



SouthData, Inc.

Billing Service Agreement

Billing Service Agreement

This Agreement is made the **19th** day of **June, 2015**, by and between **SouthData, Inc.**, a North Carolina corporation, with its primary office at 201 Technology Lane, Mount Airy, North Carolina 27030 (hereinafter "SouthData") and **Chatham County** with its primary office at Post Office Box 1809, Pittsboro, NC 27312 (Courthouse Annex) (hereinafter "Client").

1. Exclusive Provider

- A. Client agrees that SouthData is the exclusive provider of color statements listed in Detailed Pricing and any addendum signed by both parties. Other specialized mailings are available from SouthData, but are not covered by this Agreement.

2. Responsibilities Of SouthData

- A. SouthData shall furnish, all labor, materials, equipment, quality control, and supervision needed to provide the following services:
 - i. Design and printing services to create products for use by Client.
 - ii. Computer processing services to process the billing data received from Client.
 - iii. Provide printing services to print information on the products.
 - iv. Handling services to fold, insert into envelopes, and deliver to the post office the printed products.
- B. SouthData shall mail the printed product within 2 business days following the written acceptance of the final proof by the client.
- C. SouthData shall provide training on purchasing procedures at no additional cost

3. Responsibilities Of Client

- A. Client shall provide written approval of test documents as required.
- B. Client shall provide basic form layout, data layout, field placement and test data.
- C. Client shall provide SouthData with sufficient information related to the format and contents of the data transmission file to allow SouthData to develop the computer programs required to create the products.
- D. Client shall provide the information for all inserts within 5 business days prior to the mailing of the specified items.
- E. Client shall provide SouthData with the billing information in an agreed upon format and with sufficient timeliness to allow SouthData to print the products and deliver them.
- F. Client shall pay all invoices within **thirty (30)** days.
- G. Client shall be solely responsible for the content and information provided to SouthData. SouthData shall not be responsible for inaccuracies in billing data received from Client and compiled into the final billing format.
- H. Maintain a postage escrow account equivalent to one (1) months estimated postage usage or a mutually agreed upon amount.

4. Charges For Service

- A. **Initial Account Setup** – If the client provides guidelines for a form design, test data, data layout and field placement then SouthData will provide the set-up with no charge to the client.
- B. **Programming Costs** - If programming is needed to process client data or to adhere to a client request then the client shall be charged for programming (see attached Detailed Pricing).
- C. **Processing Fees** – There are no processing fees or monthly or periodic charges for account maintenance, account availability, or online access for tracking orders.
- D. **Minimum Run Charge** – No minimum run charge will be invoiced for any statement orders.

- E. **Postage** – Postage is not included in the delivered price and will appear on the invoice. A postage escrow account is required. SouthData shall provide bar coding and sort the mail consistent with Postal Service standards.
- F. **Postal Compliance Service (Fulfilling US Post Office Requirements)** – The United States Postal Service mailings to meet certain USPS specifications. The Postal Rate Commission (PRC) states that Move Update will need to be processed within 95 days prior to the mailing. SouthData offers NCOA certification to the client (see attached Detailed Pricing). This service can be performed at the time the data is received for order processing. The service includes:
 - **Delivery point verification** - The DPV System assists mailers in obtaining accurate delivery address information and facilitates identification of erroneous addresses contained in mailer address files.
 - **Move Update Compliance/National Change of Address – NCOA link** updates name and address mailing lists with new addresses from individuals, families and businesses that have moved and have recorded their new address with the USPS data base.
 - **Reporting of Move Update changes to the client** – This allows the client to receive the most current address information for updating the records within their data file.
- G. **Prices For Standard Items** – Prices for the items in this contract may be viewed on the Detailed Pricing page attached to this Agreement.
- H. **Pricing Changes** -The cost reflected in this proposal is based on the current cost of raw materials. Therefore, the quoted costs are valid for 1 (one) year. After that date, we reserve the right to review the quoted costs in this proposal based on current market conditions.

5. Term Of Agreement

The initial term of this Agreement shall be for three (3) years. Unless cancelled by either party in writing more than sixty (60) days prior to the end of the initial term and any subsequent terms this agreement shall automatically renew for additional terms of one-year.

6. Cancellation

This Agreement may be cancelled for a documented breach of the terms of the Agreement. The party wishing to cancel the Agreement must provide notice of cause in writing and allow the other party thirty (30) days to remedy the breach. If the breach is not remedied within the thirty-day period, a final written notice must be provided to the breaching party. The Agreement will be cancelled thirty (30) days from receipt of the final notice.

7. Insurance

During the term of this Agreement, SouthData shall maintain at its expense, liability, property, vehicle and workmen's compensation insurance sufficient to meet the requirements of the State of North Carolina.

8. Independent Contractor

SouthData acknowledges that it is at all times performing as an independent contractor. Nothing in this agreement shall constitute or be construed as a creation of a partnership or joint venture between the parties.

9. Severability

If any part of this Agreement is found to be invalid or unenforceable, the remaining parts of the Agreement shall continue in force.

10. Waiver Ability

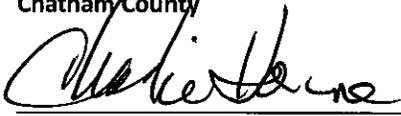
A party's waiver of a breach of any item of this Agreement shall not constitute a waiver of any subsequent breach of the same or another provision of this Agreement.

11. Governing Law

The laws of the state of North Carolina shall govern the provisions of this Agreement.

In Witness Whereof, the parties have caused the execution of this instrument, by authority duly given on the day and year first written above.

Chatham County



Signature

Charlie Home, County manager
Printed Name and Title

SouthData, Inc.



Signature

ALAN CONNOLLY EVP
Printed Name and Title

The laws of the state of North Carolina shall govern the provisions of this Agreement.

In Witness Whereof, the parties have caused the execution of this instrument, by authority duly given on the day and year first written above.

Chatham County

Signature

Printed Name and Title

SouthData, Inc.

Alan Connolly

Signature

Alan Connolly EVP

Printed Name and Title

DETAILED CLIENT REQUIRED INFORMATION

Company Name: Chatham County

Billing Address:

Mailing Address:

Shipping Address:

Contact Information for all Users:

User #1

Name: _____

Email: _____

Phone: _____

User #2

Name: _____

Email: _____

Phone: _____

User #3

Name: _____

Email: _____

Phone: _____

Software:

Market (check one): Healthcare Collections Government Utility

Name of Account Executive: Loren De Leon

DETAILED PRICING SCHEDULE

This Detailed Pricing Schedule is made this the **19th** day of **June, 2015**, by and between **SouthData, Inc.** (hereafter "SouthData") and **Chatham County** (hereafter "Client").

Billing Services – No postage included, no set-up charge

Regular & Final Notices (per bill)	\$0.095
56,000 annually	
1 page, 2 Color, Duplex	
8.5 x 11	
#10 custom double window envelope	
#9 single window envelope	
Real Property, Business & Farm Listings (per listing)	\$0.114
51,000 annually	
1 page, 2 Color, Duplex	
8.5 x 11	
Single window mailing envelope, print 1 color	
No window, preprinted return envelope printed 1 color (WHITE)	
Business, Personal, and Farm Instructions (per form)	\$0.036
51,000 annually	
1 page, duplex, Black only	
No perforation	
No outer or remit envelope	
Re-Valuation Notice (per listing)	\$0.089
47,000 annually	
2 color, Simplex	
Double window mailing envelope	
No Remit	
1/3 Page Bucksliip Insert – Color Paper (per slip)	\$0.024
50,000 annually	

NCOA Services

Annual Fee.....	\$500.00
Covers all records submitted and error code reports	

Additional Cost Saving Options

Combining Multiple Bills (per additional notice)	\$0.01
The multiple bill matching begins at two bills and can include up to six bills in our standard #10 envelope.	

File Delivery

Via DVD's (per DVD)..... \$50.00

Programming

Custom Programming (per hour).....\$125.00
Written approval must be given by the client

Certified Mail\$7.29
Includes 3 pages, mailing envelope and all certified mail fees

Imaging Services for Returned Listings

Initial Application Setup.....\$500.00
Scan, Verify (per image).....\$0.065
Additional Indexing (per index per image).....\$0.08
PO Box\$ Given by the USPS

eStatements Development and Delivery

Initial Application Setup..... \$500.00
Processing and Email Delivery (per statement) \$ Same as printed statement

Retrieval Option – Secure Archive

Secure Archive

Secure Archive provides secure online access to the Client's image library. Secure Archive features secure, password-protected access, and is only accessible to the people you designate, such as your internal staff members. It provides instant 24-hour online confidential access. Customer questions can be answered immediately, and individual documents can be viewed or reprinted as necessary. The Secure Archive service also maintains a log of when each document is viewed and/or printed by the user. No special training is required to use Secure Archive.

