Purchasing Division, Finance Department
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Addendum No. 2
Solicitation 26-AA21
Utility Invoice Mailing Services

This addendum serves to notify all bidders of the following changes to the solicitation documents:

1. The bid due date has been moved to **September 2, 2026 by 2:00 PM CT.**

The following are questions that were asked and their subsequent answers in *italics:*

1. Are annual CPI price increases allowed after year one?
    a. *Beginning one year after the agreement's date of attestation, the vendor may request an annual price adjustment based on the actual percentage increase, if any, in the Producer Price Index (PPI) for Printing and Related Support Activities during the preceding 12 months, not to exceed 2.5% per contract year. For example, a 1.8% PPI increase would result in a 1.8% adjustment, while a 5.5% increase would be capped at 2.5%. If the PPI percentage change is lower than the previous year, vendor prices will remain unchanged, with no increase or decrease. No adjustment will be permitted during the initial contract year. Postage will be billed at the actual USPS rates in effect at the time of mailing and is not subject to this annual adjustment.*
2. Will the City provide the sample contract it intends to utilize?
    a. *Please see the attached agreement which will be used when contracting with the awarded bidder.*
3. What is the City's current "Cost to create the invoice, including receiving the data file, paper, printing, return envelope, & prep to mail"?
    a. *$.064*
4. What is the City's current "cost for one additional insert"?
    a. *1st insert is included, additional inserts are $.0106 each.*
5. What is the City's current "cost for postal presort"?
    a. *$.0106*
6. Please describe the "Return postage" cost item to be priced in Exhibit B.
    a. *Please strike the existing Exhibit B in the Bid Package and replace with the updated and attached Exhibit B. The item 'Return Postage' has been struck from the bid item list.*
7. Please confirm that the cost to provide the printed mailing envelope with the Duluth logo and return address should not be included in the Exhibit B pricing item "Cost to create the invoice, including receiving the data file, paper, printing, return envelope, & prep to mail."
    a. *Yes, this is confirmed. The current cost is $.0231.*
8. Please confirm whether the City is paying a fixed postage rate or whether postage is paid as a pass-through of the USPS rates the current vendor is realizing.
    a. *Yes, this is correct.*
9. Is postage cost included in the calculation of a bidder's cost?

a. *No, the City will pay what the current cost of postage is, set by USPS and standard for all bidders.*

10. Does the City allow the vendor to increase postage based on USPS postage rate increases?
    a. *Yes, the City will pay for the current cost of postage at the time of mailing.*

Please acknowledge receipt of this Addendum by initialing and dating Addendum # below the bid form on the invitation for bids.

Posted: August 21, 2026

UPDATED EXHIBIT B - UNIT PRICE BID FORM
26-AA21 UTILITY INVOICE MAILING SERVICES

ALL QUANTITIES ARE ESTIMATES USED FOR COMPARISON AND ARE NOT GUARANTEED

ITEM	QTY	UNIT PRICE (per invoice)	TOTAL
Cost to create the invoice, including receiving the data file, paper, printing, return envelope, & prep to mail.	300,000		$
Cost for one additional insert	300,000		$
Cost for postal presort	300,000		$
Postage (standard one page invoice)	300,000		$
TOTAL ANNUAL ESTIMATED COST FOR STANDARD MAILING (Copy this number onto line 1 on Exhibit A)			$

UNIT PRICING FOR ADDITIONAL SERVICES
PLEASE ADD ANY ADDITIONAL SERVICES & UNIT PRICES NOT ALREADY LISTED

ITEM	UNIT PRICE (per invoice)
Non-bar coded postage	
Two or more inserts (price per additional insert)	
Address change service	
Cost to provide printed mailing envelope (#10 left window with Duluth logo and return address)	
Foreign mail charge	

SERVICES AGREEMENT
(Purchase Order #_____)

This agreement ("Agreement") between the City of Duluth, a Minnesota municipal corporation ("City") and NAME OF SERVICE PROVIDER. ("NAME" or "Service Provider"), with offices located at ADDRESS.

WHEREAS, City desires to enter into an agreement with a service provider to provide DESCRIBE THE SERVICES;

WHEREAS, City issued a Request for Bid (the "RFB") for DESCRIBE THE SERVICES (the "Services");

WHEREAS, NAME is in the business of providing DESCRIBE THE SERVICES to its customers;

WHEREAS, NAME submitted a Response to the RFB (the "Response") and has represented itself as fully capable of providing the Services to its customers and that it is qualified and willing to perform the services set forth in the RFB;

WHEREAS, based on the Response the City has selected NAME as the lowest responsible bidder and wishes to engage NAME to provide the Services;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto agree as follows:

City and Service Provider hereby agree to the following terms and conditions:

1. Services. Service Provider shall provide the following Services:

   DESCRIBE THE SERVICES, described in more detail on the Response attached to this Agreement as Exhibit A and incorporated by reference.

