

STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
GENERAL SERVICES DIVISION
OFFICE OF PROCUREMENT SERVICES
4200 SURFACE ROAD, COLUMBUS, OH 43228-1395

REQUIREMENTS CONTRACT: Presort Mail

CONTRACT No.: OT901608

EFFECTIVE DATES: 07/01/07 to 06/30/11
Renewal Through 04/15/13*

The Department of Administrative Services has accepted bids submitted in response to Invitation to Bid No. OT901608 that opened on 05/23/07. The evaluation of the bid response(s) has been completed. The bidder(s) listed herein have been determined to be the lowest responsive and responsible bidder(s) and have been awarded a contract for the items(s) listed. The respective bid response, including the [Terms and Conditions for Bidding, Standard Contract Terms and Conditions, and Supplemental Contract Terms and Conditions](#), special contract terms & conditions, any bid addenda, , specifications, pricing schedules and any attachments incorporated by reference and accepted by DAS become a part of this Requirements Contract.

This Requirements Contract is effective beginning and ending on the dates noted above unless, prior to the expiration date, the Contract is renewed, terminated or cancelled in accordance with the Contract Terms and Conditions.

This Requirements Contract is available to Department of Administrative Services as applicable.

Agencies are eligible to make purchases of the listed supplies and/or services in any amount and at any time as determined by the agency. The State makes no representation or guarantee that agencies will purchase the volume of supplies and/or services as advertised in the Invitation to Bid.

SPECIAL NOTE: State agencies may make purchases under this Requirements Contract up to \$2500.00 using the state of Ohio payment card. Any purchase that exceeds \$2500.00 will be made using the official state of Ohio purchase order (ADM-0523). Any non-state agency, institution of higher education or Cooperative Purchasing member will use forms applicable to their respective agency.

Questions regarding this and/or the Requirements Contract may be directed to:

Dennis Kapenga **
dennis.kapenga@ohio.gov

This Requirements Contract and any Amendments thereto are available from the DAS website at the following address:

<http://www.ohio.gov/procure>

* This amendment is issued to terminate this Contract for convenience as of 04/15/13. Please use Contract OT904313 GDC156 to procure these services on or after 04/15/13.

** Indicates an update to the Contract Analyst.

Signed: _____
Robert Blair, Director Date

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SPECIAL CONTRACT TERMS AND CONDITIONS

AMENDMENTS TO CONTRACT TERMS AND CONDITIONS: The following Amendments to the Contract Terms and Conditions do hereby become a part hereof. In the event that an amendment conflicts with the Contract Terms and Conditions, the Amendment will prevail.

SPECIFICATION QUESTIONS: Through the indicated inquiry closure date, Bidders may visit the Office of Procurement Services website to post bid related questions at <www.ohio.gov/procure>. Answers to all Bidder questions will be posted on the Office of Procurement Services website and linked to the bid number. The State will make every effort to respond to website inquires within forty-eight (48) hours of receipt. The State will not respond to any verbal or written questions received through any other medium. No prospective Bidder shall respond to any verbal instructions or changes to this bid. Only communications issued by the Department of Administrative Services, Office of Procurement Services in the form of an addendum, will be considered valid.

DELIVERY AND ACCEPTANCE: Services will be performed as set forth in the Contract and in accordance with Article S-8, S-9, and S-10 of the Supplemental Contract Terms and Conditions. The location of performance will be noted on the purchase order issued by the participating agency.

DESCRIPTIVE LITERATURE: The Bidder may be required to submit descriptive literature of the supplies or services being offered. If requested, the literature will be used in the evaluation process to determine the lowest responsive and responsible Bidder. If not provided as part of the bid response, the Bidder must provide said literature within ten (10) calendar days after request/notification by the Office of Procurement Services to do so. Any references, that may appear in the descriptive literature, that may alter the terms and conditions and specifications of the bid (i.e. F.O.B. Shipping Point or Prices Subject to Change), will not be part of any contract and will be disregarded by the state of Ohio. Failure of the Bidder to furnish descriptive literature either as part of their bid response or within the time specified herein will deem the Bidder not responsive.

