

Ordinance 12-~~7~~44

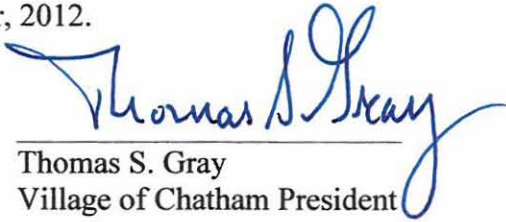
AN ORDINANCE APPROVING A CONTRACT WITH THIRD MILLENNIUM ASSOCIATES, INC. TO PROVIDE UTILITY BILL PRINTING AND MAILING SERVICES

SECTION 1: The Village of Chatham approves Third Millennium Associates Inc. to provide the Village with utility bill printing and mailing services. The proposal for bill printing and mailing services is attached as Exhibit A. A sample contract is attached as Exhibit B.

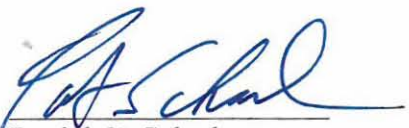
SECTION 2: The Village President is hereby authorized to contract Third Millennium Associates, Inc. and the proper officers of the Village shall carry out the terms of the contract.

SECTION 3: This Ordinance is effective immediately.

PASSED the 27th day of November, 2012.


Thomas S. Gray
Village of Chatham President

ATTEST:


Patrick F. Schad
Village of Chatham Clerk

AYES: 6 *HERR MAN BOYLE HOLDEN*
KAVANAGH SCHATTEMAN PASSED: 11-27-12
NAYES: 0 APPROVED: 11-27-12
ABSENT: 0

STATE OF ILLINOIS)

)

COUNTY OF SANGAMON)

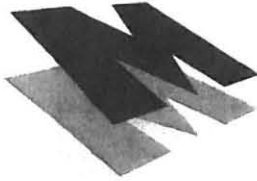
I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I do hereby certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 12-~~47~~⁴⁴ adopted by the President and the Board of Trustees of said Village on the 27th day of November, 2012 said Ordinance being entitled:

AN ORDINANCE APPROVING A CONTRACT WITH THIRD MILLENNIUM ASSOCIATES, INC. TO PROVIDE UTILITY BILL PRINTING AND MAILING SERVICES

I do further certify that prior to making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

ON WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 27th day of November, 2012.



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Warrenville, IL 60555

(630) 393-2900 • (630) 393-2911 FAX
Toll Free (877) 3RD-MILL (373-6455)
<http://www.tmainc.org> • info@tmainc.org

Third
Millennium
Associates, Incorporated

October 30, 2012

Ms. Sherry Dierking
Chief Financial Officer, Treasurer
Village of Chatham
116 E. Mulberry Street
Chatham, IL 62629

Dear Ms. Dierking:

Thank you for taking time to explore the products and services of Third Millennium Associates, Inc. (TMA). As discussed, we are very familiar with Springbrook billing software. We currently provide over 125 individual billing applications for various local governments. TMA has developed a fully integrated electronic synergistic solution for Utility billing. The system begins with a sophisticated paper Utility bill that ties together with an electronic Utility bill PDF and Utility billing register PDF archival / Adobe Acrobat retrieval system. All the aforementioned electronic services are then positioned to support a sophisticated web based E-Pay module. TMA'S billing software is now written in a format that will allow new client's billing flat files to be compatible with our E-Pay system. This integrated approach will assure a smooth transition to our web based E-Pay system if and when a client chooses to do so.

This proposal will address the present Chatham Utility billing system utilizing the TMA copyrighted Muni-bill system. TMA will bill the Village's 5,500 accounts on a monthly billing cycle, every month TMA will bill 5,500 Chatham Utility accounts in one production run, and TMA will produce 700 First Notices every month. Other Village services may also be made part of this bill format and be dynamically created and laser imaged as directed by TMA'S sophisticated billing software. Our system is capable of creating demand-billing lines for such items as "debt retirement", "summer credits", "leaf pickup", "deposits", "fireworks donation", "agreement pay-down schedules" and shut-off notices.