Secure Archive Fees

Initial Account Setup..... \$ 500.00
Access Annual Fee..... \$1000.00
Or
Access Monthly Fee \$100.00

*Does not include extraction charges. Data will be purged every 18 months.

July 3, 2013

SouthData, Inc.
Attention: Allan Connolly
201 Technology Lane
Mount Airy, North Carolina 27030

Re: Renewal of Chatham County Billing Services Agreement

This will provide notice that Chatham County has renewed the above referenced Agreement dated July 1, 2010, for an additional term of one year, ending July 1, 2014. The Agreement will automatically renew on July 1, 2014 for an additional term of one year ending July 1, 2015, unless one party shall have provided the other party written notice of termination not less than 30 days prior to July 1, 2014.

All terms and conditions of the Agreement shall remain in full force and effect until it is terminated.

Very truly yours,

Charlie Horne
County Manager

Imaging Service Agreement

This Agreement is made the 1st day of July, 2010 by and between SouthData, Inc., a North Carolina corporation, with its primary office at 201 Technology Lane, Mount Airy, North Carolina 27030 (hereinafter "SouthData") and Chatham County (hereinafter "Client").

1. Responsibilities Of SouthData

SouthData shall furnish all labor, materials, equipment, quality control, and supervision needed to provide document imaging services to create data and images for use by Client.

2. Responsibilities Of Client

Client shall provide SouthData with documents to be scanned and indexed through the SouthData imaging service process. Client shall pay all invoices within thirty (30) days.

3. Charges For Service

- A. **Initial Application Setup** – Covers the initial set-up functions, such as, development of Client's imaging application, Client's indexing requirements and project management.
- B. **Programming Costs** – If custom programming is needed in order to comply with a client request then the client shall be charged \$125.00 per hour for custom programming.
- C. **Account Fees** – There are no processing fees or monthly or periodic charges for account maintenance, account availability, or online access for tracking orders.
- D. **Postage** – If SouthData is required to mail items, postage is not included in the delivered price and will appear on the invoice.
- E. **Prices** – Detailed in Addendum B, Fee Schedule.
- F. **Options** – SouthData can provide additional services at additional fees. Client may choose to use the SouthData DocuVault service as a means of retrieving their imaged documents. Detailed in Addendum C, Retrieval Option – DocuVault.
- G. **Changes to Services** – Either party may propose changes to the scope, nature and time schedule of the Services being performed under this Agreement. All changes to the Agreement must be approved in writing by both parties.
- H. **Post-Imaging Paper Document Disposition** – Unless otherwise directed in writing, SouthData will return original documents to Client upon completion of imaging process.
- I. **Pricing Changes** – The prices reflected in this proposal are based on current costs and are valid for the initial term of this Agreement. After that time, SouthData reserves the right to review prices based on market conditions.

4. Term Of Agreement

The initial term of this Agreement shall be for three years from the date first written above, thereafter this Agreement shall automatically renew for successive terms of one year each, unless one party shall have provided the other party written notice of termination not less than 60 days prior to the end of the current term. If not terminated, this Agreement shall continue in effect on a year-to-year basis with the same terms and conditions, but, subject to price changes mutually agreed upon by the parties.

5. Cancellation

Chatham County Tax Administration Imaging Agreement

This Agreement may be cancelled for a documented breach of the terms of the Agreement. The party wishing to cancel the Agreement must provide written notice of cause and allow the other party thirty (30) days to remedy the breach. If the breach is not remedied within the thirty-day period, a final written notice must be provided to the breaching party. The Agreement will be cancelled thirty (30) days from receipt of the final notice.

6. Outsourcing

SouthData shall perform all services at its facilities and agrees not to outsource any work unless authorized by Client.

7. Independent Contractor

Both parties acknowledge that SouthData is at all times performing as an independent contractor. Nothing in this agreement shall constitute or be construed as a creation of a partnership or joint venture between the parties.

8. Severability

If any part of this Agreement is found to be invalid or unenforceable, the remaining parts of the Agreement shall continue in force.

9. Waiverability

A party's waiver of a breach of any item of this Agreement shall not constitute a waiver of any subsequent breach of the same or another provision of this Agreement.

10. Governing Law

The laws of the state of North Carolina shall govern the provisions of this Agreement.

In Witness Whereof, the parties have caused the execution of this instrument, by authority duly given on the day and year first written above.

Chatham County Tax Administration

Chris J. Jones

SouthData, Inc.

Alan Connolly

Alan Connolly
Vice President - Sales

Elizabeth Plata (SEAL)
Attest:

Attest: (SEAL)

This instrument has been procured in the manner required by the Local Government
Accountancy and Control Act. Mr. M. Conner
Financial Officer

CPJ
Client Initials

AC
SouthData Initials

Addendum A Scope of Work

Scope of Work, is made the 14th day of June, 2010, by and between SouthData, Inc. (hereafter "SouthData") and Chatham County Tax Administration (hereafter "Client").

1. Definition of Project

- A. Client has approximately 32,000 2010 Real Property and Business Listing forms (hereafter "documents") that need to be scanned, indexed, categorized and quality checked and made available to them via a data file and image file.
- B. Both sides of the documents, as well as, all attached paper documents will be scanned at 200 DPI into single-page TIF images,
- C. Images will be quality checked against the paper documents for index accuracy,
- D. For each category of documents, two files will be created and made available to the Client via FTP:
 - i. Delimited data file to include one index field and the path to the corresponding images
 - ii. Image file,
- E. If Client requests DVD file delivery, the fees are on Addendum B, Fee Schedule,
- F. Original paper documents will be returned to Client. If Client requests delivery services, there is an additional mileage fee listed as an option in Addendum B.

2. Responsibilities of SouthData

- A. To retrieve the returned listings from the Mount Airy Post Office.
- B. Extract the listings and attachments from the mailing envelope,
- C. Prep all received listing for scanning,
- D. Scan, index and quality check the documents,
- E. To configure workable queues using the client provided categories,
- F. Two-digit unique identifier will be assigned to each category by the Client,
 - i. Documents have been sorted by Client into Client's workflow categories:
 - 1. Demographics
 - 2. Ownership Changes
 - 3. Address Changes
 - 4. No Changes
 - 5. Exemptions
 - 6. Mobile Homes
 - 7. Improvements
 - 8. Late,
- G. To provide, via FTP, a data file and an image file for each segregated category.

Billing Service Agreement

This Agreement is made the 1st day of July, by and between SouthData, Inc., a North Carolina corporation, with its primary office at 201 Technology Lane, Mount Airy, North Carolina 27030 (hereinafter "SouthData") and Chatham County (hereinafter "Client").

1. Exclusive Provider

- A. Client agrees that SouthData is the exclusive provider of county documents listed in exhibit "A" as bid and any addenda issued by Chatham County. Other specialized mailings are available from SouthData, but are not covered by this Agreement.

2. Responsibilities Of SouthData

- A. SouthData shall furnish, all labor, materials, equipment, quality control, and supervision needed to provide the following services:
 - i. Design and printing services to create products for use by Client.
 - ii. Computer processing services to process the billing data received from Client.
 - iii. Laser printing services to laser print information on the products.
 - iv. Handling services to fold, insert into envelopes, and deliver to the post office the printed products.
- B. SouthData shall mail the printed product within 1 (small jobs) to 5 (large jobs) business days following the written acceptance of the final proof by the client.
- C. SouthData shall provide training on purchasing procedures at no additional cost.

3. Responsibilities Of Client

- A. Client shall provide written approval of test documents as required.
- B. Client shall provide basic form layout, data layout, field placement and test data.
- C. Client shall provide SouthData with sufficient information related to the format and contents of the data transmission file to allow SouthData to develop the computer programs required to create the products.
- D. Client shall provide the information for the extra insert 5 business days prior to the mailing of the specified items.
- E. Client shall provide SouthData with the billing information in an agreed upon format and with sufficient timeliness to allow SouthData to print the products and deliver them.
- F. Client shall pay all invoices within thirty (30) days.
- G. Client will not be required to carry a postage deposit.
- H. Client shall be solely responsible for the content and information provided to SouthData. SouthData shall not be responsible for inaccuracies in billing data received from Client and compiled into the final billing format.