USAGE REPORTS: Every twelve (12) months the Contractor must submit a report (written or on disk) indicating sales generated by this contract. The report shall list usage by customer, by line item, showing the quantities/dollars generated by this contract. The report shall be forwarded to the Office of Procurement Services, 4200 Surface Road, Columbus, OH 43228-1395, Attn: Mary Kae Ozello.

CONTRACT RENEWAL: The following supersedes Article S-6 of the Supplemental Contract Terms and Conditions. This Contract may be renewed solely at the discretion of DAS for a period of one month. Any further renewals will be for an appropriate period of time. The cumulative time of all renewals may not exceed thirty-six (36) months unless DAS determines that additional renewal is necessary.

CONTRACT TERMINATION: Both DAS or the Contractor may terminate this contract for convenience with 60 days written notice to the other party.

ESCALATOR CLAUSE: During the life of an awarded contract, changes may occur in postage rates that are applied by the U. S. Postal Service that may substantially increase the expenses of the Contractor. In such cases, the Contractor, upon thirty (30) days prior written notice, may petition the Office of Procurement Services for the exact amount of the increase, provided the Contractor first submits documentary evidence to fully support the claim. If approved, any increase will become effective for the remaining life of the awarded contract. Approval of said increase is subject to the sole discretion of the Director, Department of Administrative Services. Additionally, no petitions for escalation of any ensuing contract shall be considered, unless documentation is submitted showing the increase occurred after the opening date of this bid.

FIXED PRICE WITH ECONOMIC ADJUSTMENT: Once the Delivery Point Verification requirement becomes effective in August 2007, there may be an increase in the residual mail that the Contractor is responsible to correct. This adjustment will allow the Contractor to submit proof that the residual mail has increased and to request an appropriate increase in the cost per piece.

EVALUATION: Bids will be evaluated in accordance with Article 1-5 of the "Instructions to Bidders." In addition, the state will: Multiply the Estimated Annual Volume of Next Day First Class Presort Qualified Mail for each year of the contract. Add the product of each together to get an estimated contract cost. Failure to bid all items may result in the Bidder being deemed as not responsive.

CONTRACT AWARD: This contract will be awarded to the lowest responsive and responsible Bidder by low lot total.

E.D.G.E CERTIFICATION: The Office of State Purchasing has identified those Contractors who were E.D.G.E. certified at the time of award of the Contract. It is possible that a Contractor's certification status may change during the term of the Contract. Agencies should refer to the Equal Opportunity Division website at <http://www.das.ohio.gov/eod/mbesearch/edgeindex.asp> to verify E.D.G.E. Certification status of the Contractor.

SPECIFICATIONS AND REQUIREMENTS

I. SCOPE OF SERVICE

Department of Administrative Service, Office of Procurement Services is requesting bids for the services of a Contractor to pickup, presort, barcode and deliver First Class Mail, to the U.S. Post Office (USPS) on the date shown on the meter imprint. This is to include letters, postcards and residual U.S. Mail, weighing up to the (3) ounces per piece.

All mail picked up from agencies that process less than 3,000,000 pieces monthly, that is picked up before 12:00 noon, will be post marked for that same day, and must be delivered to the Post Office that same day.

All mail picked up from agencies that process less than 3,000,000 pieces monthly, that is picked up after 12:00 noon, will be post marked for the following day, and must be delivered to the Post Office the next day and will be considered next day mail.

All mail picked up from agencies that process at least 3,000,000 pieces monthly, will be picked up several times during the day, up until 5:00 pm, will be postmarked for that same day, and must be delivered to the Post Office that same day.