The use of OCR-A scannable data lines with modulus 10 check digits for use with a Bank lock box is a standard feature on our system. Also standard, is the laser imaging of scannable barcodes that are used to import "over the counter" payments into your software system. TMA barcodes have a read rate of virtually 100 percent.

Our use of sophisticated postal software will speed your Utility bills through the postal system while reducing the cost of your first class postage by twenty-five percent to 35 cents per qualified piece. TMA can insert your Village Newsletter or other Village notices in with your Utility bill for no additional postage cost. In essence, you have "free postage" for your newsletter. Be assured more citizens will read a newsletter that is enclosed with your Utility bill. We suggest that you research all of the items that your Village mails to your citizens during the year and then add up the total cost of that postage. It has been our experience that virtually all your mailed items can be selectively inserted with your Utility bills, while remaining under one ounce, thereby avoiding that additional postage cost. If you add up the savings of mailing items inserted with the Utility bills and the savings afforded by the use of our postal discount software, this generally covers the cost of our entire out sourcing system.

EXHIBIT A

There are also savings afforded by the better utilization of your clerical staff. Every Finance manager has a long list of high yield projects that could be accomplished if there were a way to get rid of low return tasks, such as printing and mailing Utility bills in house, not to mention the cost and maintenance of the required in house equipment. TMA will be happy to assist you with this cost analysis. .

1. Run Frequency and Job Size

TMA will laser image and mail 5,500 utility bills every month.
TMA will laser image and mail 700 First Notices every month.

2. Computer Services

TMA will utilize "Group One" Postal software to analyze and process each billing record to facilitate the correction of addresses, postal sorting, appending and Postnet bar-coding that will guarantee the Village of Chatham the lowest postal rate 35 cents for each qualified piece of mail.

3. Letter Shop Services

TMA will "C" fold each 8 1/2 x 11 Utility bill for insertion into a No.10 window envelope. We will also insert a standard No. 9 courtesy reply envelope. You may, at your discretion, insert additional materials, such as your Village newsletter into the out-going No.10 envelope for an additional charge.

4. Production Schedule

TMA will deliver your laser imaged Utility bill production run to the Post office no later than forty-eight postal operating hours after the receipt of your control total / record count sign-off. You will be required to maintain a C.A.P.S. postal account with the USPS to cover the cost of each mailing. The USPS will provide account balances directly to the Village of Chatham. All Utility billing will appear to have been mailed from the Village of Chatham as indicated by the pre-printed Company indicia "Village of Chatham".

5. Component Description

- A. The Utility bills will be printed on 20lb. white MOCR bond. TMA will print the bill face in two colors. The bill back will print in one-color ink of your choice. A perforation located 3 1/2" from the bottom of the bill will define the remittance advice containing an OCR-A scan-line and a barcode for your MUNIS system. TMA will produce 37,200 Utility bills stock, which is a six-month supply.
- B. The No. 10 window envelope will be printed on 24lb. white-wove stock, with one-color ink on the envelope face. TMA will produce 37,200 envelopes, which is a six-month supply.
- C. The No. 9 courtesy reply envelope will be produced on 24lb. white-wove stock, with one-color ink on the envelope face. TMA will produce 37,200 envelopes, which is a six-month supply.
- D. You may, at your discretion, desire to have additional items inserted with your Utility invoice into each No.10 billing envelope. TMA reserves the right of refusal if we deem that any particular item may not be physically qualified for automated insertion.

The cost for providing TMA products and services on a monthly billing cycle is 11.9 cents per Utility bill (excluding postage). This cost is based on one production run of 5,500 bills monthly, and one production run of 700 First Notices. There is a one-time system set-up fee of \$2,250.00. *This set up cost is waived for Springbrook clients.* There is an additional charge of 2.5 cents per item if you choose to insert additional items into the No.10 billing envelope.

The above system set-up fee includes TMA billing project programming cost, file integrity assurance testing, laser printing verification test, including actual abbreviated production runs to assure overall systems validity. Also included are consulting services to coordinate activities between VILLAGE, the USPS, software and your lock box. TMA will develop a record count and control total verification program that will authorize the laser imaging of each production run. At the conclusion of each production run you will be mailed a USPS proof of mailing form (3602) which will state the piece count and total postage cost for that particular production run.