4. Charges For Service

- A. **Initial Account Setup** – If the client provides guidelines for a form design, test data, data layout and field placement then SouthData will provide the set-up with no charge to the client.
- B. **Programming Costs** - If programming is needed to process client data or to adhere to a client request then the client shall be charged \$125.00 per hour for programming.
- C. **Processing Fees** – There are no processing fees or monthly or periodic charges for account maintenance, account availability, or online access for tracking orders.

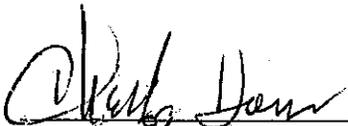
- D. Minimum Run Charge** – A minimum run charge applies to all orders. This is not an additional charge, but means that the minimum billing for every order is \$40, exclusive of postage, shipping, handling and sales tax.
- E. Postage** – Postage is not included in the delivered price and will appear on the invoice. A postage escrow account is not required. SouthData maintains the necessary software to receive discounts for which the Client may qualify. SouthData shall provide bar coding and sort the mail consistent with Postal Service standards.
- F. Postal Compliance Service (Fulfilling US Post Office Requirements)** - The United States Postal Service offers postal discounts for mailings that meet certain USPS specifications. The Postal Rate Commission (PRC) states that Move Update will need to be processed 95 days prior to the mailing in order to qualify for postal discounts. SouthData offers NCOA certification to client for \$600.00 per year. This service can be performed at the time the data is received for order processing. The service includes:
- o **Delivery point verification** – The DPV System assists mailers in obtaining accurate delivery address information and facilitates identification of erroneous addresses contained in mailer address files.
 - o **Move Update Compliance/National Change of Address – NCOA link** updates name and address mailing lists with new addresses from individuals, families and businesses that have moved and have recorded their new address with the USPS data base.
 - o **Reporting of Move Update changes to the client** – This allows the client to receive the most current address information for updating the records within their data file.
- G. Prices For Standard Items** – Prices for the items in this contract may be viewed in addendums attached to this Agreement and in the item pricing section of RFP.
- H. Options/Costs** – SouthData will match two individual bills/statements into one envelope if client specifies in order to reduce postage expense. No more than six bills may be inserted into a standard #10 envelope.
- i. Multiple matching services are \$.03 per notice.(additional)
 - ii. 9 x 12 multiple envelopes are used when more than six bills/statements are matched and inserted together. These envelopes are an additional \$.35 each.
- I. Searchable CD's** – SouthData now offers indexed, searchable, color image CD's of mailed documents at a cost of \$25.00 for each CD. Search options are available for name, account #, bill number, street address and other fields as specified by the client.
- J. Pricing Changes** –The cost reflected in this proposal is based on the current cost of raw materials. Therefore, the quoted costs are valid for 3 years. After that date, we may reserve the right to review the quoted costs in this proposal based on current market conditions.

5. Term Of Agreement

The initial term of this Agreement shall be for three years (July 1, 2010 through July 1, 2013) with an option of two one – year renewals.

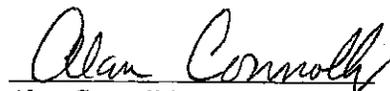
6. **Cancellation**
This Agreement may be cancelled for a documented breach of the terms of the Agreement. The party wishing to cancel the Agreement must provide notice of cause in writing and allow the other party thirty (30) days to remedy the breach. If the breach is not remedied within the thirty-day period, a final written notice must be provided to the breaching party. The Agreement will be cancelled thirty (30) days from receipt of the final notice.
7. **Outsourcing**
SouthData shall perform all services at its facilities and agrees not to outsource any work unless authorized by Client.
8. **Insurance**
During the term of this Agreement, SouthData shall maintain at its expense, liability, property, vehicle and workmen's compensation insurance sufficient to meet the requirements of the State of North Carolina.
9. **Independent Contractor**
SouthData acknowledges that it is at all times performing as an independent contractor. Nothing in this agreement shall constitute or be construed as a creation of a partnership or joint venture between the parties.
10. **Severability**
If any part of this Agreement is found to be invalid or unenforceable, the remaining parts of the Agreement shall continue in force.
11. **Waiverability**
A party's waiver of a breach of any item of this Agreement shall not constitute a waiver of any subsequent breach of the same or another provision of this Agreement.
12. **Governing Law**
The laws of the state of North Carolina shall govern the provisions of this Agreement.

In Witness Whereof, the parties have caused the execution of this instrument, by authority duly given on the day and year first written above.



 (SEAL)
Attest:

SouthData, Inc.


Alan Connolly
VP of Sales

_____ (SEAL)
Attest:

Addendum A

Item #	Description	Unit Price	Comments/Scope	Job Types
Pricing for Items 1-6 should assume one form per envelope and no special inserts. Price quoted includes postage for mail slot inserts.				
1..	Laser printed, folded duplex form Black and one additional color ink No perforated tear off coupon Single window mailing envelope print 1 color, No window, preprinted return envelope printed 1 color -- non white 1.. Address verification	\$0.119 ea		Real Prop, Business & Farm Listings
2..	Laser printed, folded duplex form Black and one additional color ink Perforated tear off coupon Custom double window mailing envelope Single window return envelope 2.. Address verification	\$0.108 ea		Regular & Final notices
3..	Laser printed, folded DUPLEX form (paper does not have to be lockbox quality) Black ink only No perforated tear off coupon No mailing or return envelopes 3.. No address verification	\$0.050 ea		BUS Instructions And PL Instructions, and Farm Instructions
4.	Laser printed, folded, simplex form (paper does not have to be lockbox quality) Black and one additional color ink No perforated tear off coupon Double window mailing envelope No return envelope 4. Address verification	\$0.112 ea	Printing cost is based on volume	Value Notice
5.	1/4 Page Buckslip Insert -- Color Paper	\$0.035 ea		
6.	Address Verification PAVE/CASS (note any minimum volumes)	\$0.00		
7.	Address Verification NCOA (note any minimum volumes)	\$600 per yr		
8.	Insertion fees -- 1/4 Page, Letter, Legal size (per piece)	\$0.005 ea	SouthData will do the printing	
9.	Unqualified Statements	\$0.00		

May 19, 2010

Ms. Robin James
Purchasing Agent
County of Chatham
12 East Street
Pittsboro NC 27312

Dear Robin:

Thank you for the opportunity to respond to your request for proposal. SouthData is the largest provider of outsourced billing documents to county governments in North Carolina. Our company is also the vendor of choice for many municipal governments and utility companies.

Using state-of-the-art machinery, sophisticated computer programs and automated systems, SouthData is well prepared to meet your needs.

It is our understanding that the County of Chatham expects SouthData to help in the design of tax forms, process the data transferred to us via electronic means, print and mail the form. In addition SouthData should be prepared to comply with custom programming requests and selective inserting. SouthData will be required to help the County achieve optimum postal discounts through presorting methods including performing a move update process every 95 days.

All aspects of the County of Chatham's jobs will be performed in Mount Airy, North Carolina.

Thanks again for your interest, we look forward to serving you!

Alan Connolly
Vice President of Sales and Manufacturing

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REQUEST FOR PROPOSAL

To provide printing and mailing services for the Chatham County Tax Department

Chatham County and the Tax Administrator's Department are seeking proposals from experienced, reliable vendors to provide printing and mailing services for the Chatham County Tax Department. This will include tax bills, listing forms, revaluation notices, past due notifications and other miscellaneous notices as needed. The county intends to award a three year contract with an initial term of July 1, 2010 through July 1, 2013 with an option of two one-year renewals. Proposal packets must be labeled "Chatham County Tax Print and Mail Services". Proposals will be accepted by the County by mail to: Robin James, Chatham County Purchasing Agent; Chatham County Finance Office, PO BOX 608, Pittsboro, NC 27312; or the physical address at the Chatham County Finance Office, Attn: Robin James, 12 East Street, Pittsboro, NC. Two (2) printed copies and one (1) electronic copy in .pdf format are required. The electronic copy may either be included within the submittal package or sent to robin.james@chathamnc.org. Documents will be accepted until **4:00 p.m., Wednesday, May 19, 2010**. **BOTH** parts of the submittal must be received by the deadline. Responses will not be accepted after the aforementioned time and date. We will not accept proposals by fax or any method other than stated. The sender must allow ample delivery time for the selected shipment or transmission methods. Details of this bid opportunity and others can be found at: <http://www.chathamnc.org/Index.aspx?page=42> To obtain instructions and specifications for this project, contact Robin James, Chatham County Finance Office, P.O. Box 608, 12 East Street, Pittsboro, NC 27312, (919) 545-8364, robin.james@chathamnc.org. Chatham County reserves the right to reject any and all proposals.