II. DEFINITIONS

A. First Class Mail

Letter Size: Letter size mail is rectangular in shape and consists of those letters and postcards with the following dimensions:

1. Minimum (Inches)
Length - 5 inches
Height - 3-1/2 inches
Thickness - .007 inches
2. Maximum (Inches)
Length - 11-1/2 inches
Height - 6-1/8 inches
Thickness - .25 inches

B. Residual Mail

Residual mail consists of mail that for any reason does not meet the Post Office presort requirements. Residual mail will normally require additional postage over and above the normal presort postage for acceptance by the U.S. Post Office. The Contractor must bear any additional cost of residual mail. Currently, this is approximately 6% of mail tendered to the presort Contractor.

C. Move Update

Effective July1, 1997, USPS regulations required that any mail that receives presort discounts must meet one of the following requirements:

1. Envelope Endorsements
2. Address Change Service
3. National Change of Address Service
4. Fast Forward

The state's choice to meet the Move Update regulations is the Fast Forward with the option of spraying an endorsement that will enable the Contractor to return those pieces receiving a move update. Costs associated with this service must be included in the per piece price.

D. Delivery Point Validation (DPV)

The DPV will be required by the USPS in August 2007. It is being implemented as a tool to eliminate as much undeliverable addressed mail as possible. DPV is an inquiry process the USPS uses to compare records in an address file to its master address tables to validate at the accuracy and completeness of an address.

At the point of this writing, the State does not know exactly how this will affect our residual mail. Nevertheless, the state still requires the Contractor to bear all additional costs of the residual mail.

SPECIFICATIONS AND REQUIREMENTS

E. Intelligent Mail Barcode (IMB)

In 2009, the USPS will require IMB for all presorted mail to receive discounts. This entails spraying a thirty-one (31) digit bar code versus the current eleven (11) digit bar code.

At the point of this writing, the State does not know exactly how this will affect our residual mail. Nevertheless, the state still requires the Contractor to bear all additional costs of the residual mail. The Contractor must be ready and able to meet this USPS requirement before the implementation date.

III. PRESORT MAIL SPECIFICATIONS

- A. During the term of the initial contract or any subsequent contract extensions, new mail pickup locations may be added and existing mail pickup locations may be deleted or changed. The Contractor must be required to adjust the schedules to accommodate such changes at no additional charges to the state of Ohio. Pick up at locations are designated by the Administrator of State Mail Services.

The Contractor must be responsible to follow existing pickup schedules and any amendments hereafter. Below is the current existing schedule which must be followed:

Dept. of Agriculture	8995 E. Main St.	4:00 pm
State Office Tower 1	30 E. Broad St.	4:05 pm
State Office Tower 2	77 S. High St.	4:25 pm
Attorney General	140 E. Town St.	4:05 pm
Dept. of Education	25 S. Front St.	3:00pm
Dept. of Health	246 N. High St.	3:15 pm
Dept. of Insurance	2100 Stella Ct.	3:30 to 3:45 pm
Industrial Compliance	6600 Tussing Rd.	3:15 pm
E.P.A.	122 S. Front St.	4:25 pm
Dept. of Aging	50 W. Broad St.	5:00 pm
Dept. of Public Safety	1970 W. Broad St.	3:40 pm
Department of Public Safety	1583 Alum Creek Dr.	2:30 pm
Bureau of Workers' Compensation	30 W. Spring St.	3:30 to 4:00 pm
Industrial Commission	30 W. Spring St.	3:30 pm
Dept. of Taxation	1022 Freeway Dr.	2:00 pm
Dept of Rehabilitation & Correction	1050 Freeway Dr.	2:10 pm
Dept of Natural Resources	Fountain Sq.	2:20 pm
O.D.O.T.	1980 W. Broad St.	3:45 pm
Job & Family Services	2088 Integrity Dr. N.	3:00 pm
Board of Cosmetology	101 Southland Mall	On-call
Secretary of State	180 E. Broad St.	On Call
PERS	277 E. Town St.	On Call
School Employees Retirement System	300 E. Broad St.	On Call
P. U. C. O.	180 E. Broad	On Call
Deferred Compensation	172 E. State St.	On Call
The Ohio State University*	2650 Kenny Road	6:30 to 7:30 pm

- B. All mail picked up daily must be presorted by the Contractor and delivered to the U.S. Post Office on the date shown on the meter imprint.