The TMA PDF electronic Utility bill archival / Adobe Acrobat retrieval system will be *provided at no additional cost for Springbrook clients*. The \$325.00 initial set up fee and the monthly file set up fee of \$45.00 are *waived for Springbrook clients*. The 1.9 cents fee per record archived will *also be waived for Springbrook clients*.

The TMA copyrighted Muni-bill system can be installed and running in approximately six weeks after receiving your approval to proceed. TMA'S experience with your software will pave the way for an efficient installation of your new TMA Muni-bill system.

Yours truly,

A handwritten signature in cursive script that reads "Lance Leader".

Lance Leader,
President

Utility Billing Production Agreement

Third Millennium Associates, Inc. and the Village of Chatham

This agreement, which is of three years duration, will automatically renew after the original three-year period and annually thereafter unless either party provides to the other party written notice of cancellation at least 120 days prior to the agreement anniversary. This production agreement, which is entered into this 27 day of NOV 2012 by and between Third Millennium Associates, Inc. (hereinafter referred to as "TMA") and the Village of Chatham (hereinafter referred to as "VILLAGE"). For consideration of payment, TMA will provide to VILLAGE programming, information technology services, laser imaging and mailing services for the purpose of rendering Utility billing invoices and other items as detailed on the attached Schedule "A".

1. Pre-agreement Confidentiality

Confidentiality and non-disclosure are defined by mutual agreement between TMA and VILLAGE per the attached agreement document dated and signed on the 27 day of NOV, 2012 by TMA and VILLAGE. Also refer to paragraph 10 of this agreement.

2. Pricing Structure

The prices on which products and services will be provided by TMA to VILLAGE are set forth on the attached Schedule B.

3. Postage Cost

Postage costs are not included in the attached listed prices and will be paid by VILLAGE directly to the USPS via C.A.P.S. (Centralized Account Processing System). The Village will be required to open and maintain a C.A.P.S. account. TMA will provide the 3602 document for your review, with the monthly postage required for your Utility bills and / or other TMA imaged mailing on behalf of VILLAGE. VILLAGE will pay the estimated monthly postage directly to the USPS, via the C.A.P.S. system. The USPS will report directly to VILLAGE all amounts charged to the VILLAGE postal account.

4. Payment Terms

Products and services provided by TMA shall be cumulatively billed on a monthly basis. The TMA Invoice format shall detail each individual mailing and the dates of the provided service. All correctly rendered TMA monthly invoices shall be paid by VILLAGE in accordance with the Illinois Prompt Payment Act.

5. TMA Quality Commitment

TMA guarantees that it will maintain consistent standards of quality workmanship and warrants the accurate and timely processing, printing and mailing of the document as outlined in paragraph seven (7) and that its products and services will be free from defect in materials and workmanship. TMA does not warrant that the document contents are fit, legally or otherwise, for their intended purpose or use.

EXHIBIT B

6. Limits of Liability

TMA agrees to use all reasonable efforts to provide timely computer services, but will not be held liable for errors of omission resulting from inaccuracies or defects in any VILLAGE billing data file, or for errors, omissions or delays resulting from improper input and output data controls and procedures used by VILLAGE or given to TMA by VILLAGE.

TMA shall not be held responsible for any loss or delay or any default caused by acts of God or any other circumstances outside TMA's control which includes but is not limited to fire, flood, or labor from usual sources of supply, government restrictions, or electrical, mechanical or computer software failure that is unavoidable or beyond reasonable control of TMA. TMA agrees to use all reasonable efforts to provide timely production services at an alternate site in the event that their production site is unusable due to the aforementioned acts of God or any circumstances outside TMA's control.

TMA'S maximum liability for any and all claims arising from the performance of its obligations shall not exceed the purchase price of the products and computer services provided.