Chatham County Announcement

**REQUEST FOR PROPOSAL
Printing and Mailing Services
FOR THE CHATHAM COUNTY TAX ADMINISTRATORS DEPARTMENT**

Announcement Date: May 6, 2010

Due Date: Wednesday, May 19th, 2010 4:00 PM

RESPOND TO: Chatham County Finance
Robin James, Purchasing Agent
PO Box 608
12 East Street
Pittsboro, NC 27312

Contact Info: Robin S James, CLGPO
Chatham County Purchasing Agent
robin.james@chathamnc.org
919-545-8364 Phone
919-545-2417 Fax

COUNTY OF CHATHAM

FINANCE OFFICE
POST OFFICE BOX 608
PITTSBORO, N. C. 27312-0608



VICKI S. MCCONNELL
Finance Officer
PHONE: 919-542-8210

ORGANIZED 1770

707 SQUARE MILES

May 06, 2010

Chatham County is seeking quotes from experienced, reliable vendors to provide printing and mailing services for the Chatham County Tax Department. This will include tax bills, listing forms, revaluation notices, past due notifications and other miscellaneous notices as needed. The attached Exhibit A displays the Counties estimated material type and quantity.

The county intends to award a three year contract with an initial term of July 1, 2010 through July 1, 2013 with an option of two one-year renewals. During the calendar year of the agreement, the county shall have the option of terminating the agreement upon a sixty (60) day's notice in writing for causes relating to quality of service, which have been previously addressed to vendor in writing. The pricing, terms and conditions stated in the proposals will remain valid for sixty (60) days from the date of delivery of the quote to the County.

The requirements defined in this section are mandatory. They contain the overall, general services required of the vendor. The vendor shall work with the county to coordinate the best possible method of printing and distributing notices. This process must take into consideration the best possible flow to ensure that the notices are validated, printed and mailed within an acceptable time period. The vendor must be able to meet the requirements presented below:

- Must assure professional setup and design assistance with form layouts created and provided by the county.
- Experience in working with various file formats and receive files through various transmission methods
- The majority of the forms will be 8 ½ x 11, duplex, with two color graphic and tear off coupons for lockbox processing
- Ability to selectively insert materials with the notice envelopes
- Ability to selectively pull notices prior to printing and/or after printing but prior to mailing. This requirement is in addition to standard samples required.
- Capability to mail multiple notices, each consisting of one or more page, within the same envelope.
- Must be able to complete the printing and mailing production within six business days for large jobs and within one business day for smaller jobs after sample approval provided by the tax office.
- Vendor must have options available so that duplicate copies of the notices can be made.(DVD, etc)
- Must demonstrate disaster recovery program and must address in their quote their disaster recovery procedure that assures proper turn-around.

- The vendor will be responsible for sorting, application of postage, coordination, required preparation and delivery of the county's notices to the U.S postal services and guarantee that the processing performed provides the best possible postal rates available. The vendor must be U.S.P.S NOCALink licensed and process files through NCOA prior to printing and mailing.
- Describe services that may be provided that can assist the county in increasing efficiency of notice production and/or customer service issue
- After each billing the vendor will provide an electronic file containing the data identifying those customers with incorrect addresses
- The vendor will provide reporting on number of notices printed (separately identified by form type), number of different inserts selected, and validation totals after each mailing.
- The vendor will need to define an acceptable process that works within a daily timeframe to print and mail notices preferably web based and available to the county via the internet. The tracking program should not require special software or hardware by the client.

Examples of the web based services expected:

- 1.) Ability to transmit files electronically for processing
- 2.) Capability to schedule and initiate jobs
- 3.) Number of notices printed
- 4.) Dollar value for the notices printed
- 5.) Number of inserts mailed
- 6.) Postal Amounts for notice run
- 7.) Number of pieces pulled in notice run
- 8.) Confirmation of notices sent to post office

Proposals submittal should be prepared in a simple, straightforward manner, including a concise description of the vendor's capabilities to satisfy the requirements of the request. Responses must include the following:

- 1.) Letter of response by an officer of the company
- 2.) Completed Vendor Form (Exhibit B)
- 3.) Company profile including number of years in business, description of operations, total number of clients, etc.
- 4.) Detail of features and capabilities of the proposed service to be provided and include responses to the requirements listed above.
- 5.) Provide at least three client references within North Carolina include client name, number of pieces printed and mailed, type of mailing and format for printing services.
- 6.) Detailed breakdown of all cost based on the **attached bid form** (printing fees including single and duplex, insertion fees, approximate postage fees, cost of supplies, implementation fees, documentation, maintenance, hourly rates, etc.

Exhibit A

Chatham County Tax Materials Type and Frequency Estimates

Form Description	Freq.	Volume	Form Type	Static Back	Ink	Perforated Coupon	Lockbox Scan Line	Mailing Env	Return Env	Selective Messages	Special Inserts	NCOA	Samples Req'd
Chatham County Tax Administration													
Annual Billing	Annual (Jul)	45K	Duplex	Yes	Black /Blue	Yes	Yes	Custom Double Window	Single LEFT Window 1/0	No	2 8.5x11 Tri-Folds and coupon	Yes	Yes
DMV Billing**	Monthly	6k	Simplex	N/A	Black /Blue	Yes	Yes	Custom Double Window	Single Left Window 1/0	No	8.5x3.66 Insert	Yes	Yes
DMV Final**	Monthly	1K	Simplex	N/A	Black /Red	Yes	Yes	Custom Double Window	Single Left Window 1/0	No	No	Yes	Yes
Regular Final	Annual (Jan)	5k	Duplex	Yes	Black /Red	Yes	Yes	Custom Double Window	Single Left Window 1/0	No	No	Yes	Yes
Public Utility	Annual (Sept)	1k	Duplex	Yes	Black /Blue	Yes	Yes	Custom Double Window	Single Left Window 1/0	No	No	Yes	Yes
Real Property Listing	Annual (Dec)	30k	Duplex	Yes	Black /Blue	No	No	Custom Double Window	No Window Preprinted 1 color	No	Duplex 8.5x11 Tri-fold, plus 2 coupons	Yes	Yes
Business Listings	Annual (Dec)	2k	Duplex	Yes	Black /Blue	No	No	Custom Double Window	No Window Preprinted 1 color	No	8.5x11 Tri-Fold Duplex	Yes	Yes
Farm Listings	Annual (Dec)	15k	Duplex	Yes	Black /Blue	No	No	Custom Double Window	No Window Preprinted 1 color	No	2- 8.5x11 Tri-Fold Duplex	Yes	Yes

Exhibit A
Chattham County Material Type and Volume Estimates

Form Description	Freq.	Volume	Form Type	Static Back	Ink	Perforated Coupon	Lockbox Scan Line	Mailing Env	Return Env	Selective Messages	Special Inserts	NCOA	Samples Req'd
Revaluation Notices	4 year cycle (2013,2017, etc) (Jan)	40k	Duplex	Yes	Black /Green	Yes	No	Custom Double Window	No Window Preprinted 1 color plus RED message	No	No	Yes	Yes
Value Notices **	3 Times Annually (Feb ,May, Oct)	200	Simplex	n/a	Black /Blue	No	No	Double Window	n/a	No	No	Yes	Yes

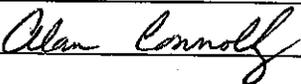
** Effective July 1, 2013 counties will no longer print DMV billing or DMV finals per new legislation. These numbers will only be for one (1) year

**Volume for the value notices will be much higher during revaluation years (3K-5K). The revaluation is scheduled for 2013.

**EXHIBIT B
Vendor Information & Signature Form**

Name of Vendor:	SouthData, Inc.	
Trade License # (if applicable)		
Contact Person(s)	Lora Southard & Neil Arrington	
Street Address with City, State & Zip Code	201 Technology Lane Mount Airy NC 27030	
Mailing Address (if different than above)		
Phone #	800-549-4722 or 336-719-5000	
Fax #	336-789-4143	
Email	nmarrington@southdata.com www.SouthData.com	
Proposer will do the work as:	<input type="checkbox"/> Individual <input type="checkbox"/> Joint Venture <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation	
Date & state of incorporation	Date 1985	State North Carolina
Name of partnership or joint venture		

By signing below, the submission of qualifications shall be deemed a representation and certification by the Proposing Consultant that it has investigated all aspects of the RFB, and it has read and understands the RFB.

