

AN AGREEMENT
BY AND BETWEEN
THE TEXAS A&M UNIVERSITY SYSTEM OFFICES
AND STANDARD PRINTING COMPANY

This Services Agreement (“Agreement”) is entered into and effective January 1, 2020 (the “Effective Date”), by and between The Texas A&M University System (hereafter referred to as “A&M System”), an agency of the state of Texas, and Standard Printing Company (hereafter referred to as “PROVIDER”). A&M System and PROVIDER are sometimes hereafter referred to as “Party” individually or “Parties” collectively).

A&M System and PROVIDER hereby agree as follows:

1. SCOPE OF WORK

PROVIDER will work with A&M System to provide services to print and mail form 1095-C for all member universities and agencies. The services included (but not limited to) in the scope of this Agreement are listed in Exhibit A, attached hereto.

2. TERM OF THE AGREEMENT

The initial term of this Agreement shall begin upon execution and will extend through August 31, 2020. This Agreement can be extended for four (4) additional one (1) year terms upon written agreement of both parties. Any extensions shall be at the same terms and conditions plus any approved changes to be determined by A&M System and negotiated in writing with the PROVIDER.

3. PAYMENT TERMS

A. For the services rendered under this Agreement, A&M System shall pay PROVIDER per the rate sheet in Exhibit B.

Payment will be made to PROVIDER upon approval of such invoice by A&M System. It is the policy of the state of Texas to make payment on a properly prepared and submitted invoice within thirty (30) days of the latter of any final acceptance of performance or the receipt of a properly submitted invoice, in conformance with the Texas Prompt Payment law. Generally, payment will be made on the 30th day unless a discount has been arranged for more immediate payment.

B. All payments shall be made by electronic direct deposit. PROVIDER is required to complete and submit to A&M System a Vendor Direct Deposit Authorization form prior to the first payment request. The form can be accessed at;

<https://www.tamus.edu/business/budgets-and-accounting/accounting/general/> .

C. All invoices must reference the A&M System contract number (which will be provided to PROVIDER within 15 days of the execution of this Agreement) and description of services provided to include but not limited to time, deliverables, and activities.

4. DEFAULT AND TERMINATION

- In the event of substantial failure by PROVIDER to perform in accordance with the terms hereof, A&M System may terminate this Agreement upon fifteen (15) days written notice of termination setting forth the nature of the failure (the termination shall not be effective if the failure is fully cured prior to the end of the fifteen-day period), provided that said failure is through no fault of A&M System.
- A&M System may terminate this Agreement at any time upon thirty (30) days prior notice to PROVIDER.

5. PUBLIC INFORMATION

- A. PROVIDER acknowledges that A&M System is obligated to strictly comply with the Public Information Act, Chapter 552, Texas Government Code, in responding to any request for public information pertaining to this Agreement, as well as any other disclosure of information required by applicable Texas law.
- B. Upon A&M System's written request, PROVIDER will promptly provide specified contracting information exchanged or created under this Agreement for or on behalf of A&M System.
- C. PROVIDER acknowledges that A&M System may be required to post a copy of the fully executed Agreement on its Internet website in compliance with Section 2261.253(a)(1), Texas Government Code.
- D. The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the PROVIDER agrees that the agreement can be terminated if the PROVIDER knowingly or intentionally fails to comply with a requirement of that subchapter.

6. DISPUTE RESOLUTION

The dispute resolution process provided in Chapter 2260, *Texas Government Code*, and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, shall be used by A&M System and PROVIDER to attempt to resolve any claim for breach of contract made by PROVIDER that cannot be resolved in the ordinary course of business. PROVIDER shall submit written notice of a claim of breach of contract under this Chapter to Billy Hamilton, Deputy Chancellor and Chief Financial Officer for A&M System, who shall examine PROVIDER's claim and any counterclaim and negotiate with PROVIDER in an effort to resolve the claim.

7. MISCELLANEOUS

- A. **Indemnification. PROVIDER agrees to indemnify and hold harmless A&M System from any claim, damage, liability, expense or loss to the extent arising out of PROVIDER's negligent or willful errors or omissions under this Agreement.**
- B. **Independent Contractor.** PROVIDER is an independent contractor, and neither PROVIDER nor any employee of PROVIDER shall be deemed to be an agent or employee of A&M System. A&M System will have no responsibility to provide transportation, insurance or other fringe benefits normally associated with employee status. PROVIDER shall observe and abide by all applicable laws and regulations, policies and procedures, including but not limited to those of A&M System relative to conduct on its premises.

