

Project Name Printing and mailing services - Utility Bills

Bid Number \_\_\_\_\_ Project No. \_\_\_\_\_

As a prospective contractor for the above-identified bid, I (we) do hereby certify that, as of the date of this certification, I (we) do not knowingly employ or contract with an illegal alien and that I (we) have participated in or attempted to participate in the basic pilot program of the United States Government in order to verify that I (we) do not employ any illegal aliens.

Executed this 4th day of April, 2007.

Prospective Contractor Output Services, Inc.

By: Jennifer Simpson

Print name Jennifer Simpson

Title: Business Development Mgr.

|                       |
|-----------------------|
| Finance Dept Use Only |
| Initials _____        |
| Date _____            |
| PO # _____            |

## **AGREEMENT TO FURNISH PRINTING AND MAILING SERVICES**

THIS AGREEMENT, made and entered into this 15th day of April, 2004, between the CITY OF NORTHGLENN, hereinafter called the "City", and OUTPUT SERVICES, INC., hereinafter called the "Corporation", is as follows:

WHEREAS, the City desires to engage the Corporation to render the printing and mailing services described in this Agreement and the Corporation is qualified and willing to perform such services; and

WHEREAS, sufficient authority exists in charter and statute and sufficient funds have been budgeted for these purposes and are available and other necessary approvals have been obtained;

NOW, THEREFORE, in consideration of the mutual understandings and agreements set forth, the City and the Corporation agree as follows:

### **I. THE PROJECT; TERM**

A. The Project consists of electronically transferring billing data from the City's computer system weekly; printing the City utility bills in a format pre-defined by the City on laser printing equipment; standardizing the address to the U.S. Postal Service certified data base; adding the zip code to the list; adding 11-digit address block bar code to bills; and delivering the bills to the location specified by the City for mailing services.

B. The term of this Agreement shall be for three (3) years, beginning April 15th, 2004 and ending March 15th, 2007. The City may, at its option, renew the Agreement for two (2) successive periods of one (1) year each.  
However, if funds for the purpose of this Agreement are not appropriated for any fiscal year subsequent to the one in which this Agreement is entered, the Agreement shall terminate at the end of the then current fiscal year without penalty or further obligation on the part of either Party. The City shall notify the Corporation as soon as reasonably possible in the event of non-appropriation.

## **II. CORPORATION'S SERVICES AND RESPONSIBILITIES**

The Corporation will provide the Services as described in the Service Agreement attached hereto and incorporated herein.

The Corporation further agrees to:

- A. Notify the City via Email or a mutually agreed upon method, that the receipt of each file transmission to the Corporation is complete for processing.
- B. Fax to the City six (6) random bills per bill print process so the City can verify quality and accuracy. If the bill quality or accuracy is found to be inadequate, the Corporation shall terminate the print cycle and work with City staff to correct the deficiencies and reprint the cycle at no additional charge to the City. The random bills shall be faxed during the normal printing run without shutting down the printer for this purpose.
- C. Re-print individual bills as required replacing bills that may be damaged during the folding and stuffing process and delivering the re-printed bills to the location specified by the City for mailing services.

### **1. CORPORATION'S FEE**

- A. As compensation for the services described in this Agreement, the Corporation shall be paid at the rates established in the attached Service Agreement.
- B. Optional services as listed on the attached Service Agreement will be requested by the City as needed, and will be paid at the rates indicated.
- C. The Corporation shall submit invoices to the City for services rendered during the preceding month, such invoices to be in such form and detail as shall reasonably be required by the City. The City agrees to pay the Corporation within thirty (30) days of receipt of properly documented invoices.
- D. Rates for services listed on the attached Service Agreement will remain in effect for the three-year term. After the initial 3-year term, rates may increase in the amount of not more than 5% per year. However, postage rate charges shall reflect the most current rates charged by the U.S. Post Office



#### IV. QUALITY CONTROL

- A. The Corporation understands and agrees that time is an essential requirement of this Agreement.
- B. After validating receipt of data from the City by 12 pm, the Corporation shall deliver completed bills to the Post Office by the close of the next business day. If compliance with this deadline cannot be met because of delay caused by fire, flood, unusually severe weather or other act of God, by court order, or other factors beyond the reasonable control of any party hereto, then the Corporation shall give notice to the City and such delay will be excused for a reasonable time.
- C. In the event of any claim by the City that the Corporation has not performed its obligation to provide timely and legible bills outside of events noted in section IV.B within 96 hours after receipt of a billing file, the Corporation agrees to rerun or reprocess any output, which does not meet the reasonable quality standards at Corporation's facility and at Corporation's expense, provided that such failure to perform is not due to an act or omission of the City. If any media furnished by City is damaged due to Corporation's equipment or process, Corporation will replace such media, but not the data on the media, at Corporation's expense. The Corporation will not be liable for the loss of any information on City media and will not be responsible for errors in data furnished by City.
- D. Repeated failure to meet timeless standards or print quality standards may result in termination as provided in Section V below.
- E. Except as provided in this Section IV and as provided in Service Agreement, no other warranties, expressed or implied, including, without limitation the warranties of merchantability or fitness for any particular purpose are made by Corporation with respect to any goods sold or services provided hereunder. In no event will any party be liable to the other party for special, indirect, incidental, exemplary, consequential, or punitive damages, or loss of profits, arising from the relationship of the parties or the conduct of business under this Agreement (even if the party has been advised of or has foreseen the possibility of such damages).
- F. In no event will either party be liable in contract, tort, or otherwise arising from the relationship of the parties or the conduct of business under this Agreement, based upon the average monthly amount of fees collected by Corporation from the City over the twelve (12) month period (or as many months as the Agreement has been in effect if less than twelve months) immediately preceding the last month in which the actions which gave rise to the claim occurred, except for internal costs incurred by Corporation in connection with the reprocessing of output under Section 3, for which Corporation shall be responsible.