Authorized Signature: Alan Connolly	
Date Signed: May 18, 2010	
Title of Signatory: Vice President of Sales and Manufacturing	

Chatham County Bid Form

*Completion of this form is required
By providing quotes in the requested breakout variations below, will have consistent data for comparison*

Item #	Description	Unit Price	Comments/Scope	Job Types (for use by Client)
Pricing for items 1-6 should assume one form per envelope and no special inserts. Price quoted would be total cost to place item in mail stream, less postage.				
1..	Laser printed, folded duplex form Black and one additional color ink No perforated tear off coupon Single window mailing envelope print 1 color, No window, preprinted return envelope printed 1 color – non white 1.. Address verification	\$0.119 ea		Real Prop, Business & Farm Listings
2..	Laser printed, folded duplex form Black and one additional color ink Perforated tear off coupon Custom double window mailing envelope Single window return envelope 2.. Address verification	\$0.108 ea		Regular & Final notices
3..	Laser printed, folded DUPLEX form (paper does not have to be lockbox quality) Black ink only No perforated tear off coupon No mailing or return envelopes No address verification	\$0.050 ea		BUS Instructions And PL Instructions, and Farm Instructions
4.	Laser printed, folded, simplex form (paper does not have to be lockbox quality) Black and one additional color ink No perforated tear off coupon Double window mailing envelope No return envelope Address verification	\$0.112 ea	Printing cost is based on volume	Value Notice
5.	¼ Page Bucksip Insert – Color Paper	\$0.035 ea		
6.	Address Verification PAVE/CASS (note any minimum volumes)	\$0.00		
7.	Address Verification NCOA (note any minimum volumes)	\$600 per yr		
8.	Insertion fees – ¼ Page, Letter, Legal size (per piece)	\$0.005 ea	SouthData will do the printing	
9.	Unqualified Statements	\$0.00		

Item #	Description	Unit Price	Comments/Scope	Job Types (for use by client)
10.	Handling Fees – Multiple Pages	\$0.00		
11.	Online Document Samples/Proofing	\$0.00		
12.	Initial Form Set Up – Existing Forms (per hour)	\$0.00		
13.	New Form Setup (per hour) (note any minimums)	\$0.00		
14.	Form Design Changes (per hour)(note any minimums)	\$0.00		
15.	Programming/Coding Changes (per hour) (note any minimums)	\$125 per hr		
16.	Lockbox Scan Line Testing (Successful/Unsuccessful Results)	\$0.00		
17..	Low Volume Count Charge	\$0.00		
18.	Electronic Reporting	\$0.00		
19.	File Transfers	\$0.00		
20.	File Tracking	\$0.00		
21.	Double Window #10 Mailing Envelope	\$0.027 ea	Envelopes are included in the price of	
22.	Double Window #10 Mailing Envelope – Custom Text on Back	\$0.029 ea	items 1 through 4	
23.	Double Window #10 Mailing Envelope – Custom Text Front & Back	\$0.029 ea		
24.	Single Window Standard Mailing Envelope w/preprinted return address	\$0.028 ea		
25.	Single Window Return Envelope	\$0.027 ea		
26.	No Window Return Envelope – preprinted address	\$0.021 ea		
27.	No Window Non White Return Envelope – preprinted address	\$0.033 ea		
28.	Double Window Flat Pack Envelope for Multiple Form Mailing	\$0.160ea		

	Other – Attach additional page(s) if necessary			
29.	DVD of final file	\$50.00 ea		
30.	Create a blank form for internal use in PDF format	\$100.00		

References

Davidson County Tax Office

Joe Silver

336-242-2165

Number of Pieces Mailed over the last 12 months - 600,000

Type of Mailing: Annual Tax Bill; Monthly Vehicle Tax Bills; Property Listing Forms, etc.

Format: 8½ x 11, statement

Guilford County Tax Office

Jim Roland

336-641-3812

Number of Pieces Mailed Since August 2009 - 650,000

Type of Mailing: Annual Tax Bill; Monthly Vehicle Tax Bills; Property Listing Forms, etc.

Format: 8½ x 11, statement

Randolph County Tax Office

Debra Hill

336-318-6531

Number of Pieces Mailed over last 12 months - 600,000

Type of Mailing: Annual Tax Bill; Monthly Vehicle Tax Bills; Property Listing Forms, etc.

Format: 8½ x 11, statement

History of SouthData

The story of SouthData is one of growth and continuous improvement through the innovative use of technology. From 9-track tapes to email; from parcel post to FedEx overnight; from faxes to interactive web sites; SouthData has led the way with advances in customer service and the automated manufacturing of personalized billing documents.

SouthData was founded by Bruce Springthorpe in 1985 to provide a source of payment coupon books for community banks and savings and loan institutions. In 1989, John Springthorpe III joined the firm as the company began the first of four expansions.

With a new facility and equipment, the company reached out to markets beyond the financial services industry and began manufacturing payment coupon books for homeowner associations and condominiums. The company's focus on customer service and its expertise in handling small orders made it a natural fit for the HOA industry.

The second expansion occurred in 1992 when the company moved into the new facility on Boggs Drive. For thirteen years, this would be the headquarters and primary manufacturing facility for all of SouthData's products. Our proprietary systems and processes were polished as the company expanded the product line to include billing statements and newsletters. Continued growth led to the third expansion in 1999 when the Boggs Drive facility was more than doubled in size. New equipment, employees and systems were added to further broaden the list of products and services. The mail shop was enhanced with a Pitney-Bowes MLOCR mail sorter and presorting was brought in-house.

Bruce Springthorpe retired from the company in 2000 and John Springthorpe III became President. John embarked on an ambitious plan to broaden the number of markets SouthData participates in and to significantly increase sales. The company now provides products for homeowner associations, local governments, insurance companies, banks, mortgage companies and hospitals.

Although there is more equipment and the buildings are bigger, the greatest part of SouthData is the people. We have focused on identifying and hiring skilled individuals who share the same beliefs regarding the importance of quality and unmatched client service. The people are the ones who make the products, and SouthData has the best people.

The company's fourth expansion occurred in 2005. The new facility provides significantly more space for additional equipment and staff which enables us to expand into new markets and create new products for existing clients. The Boggs Drive plant is available as a backup facility for business continuity and seasonal overflow. The company has a long history of ongoing investments in technology. That is evidenced by the relationship with Xerox and the company's use of a Xerox iGen4 digital press and Nuvera high-speed black & white printers. This equipment, along with new offset, bindery and finishing equipment, position the company for continued growth.

In 2009, SouthData acquired Micro Images, Inc. The new division broadens the company's product line by providing document imaging, storage and management services. From the 21,000 square foot facility in Mobile, Alabama the division provides services to clients in Alabama, Mississippi and Florida.

To better serve clients in the western part of the United States, and to provide an alternate location for business continuity, 2010 will see the opening of a new sales and production facility for the billing division in Phoenix, Arizona. This plant will have the capability of producing any of the products offered by the company. Customer support, programming and corporate functions will continue to come from the North Carolina facility.

With the opening of the Phoenix facility, SouthData will have 110 employees operating from 105,000 square feet in five facilities in five states. We provide payment coupon books, billing statements, tax documents, newsletters, imaging services and document storage for more than 6,000 clients in the, healthcare, government and property management industries.

Key Personnel

John Springthorpe III, President

Mr. Springthorpe holds the position of President at SouthData with responsibility for all company activities. In that role, he has overseen the move to a new corporate headquarters, a seven-fold increase in the number of employees, and a quintupling of annual sales.

Mr. Springthorpe originally joined the company as the Operations Manager, overseeing technology development, finance, and administration. During that time, he served as the company's representative on the ANSI X9B committee, which is responsible for writing the standards and specifications for all MICR printing in the United States.

Prior to joining SouthData, Mr. Springthorpe was employed by a major defense contractor where he was a Program Manager with responsibility for directing the activities of 400 engineers and computer scientists and managing over \$100 million in contracts with the federal government. As an engineer, he served in various engineering and management capacities at locations in Europe, Asia, and the Mr. Springthorpe holds a Bachelor of Science degree in Computer Science and uses his 37 years of technical and business leadership experience to direct the development of document solutions for SouthData clients.

Kenny Meredith, Chief Financial Officer

Mr. Meredith joined SouthData as the Finance Director and was recently named Chief Financial Officer. He has 24 years experience in the management of accounting and financial responsibilities for manufacturing firms.

Mr. Meredith previously served as Controller and Director of Accounting for a national bakery and several textile manufacturers. His experience includes overseeing budgets of \$100 million and directing accounting teams with 25 employees.