2. Rates/Price and Payment for Services. The rates (the "Rates") for the Services are outlined in Exhibit A. The total amount payable under this agreement shall not exceed dollar amount spelled out ($) unless the contract is modified by formal amendment. Payments shall be made from fund XXX-XXX-XXX. Service Provider shall be paid for the Services within thirty-five (35) days of the City's receipt of an invoice per Minnesota Statutes §471.425. (Include any special terms for price adjustments, prepayment or partial prepayment, etc)

3. Term; Termination. The term of this Agreement shall commence on (either date of attestation or future date) and shall continue, unless earlier terminated as provided for herein, for a period enter term (the "Term"). The Term will renew for XX additional XX (X) year terms (each year a "Renewal Term") unless either Service Provider or City provides the other party with written notice of termination of this Agreement at least sixty (60) days prior to the end of the Term or any Renewal Term. Either party may terminate this Agreement at any time prior to the end of the Term or any Renewal Term due to the other party's material breach of any of its obligations hereunder, which breach has not been cured to the non-breaching party's reasonable satisfaction within a reasonable time, not to exceed ten (10) business days, after receipt of written notice specifying such breach. In addition, during the Renewal Term of this Agreement, either party may terminate this Agreement upon thirty (30) days prior written notice to the other party.

4. Representations and Warranties. Service Provider represents and warrants that:

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i. Service Provider shall perform its respective duties in a professional and diligent manner in the best interests of City and in compliance with all applicable laws.

ii. Service Provider and all personnel to be provided by it hereunder have sufficient training and experience to perform the duties set forth herein and are in good standing with all applicable licensing requirements.

5. Insurance.

A. Service Provider shall provide the following minimum amounts of insurance from insurance companies authorized to do business in the state of Minnesota, which insurance shall indemnify Service Provider and City from all liability described in the Indemnification paragraphs below, subject to the provisions below:

(1) Workers compensation insurance in accordance with applicable law.

(2) Commercial General and Automobile Liability Insurance with limits not less than $1,500,000 Single Limit shall be in a company approved by the City of Duluth and shall provide for the following: Liability for Premises, Operations, Completed Operations, Independent Contractors, and Contractual Liability. Umbrella coverage with a "form following" provision may make up the difference between the commercial general and auto liability coverage amounts and the required minimum amount stated above.

(3) City of Duluth shall always be named as an Additional Insured under the Commercial General and Automobile Liability Policies.

(4) Service Provider to provide Certificate of Insurance evidencing all coverages which shall contain an unconditional requirement that the insurer notify the City without fail not less than 30 days prior to any cancellation, or 10 days prior to any non-renewal of the policy or coverages evidenced by said certificate, and shall further provide that failure to give such notice to City will render any such change or changes in said policy or coverages ineffective as against the City.

B. The insurance required herein be maintained in full force and effect during the life of this Agreement and shall protect Service Provider, its employees, agents and representatives from claims and damages including but not limited to personal injury and death and any act or failure to act by Service Provider, its employees, agents and representatives in the negligent performance of work covered by this Agreement.

C. Certificates showing that Service Provider is carrying the above described insurance in the specified amounts shall be furnished to the City prior to the execution of this Agreement and a certificate showing continued maintenance of such insurance shall be on file with the City during the term of this Agreement.

D. The City of Duluth does not represent or guarantee that these types or limits of coverage are adequate to protect the Service Provider's interests and liabilities.

6. Indemnification.

To the fullest extent permitted by law, Service Provider agrees that it shall defend, indemnify, and hold harmless the City, its officers, employees, and agents, past or present, from and against any and all claims including but not limited to claims for contribution or indemnity, demands, suits, judgments, costs, and expenses (including attorneys' fees) asserted by itself or any person or persons including agents or employees of the City of