- C. All mail weighing up to 3 ounces will be metered at the automated 3 digit presort rate. It is the Contractor's responsibility to qualify 100% of this mail at this rate either by proper sorting or adding additional postage as required. However, the Contractor will only be paid the cost per piece entered on the pricing page of this bid/contract. All costs necessary to perform the functions as specified herein must be included in the cost per piece entered on the pricing page of this bid/contract. No other costs will be accepted or paid by the state of Ohio.

*Facility added effective 06/01/09.

SPECIFICATIONS AND REQUIREMENTS

- D. Any presorting beyond the required 3 digit sort rate will be considered value added for the Contractor and all rebates offered by the Postal Service will be kept by the Contractor. There is one exception. Refer to Section VI., Additional Requirements For Large Customers.
- E. The state of Ohio's daily estimated volumes (anywhere from 100,000 - 600,000 a day) must be completely presorted to meet requirements of the U.S. Postal Service. Contractor certifies that all volume will be processed and totally mixed (where possible) with metered volumes from its other customers every mailing day.
- F. During the term of this contract, achieving complete presorting and no re-dating of the mail is of the utmost importance to the state of Ohio. Therefore, the state of Ohio will not pay for services on the day(s) that complete presorting of the mail is not accomplished and/or when re-dating of the mail occurs.
- G. All non-mailable items and batch route slips must be returned to State Mail Service no later than the next work day as shown on the meter imprint.
- H. All mail, regardless of method in which mail is generated, must be processed for qualification. This includes, but is not limited to, handwritten mail.
- I. The Contractor shall provide each agency with an authorized, signed daily report of mail picked up for processing.
- J. It is not the responsibility of the Contractor to process mail that does not meet the mail dimension requirements in Section II or mail that cannot be mechanically processed due to conditions such as mail pieces sticking together, mailing addresses that are not entirely visible (obstructed by envelope window), or mailing addresses not located in the address read area with 1/8" clearance around the address. The Contractor shall promptly notify the agency of the problem and upon mutual agreement, the Contractor shall return the mail to the agency or rework the mail and charge the agency any associated labor costs agreed to beforehand.

IV. THIRD PARTY AND PERMIT MAIL SPECIFICATIONS

- A. The Contractor shall process state agency mail, which is prepared on behalf of the state by a contracted third party vendor, at the rates, terms, and conditions, specified in the contract. The contracted third party vendor is responsible for delivering mail to the Contractor unless the Contractor agrees to other arrangements.
- B. The contractor shall be responsible for processing mail bearing a permit imprint indicia, as the method for paying postage, at the same presort fee assessed to metered mail. It is the responsibility of each participating state agency to obtain a presort indicia/slugs for imprinting their presort First Class Mail identification.
- C. Each agency is responsible for the payment of all USPS fees associated with paying postage via permit imprint indicia and printing the indicia, and any service endorsements required in conjunction with the indicia, on mail pieces.
- D. State agencies shall present the Contractor with permit imprinted mail that is separated into groups according to the exact weight and size of individual mail pieces and label the groups accordingly. State agencies shall deliver permit imprinted mail to the Contractor at least one day before the scheduled mailing date and shall arrange the mailing date with the Contractor.
- E. The contractor shall co-mingle letter size mail bearing a permit imprint indicia with metered mail the Contractor processes under the contract and charge the agency the same postage rates and presort rates specified in the contract.