Mr. Meredith earned a Bachelor Degree in Accounting with a minor in Economics from Emory & Henry College, Emory, Va.

Alan Connolly, Vice President of Sales and Manufacturing

Mr. Connolly is responsible for sales and marketing activities and all manufacturing operations. He directs the sales staff which develops product ideas in response to client needs and promotes SouthData products to customers and prospects. Mr. Connolly also oversees the manufacturing department whose staff is responsible for the timely and accurate production of a diverse range of printed and mailed products.

Prior to joining SouthData, Mr. Connolly held executive management positions with manufacturing firms. His responsibilities involved overseeing multiple manufacturing plants in North Carolina, Virginia, and international locations, employing more than 4,500 people with annual sales in excess of \$150 million.

Mr. Connolly graduated from NC State University with a degree in Business and Economics. His management background includes the areas of manufacturing, product development, finance, engineering, and sales.

Abbie Bauguess, Vice President

Ms. Bauguess has worked for SouthData for 17 years, previously serving as Production Manager, Director of Marketing and Vice President of Manufacturing and Operations. In her current position, she shares responsibility for all facets of the Imaging Division, including sales, customer support, order processing, product design and information technology.

Prior to joining SouthData, Ms. Bauguess was President of a direct mail catalog company. Ms. Bauguess also served as Vice President in charge of directing a team of programmers and systems designers at an insurance company.

John Hollingsworth, Director of Operations

The Operations Group, headed by Mr. Hollingsworth, is responsible for document design, customer support, and order processing for clients in the healthcare industry.

Prior to joining SouthData, Mr. Hollingsworth led an ISO 9001-2000 certification effort. He was responsible for ensuring that customer's expectations for quality and delivery were met or exceeded. Mr. Hollingsworth has experience in the printing industry as a Project Manager, Quality Improvement Manager and a Plant Superintendent.

Mr. Hollingsworth earned a Bachelor of Science degree in Graphic Arts and Imaging Technology from Appalachian State University.

Neil Arrington, Account Executive

Mr. Arrington serves along with Ms. Southard as an Account Executive for the Government / Utilities Division responsible for meeting our clients many printing and outsourcing needs.

Prior to joining SouthData, Mr. Arrington ran his own business forms distributorship specializing in the county and municipal government market as well as commercial accounts.

Mr. Arrington earned a Bachelor of Business Administration Degree from the University of Georgia.

Terry Simpson, Production Manager

Mr. Simpson started his career with SouthData in the Maintenance Department moving to Press Operator, Bindery Supervisor and is currently Production Manager. As Production Manager, Mr. Simpson is responsible for getting the clients' orders scheduled and shipped on time. He is also involved directly with the sales department with product design and work flow. In addition, he deals directly with the United States Postal Service.

Mr. Simpson graduated from Surry Central High School and attended Surry Community College.

Features and Capabilities of Proposed Services

Southdata is a mid-sized provider of transactional billing statements, communication documents and payment coupon books. Serving clients nationwide, the company has a modern headquarters and manufacturing facility in Mount Airy, North Carolina employing 80 full-time employees and 20 full-time equivalent seasonal workers.

SouthData is the largest provider of outsourced billing documents to county governments in North Carolina. The company is also the vendor of choice for many municipal governments and utility companies.

SouthData's outgoing mail is picked up at the Mount Airy facility by the USPS and taken directly to the Greensboro Distribution Center which allows all North Carolina mail to reach its destination the following business day.

Using state-of-the-art machinery, sophisticated computer programs and automated systems, SouthData is well prepared to meet our clients' needs with the following services:

- Design and manufacture variable-data documents
- Automated processes for data manipulation, storage and retrieval
- Address cleansing and postal optimization
- E-Statements
- Full range of mail shop services
- Expert advice and technical support
- Camera verification for piece and job integer
- On-site USPS employee for verification

SouthData's understanding of the project objectives and the task assignments is outlined below. SouthData can meet or exceed the required objectives.

- Assist Chatham County with setup and design of all documents
- Have the ability to receive and experience working with various file formats and transmission method
- Develop, format, test and print for 8.5 x 11, duplex, two color forms with remit stub and lockbox processing
- Selectively insert materials into the outer envelopes as requested by Chatham County
- Selectively pull notices prior to printing and/or after printing but prior to mailing.
- Ability to mail multiple notices consisting of one or more pages within one envelope
- Turn-around time for large jobs is six business days or less after approval by the County, turn-around time for small jobs is one business day after approval
- DVD, DocuVault, FTP downloads are available for duplicate copies of notices
- Business Continuity Plan is attached and will be used in the event of emergency to insure no interruption of services to Chatham County
- SouthData will presort all qualifying pieces of mail and insure that all data is processed using, DPV, LACS, CASS and NCOA
- Please see the Service Enhancements Section of this Proposal
- Upon approval of each order a report will be generated and available on-line containing address that failed to presort and/or was found to have an updated address
- All requested reports will be made available to Chatham County
- SouthData's web-based ordering system allows Chatham County to order 24 hours a day, 7 days a week. All orders may be proofed and approved on-line, as well as, the orders may be tracked and invoices viewed on-line. No special software is required only an internet connection.

Service Enhancements

A. DocuVault provides a secure online archive and retrieval system for your SouthData FlexBill Statements. With DocuVault, you quickly access your clients' current and previous bills to promptly answer their questions.

B. SignatureMail is a fully automated mail service that streamlines the entire mailing process for you, saving time and money.

SouthData combines three services required by the United States Postal Service – CASS, DPV and LACS – to speed delivery of your essential communications.

NCOA processing is available as additional Signature Mail Service.

Our Signature Mail Service updates your addresses as your mail is processed, so you have a successful mailing the first time.

C. CertMail is the time-saving, hassle-free way to handle your Certified Mail needs – no more trips to the post office and the chaos of managing all those receipts. With SouthData's CertMail everything you need is conveniently located online. Plus, you'll have an easily accessible record of your CertMail pieces.

D. Data Safeguards, SouthData maintains a comprehensive system of physical security; personnel policies computer access and encryption programs; manufacturing controls and data storage plans; and devices to insure that client data is properly safeguarded.

These arrangements are regularly reviewed and updated and are evidence of the company's proactive approach to meeting or exceeding standards for data security and integrity.

The SouthData system successfully processes trillions of bytes of data annually, producing tens of millions of documents for thousands of clients in 40 states, earning a national reputation for quality, integrity and value.

E. Micro Images Division of SouthData works with cities, towns and counties to alleviate the burden that Clerks, Registers of Deeds, Revenue Officers, Probate Officers, Sheriffs and Police Chiefs have with paper shuffling activities.

Micro Images works with your existing document management plan or creates your own Micro Images Document Management System based on your operation's needs. If you have a backlog of files stacked from floor to ceiling and wall to wall in a warehouse, we scan and index your files onto film, along with making electronic versions for you to access from web based applications. If you have data files that need to be managed, we do the same thing.

F. FlexBill Utility eStatements is the same great statement in an online format! Give your homeowners the opportunity to tell you how they would like to be billed. It's an eco-friendly alternative and allows you to reduce postage and mailing costs.

With eStatements, homeowners can:

- Pay online via credit card, electronic check or ACH draft
- View their current statement and a 6-month history
- May change their delivery method at any time

G. Secure SouthData Website is created for all SouthData clients and is accessed using unique ID and passwords assigned to the City and the individual users.

All order, proofing, approvals and tracking can be done on-line. Invoices may also viewed and user information updated by the City's website administrator.

Website training is provided on-site by Account Executives.

Billing Service Agreement

This Agreement is made the 1st day of _____, by and between **SouthData, Inc.**, a North Carolina corporation, with its primary office at 201 Technology Lane, Mount Airy, North Carolina 27030 (hereinafter "SouthData") and _____ County (hereinafter "Client").

1. **Exclusive Provider**
 - A. Client agrees that SouthData is the exclusive provider of county documents listed in attached addendums. **Other specialized mailings** are available from SouthData, but are not covered by this Agreement.

2. **Responsibilities Of SouthData**
 - A. SouthData shall furnish, all labor, materials, equipment, quality control, and supervision needed to provide the following services:
 - i. Design and printing services to create products for use by Client.
 - ii. Computer processing services to process the billing/mailing/informational data received from Client.
 - iii. Laser printing services to laser print variable information on the products.
 - iv. Handling services to fold, insert into envelopes, and deliver to the post office the printed products.
 - B. SouthData shall mail the printed product within 1 (small jobs) to 5 (large jobs) business days following the written acceptance of the final proof by the client.
 - C. SouthData shall provide training on purchasing procedures at no additional cost.