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Duluth or the Service Provider by reason of death or injury to person or persons or the loss or damage to property arising out of, or by reason of, any act, omission, operation or work of the Service Provider or its employees while engaged in the execution or performance of services under this Agreement. Said obligations to defend, indemnify, and hold harmless shall include, but not be limited to the obligation to defend, indemnify, and hold harmless the City in all matters where claims of liability against the City arise out of, relate to, are attributable to, are passive or derivative of, or vicarious to the negligent, intentional, or wrongful acts or omissions of the Service Provider, including but not limited to the failure to supervise, breach of warranty, the failure to warn, the failure to prevent such act or omission by Service Provider, its employees, or its agents, and any other source of liability. Said obligations to defend, indemnify, and hold harmless shall be triggered upon the assertion of a claim for damages against City. On ten days' written notice from the City of Duluth, the Service Provider shall appear and defend all lawsuits against the City of Duluth growing out of such injuries or damages. Service Provider shall not be required to indemnify City for amounts found by a fact finder to have arisen out of the sole negligent or intentional acts or omission of the City unless Service Provider should fail to comply with its insurance obligations in this contract to the detriment of City, in which case the Service Provider shall indemnify, defend, and hold harmless the City for any and all amounts except amounts attributed to intentional, willful or wanton acts of the City. This Section, in its entirety, shall survive the termination of this Agreement if any amount of work has been performed by Service Provider. Nothing in this provision shall affect the limitations of liability of the City as set forth in Minnesota Statutes Chapter 466.

The Service Provider understands this provision may affect its rights and may shift liability and specifically agrees to the same.

7. Claims. The Service Provider waives the right to make any claim whatsoever against any officer, agent or employees of the City for, or on account of, anything done, or omitted to be done, in connection with the drafting or ratification of this contract. In addition, if it is determined that this contract was not drafted or ratified in conformity with Minnesota or federal law, or City of Duluth ordinance or charter provisions, or if the contract includes obligations that are void as to Minnesota or federal law or City of Duluth ordinance or charter provisions, the Service Provider agrees to raise no defense and make no claim against the City on the basis of ratification, laches, estoppel, or implied contract. **The Service Provider understands this provision may affect its rights and may shift liability and specifically agrees to the same.**

8. Data, Records and Inspection.
   a. The City agrees that it will make available all pertinent information, data and records under its control for Service Provider to use in the performance of this Agreement, or to assist Service Provider wherever possible to obtain such records, data and information.
   b. All customer addresses and other data or customer information provided to Service Provider by the City pursuant to this Agreement will be confidential and will not be released by Service Provider without prior authorization from the City.
   c. Records shall be maintained by Service Provider in accordance with requirements prescribed by the City and with respect to all matters covered by this Agreement. Such records shall be maintained for a period of six (6) years after receipt of final payment under this Agreement.
   d. Service Provider will ensure that all costs shall be supported by properly executed payrolls, time records, invoices, contracts, vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. All checks, payrolls,

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invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.

e. Service Provider shall be responsible for furnishing to the City records, data and information as the City may require pertaining to matters covered by this Agreement.

f. Service Provider shall ensure that at any time during normal business hours and as often as the City may deem necessary, there shall be made available to the City for examination, all of its records with respect to all matters covered by this Agreement Service Provider will also permit the City to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

9. Independent Contractors. The parties agree that they are independent contractors, and no agency, partnership, employment or joint venture arrangement shall be deemed to exist by virtue of this Agreement, performance hereunder or otherwise. No employee or independent contractor of Service Provider shall be deemed to have any employment or independent contractor relationship with City by virtue of this Agreement or performance hereunder, and such individuals shall have no claim against City for any employee benefits offered to employees of City.

10. Assignment. Service Provider may not assign this agreement. City may assign this Agreement without the prior written consent of Service Provider.

11. Amendment; Entire Agreement. This Agreement embodies the entire understanding of the parties and there are no other agreements or understandings, written or oral, in effect between parties relating to the subject matter hereof. This Agreement may be amended or modified only by an instrument signed by the parties.

12. Applicable Law. This Agreement, together with all of its paragraphs, terms and provisions is made in the state of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in “portable document format” (“.pdf”), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

14. Captions. The captions contained in this Agreement are solely for convenience of reference and are not part of the Agreement and shall not be used in construing this Agreement or in any way affect the meaning or interpretation of this Agreement.

[Remainder of page intentionally left blank. Signature page to follow.]

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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth below.

CITY OF DULUTH

By:

_____

Mayor

Attest:

_____

City Clerk

Date Attested: _____

Countersigned:

_____

City Auditor Date

Approved as to form:

_____

City Attorney Date

SERVICE PROVIDER NAME

By:

_____

Representative

Its:

_____

Title of Representative

Date:_____

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EXHIBIT A

RESPONSE TO REQUEST FOR BID

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