SPECIFICATIONS AND REQUIREMENTS

- F. If the Contractor is unable to commingle non-letter size mail bearing a permit imprint indicia with metered mail, the Contractor shall process the mail separately at the lowest achievable postage rates and charge the agency the vendor rates specified in the contract and the actual postage cost. The Contractor shall provide the agency a USPS mailing statement stamped by the USPS for each separate mailing of non-letter size pieces that the Contractor is unable to commingle with metered mail. The agency is responsible for any additional postage or USPS penalties charged by the USPS due to non-compliance with mail piece design requirements. The Contractor shall promptly notify the agency in such instances and determine a course of action prior to submitting the mailing to the USPS.
- G. The agency must ensure they have sufficient postage funds available for each mailing of permit imprint mail at the time of mailing. Options for paying postage must be mutually agreed upon by the agency and the Contractor and may include the agency providing the Contractor with individual checks for each mailing, establishing an escrow account with the Contractor, or establishing a pre-paid account with USPS.
- H. If the agency establishes an escrow account with the Contractor to pay postage for permit imprinted mail, the Contractor shall maintain a report to track deposits made to, and postage used, from the account. The Contractor shall provide an activity statement with each invoice to the agency for each date where funds are deposited or withdrawn from the account. If the agency establishes a pre-paid account with the USPS to pay postage for permit imprinted mail, the Contractor shall provide the agency with a copy of the USPS mailing statement stamped by the USPS for each mailing.

V. CONTRACTOR REQUIREMENTS

- A. All mail and processes are subject to the governing regulations of the United States Post Office and law of the United States affecting the processing of U.S. Mail.
- B. Failure to comply with Post Office preparation requirements will be the responsibility of the Contractor except for an error in mail preparation such as the application of Postage and Correct Dating of mail by state agencies. There must be no re-dating of mail without prior approval from Administrator of State Mail Service.
- C. The minimum volume to qualify for same day presort is 3,000 pieces per agency. The Contractor must presort same day mail at the automated 3 digit presort rate when the mail is made available by the state for pick-up by 12 noon. The price for next day first class presort mail must also apply for presort same day mail.
- D. All mail picked up after 12:00 noon, from agencies that process less than 3,000,000 pieces monthly, will be post marked for the following day, and must be delivered to the Post Office the next day and will be considered next day mail.
- F. Contractor must accept liability for any law suit(s) arising from any if of its actions concerning non-delivery of mail.
- G. No subcontracting of the services specified herein will be permitted.
- H. Any incorrect endorsements should be corrected at agency request.
- I. The Contractor is required to furnish the personnel, vehicles and mail sort production facilities necessary to perform the services specified in this bid.
- J. All presorting of mail and related functions are to be accomplished at a facility owned or rented by the Contractor for such services. The state reserves the right to visit the Contractor's presorting facilities at any time during the normal Contractor's working hours.
- K. The Contractor must provide adequate security for state mail while in its possession. The Contractor must be responsible for any and all mail losses that may occur as a result of the Contractor's failure to provide adequate security. The Contractor must have as a minimum, either twenty four (24) hour security guards or a third party attended alarm system.
- L. Vehicles utilized for the pickup and delivery of mail must be capable of being locked and must be locked during the transporting of State mail.

SPECIFICATIONS AND REQUIREMENTS

VI. ADDITIONAL REQUIREMENTS FOR LARGE CUSTOMERS

- A. Additional requirements are needed for customers that process at least 3,000,000 pieces monthly. Currently, the only agency to achieve this objective is Jobs and Family Services (JFS).
- B. JFS mail will be picked up several times during the day, up until 5:00 pm, and will be postmarked for that same day, and must be delivered to the Post Office that same day.
- C. JFS mail that is paid from a special government account (G-12 mail) and qualifies for presort must be reported daily back to the sending agency. G-12 mail runs daily with approximately 10,000,000 pieces per year.
- D. JFS has special mailings of approximately 600,000 pieces at the end of each month. JFS will postmark with the five digit rate instead the three digit rate. If necessary, the Contractor must pay the difference for this upgrade.