3. **Responsibilities Of Client**
 - A. Client shall provide written approval of test documents as required.
 - B. Client shall provide basic form layout, data layout, field placement and test data.**
 - C. Client shall provide SouthData with sufficient information related to the format and contents of the data transmission file to allow SouthData to develop the computer programs required to create the products.
 - D. Client shall provide the information for additional inserts 5 business days prior to the mailing of the specified items.
 - E. Client shall provide SouthData with the information in an agreed upon format and with sufficient timeliness to allow SouthData to print the products and deliver them.
 - F. Client shall pay all invoices within **thirty (30)** days.
 - G. Client will not be required to carry a postage deposit.
 - H. Client shall be solely responsible for the content and information provided to SouthData. SouthData shall not be responsible for inaccuracies in data received from Client and compiled into the final format to be mailed.

4. **Charges For Service**
 - A. **Initial Account Setup** – If the client provides guidelines for a form design, test data, data layout and field placement then SouthData will provide the set-up with no charge to the client. If the client is unable to provide the guidelines for form design, test data, data layout and field placement then SouthData will charge a one-time \$130 fee for each new form.
 - B. **Programming Costs** - If programming is needed to process client data or to adhere to a client request then the client shall be charged \$125.00 per hour for programming.
 - C. **Processing Fees** – There are no processing fees or monthly or periodic charges for account maintenance, account availability, or online access for tracking orders.

D. **Minimum Run Charge** – A minimum run charge applies to all orders. This is not an additional charge, but means that the minimum billing for every order is \$50, exclusive of postage, shipping, handling and sales tax.

E. **Postage** – Postage is not included in the delivered price and will appear on the invoice. A postage escrow account is not required. SouthData maintains the necessary software to receive discounts for which the Client may qualify. SouthData shall provide bar coding and sort the mail consistent with Postal Service standards.

F. **Postal Compliance Service (Fulfilling US Post Office Requirements)** - The United States Postal Service offers postal discounts for mailings that meet certain USPS specifications. The Postal Rate Commission (PRC) states that Move Update will need to be processed 95 days prior to the mailing in order to qualify for postal discounts. SouthData offers NCOA certification to Client for ~~\$2000~~ \$600/year. This service can be performed at the time the data is received for order processing. The service includes:

- o **Delivery point verification** – The DPV System assists mailers in obtaining accurate delivery address information and facilitates identification of erroneous addresses contained in mailer address files.
- o **Move Update Compliance/National Change of Address - NCOALink** updates name and address mailing lists with new addresses from individuals, families and businesses that have moved and have recorded their new address with the USPS data base.
- o **Reporting of Move Update changes to the client** – This allows the client to receive the most current address information for updating the records within their data file.

- i. **Prices For Standard Items** – Prices for the items in this contract may be viewed in addendums attached to this Agreement and in the item pricing section of the RFP.

G. **Searchable CD's** – SouthData now offers indexed, searchable, color image CD's of mailed documents at a cost of \$25 for each CD. Search options are available for name, account #, bill number, street address and other fields as specified by the client.

i.

H. **Pricing Changes** – The cost reflected in this proposal is based on the current cost of raw materials. Therefore, the quoted costs are valid for 2 years. Postage prices are subject to change as imposed by the USPS.

5. **Term Of Agreement**

The initial term of this Agreement shall be for two years. Subsequent to the initial term, this Agreement shall continue in effect on a year-to-year basis with the same terms and conditions, subject to price changes as agreed upon.

6. **Cancellation**

This Agreement may be cancelled for a documented breach of the terms of the Agreement. The party wishing to cancel the Agreement must provide notice of cause in writing and allow the other party thirty (30) days to remedy the breach. If the breach is not remedied within the thirty-day period, a final written notice must be provided to the breaching party. The Agreement will be cancelled thirty (30) days from receipt of the final notice.

7. **Outsourcing**
SouthData shall perform all services at its facilities and agrees not to outsource any work unless authorized by Client.
8. **Insurance**
During the term of this Agreement, SouthData shall maintain at its expense, liability, property, vehicle and workmen's compensation insurance sufficient to meet the requirements of the State of North Carolina.
9. **Independent Contractor**
SouthData acknowledges that it is at all times performing as an independent contractor. Nothing in this agreement shall constitute or be construed as a creation of a partnership or joint venture between the parties.
10. **Severability**
If any part of this Agreement is found to be invalid or unenforceable, the remaining parts of the Agreement shall continue in force.
11. **Waiverability**
A party's waiver of a breach of any item of this Agreement shall not constitute a waiver of any subsequent breach of the same or another provision of this Agreement.
12. **Governing Law**
The laws of the state of North Carolina shall govern the provisions of this Agreement.

In Witness Whereof, the parties have caused the execution of this instrument, by authority duly given on the day and year first written above.

SouthData, Inc.

Alan Connolly
VP of Sales

Attest: (SEAL)

Attest: (SEAL)

November 2008

Safeguarding Client Data

An Overview of Systems and Procedures

 **SouthData**[™]
Innovative Billing and Imaging

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Safeguarding Client Data

SouthData is a trusted provider of billing and communication products for clients throughout the United States in the financial services, healthcare, government and community association industries. We have the right technology, processes and people, and have proven ourselves capable of meeting the critical demands of banks, insurance companies and government agencies. Whether it is SOX, HIPAA or DPPA, SouthData has the experience and expertise to comply with our client's requirements.

SouthData is committed to the responsible and secure handling of the data entrusted to us by our clients. The company has invested in both personnel and technology to insure that data within our system is secure. Our own integrity and our clients demand nothing less.

Data safeguards are addressed through policies and procedures in several areas:

- Personnel
- Data transmission and access
- Manufacturing controls
- Data storage and integrity

Outlined below is an overview of each of these areas. Details regarding specific equipment or software systems are not released in order to maintain the highest level of confidentiality.

Personnel

While technology is important, the key component of any security system is the people. SouthData has a rigorous process of resume and reference review, including at least two face-to-face interviews with each candidate prior to extending an offer of employment.

As part of the hiring process, all candidates are subjected to a criminal background investigation. The results of this investigation may be cause for the withdrawal of an offer of employment.

Each employee is required to sign a confidentiality and non-disclosure agreement. These agreements are reviewed and updated annually. Additionally, each employee must attend an annual training class addressing confidentiality requirements.

Data Transmission and Access

There are several aspects to data transmission and access, each with different requirements and responsibilities. Both the client and SouthData have responsibilities in this area.

Prior to submitting orders to SouthData, clients will produce data on their computer systems and consolidate it into one or more data files. Up until the point where the client connects to one of the SouthData systems, the client is responsible for safeguarding those files.

Secure SouthData Website

SouthData provides a convenient and secure website for clients to use in submitting orders, tracking the status of the orders, approving or changing proofs related to the orders, and reviewing the billing for the orders. The client's secure SouthData website also allows the client to configure products, review order history and pay invoices.

Authorized Users

Logins to the client's secure SouthData website are controlled with a user name and password that is unique to each user. Initially, the person in the client's office who establishes the account with SouthData will be designated as the administrator for the account.

Only an administrator may add or delete users; identify particular users as an administrator or proof contact or billing contact; or alter the permissions of users. Permissions allow users to place orders, view order history and status, view and approve proofs for orders, view billing information, and make changes to product configurations.

The client is responsible for controlling who has access to their account. SouthData provides user names, passwords and permissions that facilitate that control, but the client grants access by providing a person with login credentials and setting their permissions.

Encrypted Connections

Connections between the client's browser and their secure SouthData website are encrypted using SSL certificates and protocols. These mechanisms provide encryption of all data exchanged between the user and the website. The user can verify that these protocols are being used by looking for the security graphic depicted by their browser (Internet Explorer uses a padlock). A further indication of a secure connection is the address of the website. In the address bar, the address will be shown as `https://republic.southdata.com`. The "s" in https stands for secure and shows that the security protocols are being used.

The latest security enhancement involves the use of an Extended Validation SSL Certificate. The EV Certificate provides further assurance that the site is not a fraudulent or "phishing" site and is a safe place to transact business. These certificates are issued only to businesses eligible under strict validation requirements, and only after passing a rigorous and thorough examination of the company's business credentials.

EV Certificates encode transactions with the highest level of SSL encryption supported by the user's browser. The user will know that they are benefitting from the EV Certificate when the address bar of their Internet browser has a green background.