7. Division of Responsibilities

7A. TMA Responsibilities

- 7A-1. To write the software required to convert the VILLAGE Utility billing file to the required laser image format.
- 7A-2. To write software that will allow VILLAGE'S Utility billing files to be processed through Postal software for the purpose of reducing VILLAGE'S postage to the minimum allowable postage piece rate.
- 7A-3. To procure all materials required to produce and to mail the Utility bills. This includes the Utility billing invoice, the No.10 window envelope and the No.9 courtesy reply envelope. TMA will not guarantee the performance of materials not produced by TMA.
- 7A-4. TMA will e-mail to VILLAGE record count and control totals for the Utility billing file no later than four (4) hours after receipt of the file.
- 7A-5. TMA will laser image and mail all VILLAGE Utility bills within forty-eight (48) post office operating hours after receipt of VILLAGE control total / record count sign off. Failing to do so will cause TMA a monetary penalty. The penalty is calculated by multiplying the late billing file's dollar value, times VILLAGE'S Bank daily earnings credit rate, times the number of day(s) late.
- 7A-6. TMA will provide our employees the training to ensure the confidentiality of VILLAGE information.
- 7A-7. TMA will maintain effective and timely communications with VILLAGE in all matters pertaining to the responsibilities listed herein.

7B. VILLAGE Responsibilities

- 7B-1. To provide TMA, at the project initiation, with consistently populated Utility billing files with all the applicable billing business rules and all of the Utility billing variations and exceptions for the purpose of laser imaging Utility bills. Any subsequent billing file changes, billing business rules changes or additional changes and or variations will be billed to client at the prevailing programming rates.
- 7B-2. To provide to TMA a three (3) hour response via e-mail verifying the record count and control totals as stated in 7A-4.
- 7B-3. To maintain a C.A.P.S. postal account.
- 7B-4. To pay all correctly rendered TMA invoices within twenty (20) days of receipt.

8. Price Changes

The prices listed on Schedule B shall be subject to review each year on the anniversary date of this agreement. That review shall determine if there were any increases or decreases in the cost of paper, production, transportation or any other cost component of the herein contained products and/or services. Prices may also be reviewed if the agreement quantity as stated in SCHEDULE "B" varies by more than ten percent.

TMA must provide third-party documentation of cost increases to VILLAGE. That documentation shall consist of letters of price increase or decrease from paper mills, articles from the Wall Street Journal or any other legitimate and universally accepted source. In the absence of the above documentation, the (J.P. Morgan-Chase Chicago area consumer price index) will be used as the source of price increase or decrease.

9. Renegotiations and Cancellation

In the event either party is in breach of any of the terms contained herein, the non-breaching party shall give written notice of said breach to the breaching party. The breaching party shall have ten (10) days to cure the breach. In the event said breach is not cured within ten (10) days of notice, the non-breaching party may then give thirty (30) days written notice of cancellation of this Agreement.

10. Post-agreement Confidentiality

In the event of cancellation or expiration of this agreement, TMA shall return to VILLAGE all materials and information pertaining to the performance of this agreement. These materials shall include, but are not limited to, all electronic media, all printed material, all notes, memos or other sources of VILLAGE confidential information.

In no instance, prior to, during, or after the conclusion of this agreement, shall TMA offer for sale or in any other manner disclose to any third party the VILLAGE document file or any other such VILLAGE files, whether written or in electronic media format.

11. Materials Production

Prior to materials production runs, TMA will notify VILLAGE in writing of the items to be produced, production quantities planned and the estimated period of materials consumption. TMA will base its materials production quantities on projections using current semi-annualized Utility billing volume.

Any materials (i.e., non imaged forms, envelopes, etc.) that have been produced specifically and exclusively for VILLAGE'S use will be paid for by VILLAGE and at VILLAGE'S written request will be returned by TMA to VILLAGE upon cancellation or expiration of this agreement.

12. Other Provisions

This agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements. No amendment, supplement, modification, waiver or termination of this agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provision of this agreement, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

This agreement shall be construed and interpreted according to the laws of the State of Illinois.

If any provision, clause or part of this agreement, or the application thereof under certain circumstances is held illegal or unenforceable, the remainder of this agreement, or the application of such provision, clause or part under certain circumstances, shall not be affected thereby.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed the Agreement effective as of the date last written below.