VII. CONTRACTOR'S QUALIFICATIONS

- A. The Contractor must be a registered mailer with the U.S. Post Office and pay the applicable annual fees to the U.S. Post Office.
- B. The Contractor will be required to acquire any licenses necessary to perform the total services required. Further, the Contractor will be responsible to comply with any and all laws, rules and regulations pertaining to the performance and services delivered through this contract. The Contractor must prepare the required Postal Service Forms 3602 and 3602-PC.
- C. The Contractor must have at least five (5) years experience in the mail sort business within the last ten (10) years.
- D. The Contractor must furnish three (3) references where similar services as requested in this bid were successfully performed.
- E. The Contractor must be in compliance with all United States Department of Labor laws. To view, please see the following the link: <http://www.dol.gov/compliance>

BID PRICE PAGE:

OAKS ITEM ID.: 8645	COST PER PIECE		
	FIRST YEAR 07/01/07 thru 06/30/08	SECOND YEAR 07/01/08 thru 06/30/09	RENEWAL PERIOD 07/01/09 thru 06/30/11*
Next Day First Class Presort Qualified Mail Presorted at the Automated 3 digit Rate as specified herein. Estimated Annual Volume = 65,000,000 pieces.	\$.005 per pc.	\$.006 per pc.	\$.005 per pc.

The price quoted for handling next day first class presort mail must also include handling same day presort mail metered at the automated 3 digit presort rate.

Contractor must presort 100% of mail processed for delivery to U.S. Post Office and must meet the current U.S. Mail presort discounted price structure as established by the U.S. Postal authorities. Any postage cost incurred due to residual mail must be the responsibility of the Contractor to pay.

The cost per piece price must include the total costs to provide Mail Services as described herein including residual mail costs (with the exception of permit mailing), transportation costs, personnel costs, fringe benefits, direct costs, overhead, profit, insurance, and any other costs relative to providing services under this bid.

*Price decrease effective 7/01/09

**Correct revision date

CONTRACTOR INDEX

CONTRACTOR, TERMS:

BID CONTRACT NO.: OT901608-1 (06/30/09)
Renewed through 06/30/13*



Orders To:

ID #80926
Pitney Bowes Presort Services, Inc.
10110 I Street
Omaha, NE 68127

DELIVERY: As Specified

CONTRACTOR'S CONTACT: David Overley
E-mail address: david.overley@pbpresortservices.com

Telephone: (614) 801-1236
Cell: (513) 253-6862
FAX: (614) 801-1907

IT CONTRACTOR'S CONTACT: David Keith

Telephone: (402) 935-3972

Remit To:

Pitney Bowes Presort Services, Inc.
P.O. Box 3480
Omaha, NE 68103-0480

Toll Free Telephone: (800) 660-6501
Telephone: (402) 339-6500

*Renew Contract month-to-month not to exceed twelve (12) consecutive months, effective 07/01/12–06/30/13.

SUMMARY OF AMENDMENTS

Amendment Number	Revision Date	Description
6	04/15/13	This amendment is issued to terminate this Contract for convenience as of 04/15/13. Please use Contract OT904313 GDC156 to procure these services on or after 04/15/13. Additionally, the Contract Analyst was updated.
5	07/01/12	Renew contract month-to-month not to exceed twelve (12) consecutive months, effective 07/01/12-06/30/13, or until such time as the services are no longer needed.
4	05/09/11	Renew Contract for one (1) year effective 07/01/11- 06/30/12. Updated Contractor's name, address and contact information. Also updated DAS contact.
3	05/29/09	Renew Contract effective 07/01/09-06/30/11. There was also a price decrease for the cost per piece.
2	07/01/09	Renew Contract effective 07/01/09-06/30/10
1	04/09/08	Removal of the Cooperative Purchasing language. This was placed in error in the Contract, and not part of the Bid specs.