## **V. TERMINATION**

- A. This Agreement may be terminated by either party upon thirty (30) days prior written notice to the other party in the event of a substantial failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party.
- B. In the event of termination as provided in this Article, the City shall pay the Corporation in full for services performed from the date of notice of termination, plus any services the City deems necessary during the notice period.

## **VI. INSURANCE**

During the course of the Services, the Corporation shall maintain statutory Workers' Compensation Insurance in accordance with the Worker's Compensation laws of the State of Colorado, Automobile Liability of \$150,000 per person/\$600,000 per occurrence. The City will be an additional insured under the Corporation's Automobile and Comprehensive General Liability coverages. The Corporation shall provide certificates of insurance to the City indicating compliance with this paragraph.

## **VII. EQUAL EMPLOYMENT OPPORTUNITY**

In connection with the execution of the Agreement, the Corporation shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, or disability. Such actions shall include, but are not limited to the following: employment; upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

## VIII. GENERAL PROVISIONS

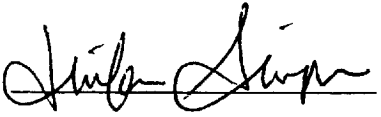
- A. Independent Contractor. In the performance of the Services, the Corporation shall act as an independent contractor and not as agent of the City except to the extent the Corporation is specifically authorized to act as agent of the City.
- B. Books and Records. The Corporation's books and records, with respect to the services, shall be kept in accordance with recognized accounting principles and practices, consistently applied, and will be made available for the City's inspection at all reasonable times at the places where the same may be kept. The Corporation shall not be required to retain such books and records for more than three (3) years after completion of the services.
- C. Confidentiality. The Corporation will treat as confidential all City information in its possession and will take reasonable precautions to not reproduce, copy, duplicate, disclose or in any other way treat the information supplied by City in any manner except as specified by this Agreement.
- D. Indemnification. The Corporation shall indemnify and hold harmless the City and its agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from the performance of the services, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property including the loss of use resulting therefrom, and (2) is caused in whole or in part by any negligent act or omission of the Corporation, any subcontractor of the Corporation, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity, which would otherwise exist as to any party or person described in this paragraph. In any and all claims against the City or any of its agents or employees by any employee of the Corporation, any subcontractor of the Corporation, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this paragraph D.1 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Corporation or any subcontractor under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts.
- E. Indemnification - Intellectual Property Rights. To the extent allowed by the law, each party agrees to indemnify and hold harmless the other party in respect of any losses, expenses and damages, including reasonable attorneys' fees suffered as a direct result of any claims, actions or demands by a third party arising out of the infringement by the indemnifying party

of any patent, trade secret, copyright or similar intellectual property right of any third party

under U.S. Law (unless any act or omission of the indemnitee contributed in whole or in part to such claim), provided that the indemnitee has given the indemnitor to control the defense or settlement of such claim.

- F. Notices. All notices and communications in writing required hereunder shall be delivered personally or shall be mailed by registered mail, postage prepaid, return receipt requested, to the parties at their addresses shown herein. Notices hereunder shall be effective upon personal service or three (3) days after mailing.
- G. Assignment. The Corporation shall not assign this Agreement in whole or in part, including the Corporation's right to receive compensation hereunder, without the prior written consent of the City. The City shall not unreasonably withhold its consent.
- H. Applicable Laws. This Agreement shall be interpreted in all respects in accordance with the laws of the State of Colorado.
- I. Entire Agreement. This Agreement shall constitute the entire agreement between the parties hereto and shall supersede all prior contracts, proposals, representations, negotiations, and letters of intent, whether written or oral, pertaining to the services.


OUTPUT SERVICES, INC.

By: 

Title: General Manager

Address:  
6410 Odell Place  
Boulder, CO 80301

CITY OF NORTHGLENN

By: 

Title: Mayor

Address:  
11701 Community Center Drive  
Northglenn, CO 80233

**Output Services, Inc.**  
**Service Agreement**

**(Insert Agreement)**  
Output Services, Inc.  
6410 Odell Place  
Boulder, CO 80301

**CONTRACTED RATES:**

|  |     |                          |
|--|-----|--------------------------|
| Laser Printing                         | \$  | 0.038 per image          |
| Data Processing                        | \$  | 0.035 per image          |
| CASS Certification                     | \$  | 0.006 per mail piece     |
| Fold and Insert                        | \$. | 0.032 per page           |
| Inserting Additional Inserts           | \$  | 0.01 per insert          |
| Email Billing (via email or website)   | \$  | 0.09 per utility bill    |
| Conversion Programming                 | \$  | 100.00 (one time charge) |
| Programming (after initial conversion) | \$  | 100.00 per hour          |

**MATERIALS:**

|       |    |                |
|-------|----|----------------|
| Paper | \$ | 0.009 per page |
|-------|----|----------------|

**INSERTS (8.5x11):**

|                                  |    |                 |
|----------------------------------|----|-----------------|
| Printing Black and White Simplex | \$ | .029 per insert |
| Printing Black and White Duplex  | \$ | .05 per insert  |
| Printing Color Simplex           | \$ | .20 per insert  |
| Printing Color Duplex            | \$ | .30 per insert  |

**INSERTS (1/3 of a page)**

|                                  |    |                  |
|----------------------------------|----|------------------|
| Printing Black and White Simplex | \$ | .0189 per insert |
| Printing Black and White Duplex  | \$ | .021 per insert  |
| Printing Color Simplex           | \$ | .08 per insert   |
| Printing Color Duplex            | \$ | .11 per insert   |
| Cutting Charge                   | \$ | .007 per insert  |