AUTHORIZATION

THIRD MILLENNIUM ASSOCIATES, INC.

Signature: _____

Name: _____

Title: _____

Date: _____

VILLAGE OF CHATHAM

Signature: Thomas S. Gray

Name: THOMAS S. GRAY

Title: VILLAGE PRESIDENT

Date: 11-27-12

Schedule A

Materials to be provided by TMA:

- M1. 8 1/2 X 11" Utility bill printed two colors on the face and one color on the back. Paper is 20lb. MOCR bond, with a cross perforation to create the remittance portion of the document.
- M2. No.10 window envelope printed one color on the face. Paper is 24 lb. white-wove.
- M3. No.9 courtesy reply envelope printed one (1) color on the face. Paper is 24 lb. white-wove.
- M4. With mutual agreement, VILLAGE may authorize TMA to provide certain materials for new projects or variations of the billing project. These material descriptions may be attached to, and become a part of Schedule "A".

Services to be provided by TMA:

- S1. To write VILLAGE Utility billing file conversion software that will allow the laser imaging of VILLAGE Utility bills per the charges stated in Schedule "B".
- S2. To write the required software that will allow VILLAGE'S billing file to be processed by TMA postal software.
- S3. To process the VILLAGE data file using TMA postal sort application software to reduce the VILLAGE'S postage rate to the minimum automation rate amount allowed by the USPS.
- S4. To laser image VILLAGE Utility bills in quantities and frequencies as stated in schedule "B" of this agreement.
- S5. To insert, seal, tray, sleeve, band, label, palletize and prepare USPS form 3602 and deliver to the US Post office all pieces laser imaged with respect to item S4.
- S6. To insert additional pieces into the outgoing No.10 billing envelope as directed by VILLAGE per the conditions and charges as stated in Schedule "B" of this agreement.
- S7. With mutual written agreement, VILLAGE may authorize TMA to provide additional services and / or products for new projects or variations of this billing project. These service descriptions may be attached to, and become a part of Schedule "A".

SCHEDULE B - Pricing

The prices contained herein are based on an average annual usage of 66,000 Utility bills. Any variance in the above quantities in excess of ten (10) percent per agreement year will be cause for a price review. There will be no more than one production run per month for the above stated item. Each Utility billing unit shall consist of the components described in Schedule A.

- 1B. VILLAGE Utility bills will be laser imaged and mailed at a cost of 11.9 cents per Utility bill (excluding postage). Prices are based on a monthly billing cycle. Each month TMA will bill 5,500 utility accounts in one production run. There is a one-time billing system set up charge of \$2,250 (*waived for Springbrook clients*) in accordance with section 7B-1. This Utility bill set-up fee pays for a complete pre-production test of all systems and components. Included are all Schedule "A" items and printed matter proofs. Also included are the consulting services to coordinate Springbrook software, Bank and TMA software. Extensive software tests to insure data input and output integrity. TMA, Springbrook and VILLAGE shall develop an edit process to verify all record counts and various control totals. The above procedures will allow each party to comply with their responsibilities as stated in Paragraph seven (7). There will be a \$25.00 fee per production run if you chose to laser image late notices and / or shut-off notices as an additional and separate run each month
- 2B. A separate insertion charge will be applied for any additional item inserted into the out-going billing envelope. Insertion items must physically qualify for use on our insertion equipment. The insertion charge is 2.5 cents per item. This charge does not include the cost of supplying the additional item(s) to be inserted. We are happy to provide a quote for any item the Village wishes to have printed at the time needed.
- 3B. Should VILLAGE choose to provide the printed item to be inserted, there will be a \$50 flat handling charge added to the insertion cost of the item being provided. The insertion cost of a VILLAGE provided insert will be 2.5 cents per item. The cartons should be properly labeled on the outside showing full product description and quantity contained therein. Each shipment must also contain a packing list with product description and quantity contained in each carton, total cartons and total weight. The item must be properly packaged, folded and oriented for use on a high speed multi-station inserter.
- 4B. With mutual written agreement, VILLAGE may authorize TMA to provide certain products and services for new or revised projects. The TMA pricing structure for these projects may be attached to, and become a part of, Schedule "B".