FTP Site

SouthData provides an FTP site for those clients with the need to transmit very large files or who wish to use automated processes to place orders. A user name and password (separate from the website) is required to access the FTP site. Anonymous access to the site is not allowed.

Although unsecure access can be made available, SouthData recommends that FTP users access the site with the secure FTP (FTPS) protocol that encrypts data transmissions using the SSL Certificate. Using this access method provides the same data security as the website.

When files are sent to the FTP site an order is automatically created and an email acknowledgement is sent to advise the client of the new order. The FTP site can only accept data files for new orders. Information concerning order status or other account-related activities is only available through the client's secure SouthData website.

Internal Access

Access to client data by SouthData personnel is allowed only by authorized users who have been granted login credentials with appropriate permissions. Permissions are granted based on job requirements and will vary throughout the organization. When someone leaves the company their login account is immediately disabled, thus denying them further access to the system and client data. The use of complex passwords is enforced and the system forces users to change their password on a regular basis and to not reuse the same password.

Manufacturing Controls

The document manufacturing process is where client data is applied to paper and the resulting documents are assembled into packages that are delivered to the United States Postal Service. Policies and procedures are in place to address the concerns that arise from manufacturing operations. Those concerns fall into four areas:

- Personnel Integrity
- Document Integrity
- Order Integrity
- Disposal of Bad Documents

Personnel Integrity

SouthData manufacturing personnel must meet the same strict employment standards applied to those involved in order processing. Seasonal temporary workers are required to sign the same confidentiality and non-disclosure agreement as SouthData employees. Temporary workers do not have permissions on company computer systems. They may use computer systems attached to manufacturing equipment, but may not access order processing systems or client data outside of the manufacturing environment.

Document Integrity

SouthData insures the integrity of each document through a combination of computer processes and control marks that are printed on the face of the document components. The control marks consist of OMR (optical mark reader) marks printed perpendicular to the long edge of the page within two inches of either the top or bottom.

The OMR marks contain a page number that is read and verified by the high-speed inserting equipment. Should a page be missing, or a duplicate page be detected, the inserter will reject the document allowing for human intervention.

Order Integrity

The integrity of each order is assured by custom-designed computer programs and the careful application of manufacturing technology. Documents are encoded with a data matrix code in the address block that is read by a camera system on the high-speed inserting equipment. The data matrix code contains a sequence number that is verified by the computer, insuring that all of the documents on the order are actually inserted for mailing.

Disposal of Bad Documents

Modern high-speed printing and inserting equipment will occasionally damage a document such that it no longer meets the high quality standards maintained by SouthData. The damaged documents must be accounted for and disposed of in a manner that does not expose the client data printed on them.

SouthData maintains locked bins on the manufacturing floor that are used for the disposal of damaged documents. Once the document has been re-printed, the damaged document is disposed of in one of the locked bins. Waste disposal personnel control the keys to the bins and will empty them for final disposition of the material.

SouthData contracts with a national firm that specializes in the secure destruction of paper documents. A mobile document destruction vehicle comes to SouthData on a regular schedule. Upon its arrival, the contents of the bins are collected and brought to the truck where the destruction process is overseen by a company manager.

Data Protection and Storage

SouthData maintains more than 13 terabytes (that's 13 followed by 12 zeros) of system information, email and client data. To insure that all of that data is correct and accessible, the company has implemented multiple layers of technology and procedures. Some of those are discussed below.

Physical Security

All computer security systems are based upon the assumption that the bad guys cannot gain physical access to the servers and network components. At SouthData, physical security is maintained through video monitoring of entrances, maintenance of visitor logs and a system of electronic locks activated by individual badges.

Each employee is given a badge with their photograph and a unique electronic signature. The electronic locks in the facility are programmed to allow access to only certain individuals and a person's access can be quickly added or removed as requirements dictate. Electronic logs record the badge number and time of day of all door activations.

The SouthData data center is secured within the Information Technology department. Limited access is provided by a badge-activated electronic lock. A video log is maintained of all people entering or exiting the center.

Network Security

A modern computer network is made up of passive copper wiring connecting active components such as routers, firewalls and switches. As part of the network security procedures, the admin passwords for all network devices are set and tightly controlled to prevent inadvertent or malicious tampering.

Firewall

Network-connected computer systems are subject to being attacked from external sources located, literally, a world away. The first line of defense against such attacks is a computer firewall. SouthData employs multiple firewalls in advanced configurations to isolate network traffic and trap intrusion attempts.

Anti-Malware

Viruses and spam, collectively called malware, constitute the greatest threat to computer operations today. Virus attacks rise with each new weakness discovered in operating systems and spam makes up an ever-growing portion of Internet traffic, representing more than 50% of all email today.

To counter these threats, SouthData relies on malware appliances and anti-malware software. The appliances examine email and files looking for known or suspected malware. If found, the offending items are removed, thus protecting the system and its data.

Anti-malware software is loaded on each workstation and server. The virus databases required by the software are updated daily. Group policies within the system force the use of the software and do not allow an individual user to bypass the protection.

System Updates

The third layer of protection is the regular updating of the workstation operating systems to implement security patches and system enhancements. All workstations are set to automatically install updates. The installation schedule is staggered, with lower priority workstations being done first, and higher priority workstations being done several days later, after correcting any problems that may have been detected.

Data Backup

Making backup copies of large quantities of data is a challenge that SouthData meets through the innovative application of technology. Instead of relying upon a single backup window to complete all of the backup operations, a system of duplicate virtual servers connected with real-time disk replication software runs backups continuously. This creates a much longer backup window than would be possible using the traditional approach and allows for efficient tape backups.

Backup sets are made weekly with daily updates. A copy of the latest set is maintained on a server within the data center for immediate access should it be required. A set of backup tapes is transported to an off-site location to guard against loss of the data center. The first set of backup tapes each month is maintained off-site for one year to serve as the monthly snapshot of the system.

Business Continuity

As part of the professional operation at SouthData, a business continuity expert was engaged to create a business continuity plan. The resulting plan addresses all aspects of company operations and details the procedures for continuing those operations in the face of natural or man-made disasters that affect a facility.

The business continuity plan is reviewed and updated annually by company management. All employees are required to participate in annual training on disrupted operations and business continuity.

Summary

SouthData maintains a comprehensive system of physical security, personnel policies, computer access and encryption programs, manufacturing controls and data storage plans and devices to insure that client data is properly safeguarded. These arrangements are regularly reviewed and updated and are evidence of the company's proactive approach to meeting or exceeding standards for data security and integrity.

The SouthData system successfully processes trillions of bytes of data annually, producing tens of millions of documents, for thousands of clients, in forty states, earning a national reputation for quality, integrity and value.

3. Responsibilities of Client

- A. To provide a list of two-digit category identifiers as outlined in F of the above Definition of Project section,

Client Initials

SouthData Initials

Addendum B Fee Schedule

This Addendum B, Fee Schedule, is made the _____ day of _____, 2010, by and between SouthData, Inc. (hereafter "SouthData") and Chatham County Tax Administration (hereafter "Client").

Imaging Services

Initial Application Setup.....	\$480.00
Image and Verify Leading Document.....	\$0.065
Indexing (per index per image).....	\$0.08

File Delivery

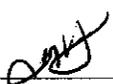
Via FTP.....	Included
Via DVD's (per DVD).....	\$50.00

Programming

Custom Programming (per hour).....	\$125.00
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Miscellaneous Services

Pick-up or Delivery (per mile).....	\$0.75
Pull and Seek (per document).....	\$25.00
Destruction of Documents (per lb.)	\$0.15



Client Initials



SouthData Initials

Addendum C
Retrieval Option - DocuVault™

This Addendum C, Retrieval Option - DocuVault™, is made the ____ day of _____, 2010, by and between SouthData, Inc. (hereafter "SouthData") and Chatham County Tax Administration (hereafter "Client").

DocuVault™

DocuVault™ provides secure online access to the Client's image library. DocuVault™ features secure, password-protected access, and is only accessible to the people you designate, such as your internal staff members. It provides instant 24-hour online confidential access. Customer questions can be answered immediately, and individual documents can be viewed or reprinted as necessary. The DocuVault™ service also maintains a log of when each document is viewed and/or printed by the user. No special training is required to use DocuVault™.

DocuVault™ Fees

Initial Account Setup.....	\$825.00
Access Fee*.....	\$100.00
Data Storage Fee** (per image).....	\$0.0006

*Access Fee is an annual fee of \$1,200.00 to be invoice monthly.

**Data Storage Fee is invoiced at the end of each month for the total number of stored records.



Client Initials



SouthData Initials