- C. **Delinquent Child Support Obligations.** A child support obligor who is more than 30 days delinquent in paying child support and a business entity in which the obligor is a sole proprietor, partner, shareholder, or owner with an ownership interest of at least 25 percent is not eligible to receive payments from state funds under an agreement to provide property, materials, or services until all arrearages have been paid or the obligor is in compliance with a written repayment agreement or court order as to any existing delinquency. The *Texas Family Code* requires the following statement: “Under Section 231.006, *Texas Family Code*, the vendor or applicant certifies that the individual or business entity named in this contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate.”
- D. **Payment of Debt or Delinquency to the State.** Pursuant to Section 2252.903, *Texas Government Code*, PROVIDER agrees that any payments owing to PROVIDER under this Agreement may be applied directly toward certain debts or delinquencies that PROVIDER owes the State of Texas or any agency of the State of Texas regardless of when they arise, until such debts or delinquencies are paid in full.
- E. **Previous Employment.** PROVIDER acknowledges and understands that Section 2252.901, *Texas Government Code*, prohibits A&M System from using state appropriated funds to enter into any employment contract, consulting contract, or professional services contract with any individual who has been previously employed, as an employee, by the agency within the past twelve (12) months. If PROVIDER is an individual, by signing this Agreement, PROVIDER certifies that Section 2252.901, *Texas Government Code*, does not prohibit the use of state appropriated funds for satisfying the payment obligations herein.
- F. **Franchise Tax Certification.** If PROVIDER is a taxable entity subject to the Texas Franchise Tax (Chapter 171, *Texas Tax Code*), then PROVIDER certifies that it is not currently delinquent in the payment of any franchise (margin) taxes or that PROVIDER is exempt from the payment of franchise (margin) taxes.
- G. **State Auditor’s Office.** PROVIDER understands that acceptance of funds under this Agreement constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, “Auditor”), to conduct an audit or investigation in connection with those funds pursuant to Section 51.9335(c), *Texas Education Code*. PROVIDER agrees to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation, providing all records requested. PROVIDER will include this provision in all contracts with permitted subcontractors.
- H. **Entire Agreement.** This Agreement constitutes the sole agreement of the parties and supersedes any other oral or written understanding or agreement pertaining to the subject matter of this Agreement. This Agreement may not be amended or otherwise altered except upon the written agreement of both parties.
- I. **Severability.** If any provisions of this Agreement are rendered or declared illegal for any reason, or shall be invalid or unenforceable, such provision shall be modified or deleted in such manner so as to afford the Party for whose benefit it was intended the fullest benefit commensurate with making this Agreement, as modified, enforceable, and the remainder of this Agreement and the application of such provision to other persons or circumstances

shall not be affected thereby, but shall be enforced to the greatest extent permitted by applicable law.

- J. **Headings.** Headings appear solely for convenience of reference. Such headings are not part of this Agreement and shall not be used to construe it.
- K. **Non-Assignment.** PROVIDER shall neither assign its rights nor delegate its duties under this Agreement without the prior written consent of A&M System.
- L. **Force Majeure.** Neither party is required to perform any term, condition, or covenant of this Agreement, if performance is prevented or delayed by a natural occurrence, a fire, an act of God, an act of terrorism, or other similar occurrence, the cause of which is not reasonably within the control of such party and which by due diligence it is unable to prevent or overcome.
- M. **Loss of Funding.** Performance by A&M System under this Agreement may be dependent upon the appropriation and allotment of funds by the Texas State Legislature (the "Legislature"). If the Legislature fails to appropriate or allot the necessary funds, A&M System will issue written notice to PROVIDER and A&M System may terminate this Agreement without further duty or obligation hereunder. PROVIDER acknowledges that appropriation of funds is beyond the control of A&M System.
- N. **Governing Law.** The validity of this Agreement and all matters pertaining to this Agreement, including but not limited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties, and interpretation or construction, shall be governed and determined by the Constitution and the laws of the State of Texas.
- O. **Venue.** Pursuant to Section 85.18, *Texas Education Code*, venue for any suit filed against A&M System shall be in the county in which the primary office of the chief executive officer of A&M System is located, which is Brazos County, Texas.
- P. **Non-Waiver.** PROVIDER expressly acknowledges that A&M System is an agency of the State of Texas and nothing in this Agreement will be construed as a waiver or relinquishment by A&M System of its right to claim such exemptions, privileges, and immunities as may be provided by law.
- Q. **Conflict of Interest.** By executing this Agreement, PROVIDER and each person signing on behalf of PROVIDER certifies, and in the case of a sole proprietorship, partnership or corporation, each party thereto certifies as to its own organization, that to the best of their knowledge and belief, no member of The A&M System or The A&M System Board of Regents, nor any employee, or person, whose salary is payable in whole or in part by The A&M System, has direct or indirect financial interest in the award of this Agreement, or in the services to which this Agreement relates, or in any of the profits, real or potential, thereof.
- R. **Prohibition on Contracts with Companies Boycotting Israel.** To the extent that Texas Government Code, Chapter 2271 applies to this Agreement, PROVIDER certifies that (a) it does not currently boycott Israel; and (b) it will not boycott Israel during the term of this Agreement. PROVIDER acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.
- S. **Certification Regarding Business with Certain Countries and Organizations.** Pursuant to Subchapter F, Chapter 2252, Texas Government Code, PROVIDER certifies it is not engaged in business with Iran, Sudan, or a foreign terrorist organization. PROVIDER

acknowledges this Purchase Order may be terminated if this certification is or becomes inaccurate.

T. **Prohibition on Contracts Related to Persons Involved in Human Trafficking.** Under Section 2155.0061, Government Code, the vendor certifies that the individual or business entity named in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

U. **Records Retention.** PROVIDER will preserve all contracting information, as defined under Texas Government Code, Section 552.003 (7), related to the Agreement for the duration of the Agreement and for seven years after the conclusion of the Agreement.

V. **Notices.** Any notice required or permitted under this Agreement must be in writing, and shall be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address set out below. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, email or other commercially reasonable means and will be effective when actually received. A&M System and PROVIDER can change their respective notice address by sending to the other party a notice of the new address. Notices should be addressed as follows:

A&M System: The Texas A&M University System
301 Tarrow St., Suite 273
College Station, Texas 77840
Attention: Patty Allison
Phone: (979) 458-6088
Fax: (979) 458-6250
E-mail: PAllison@tamus.edu

PROVIDER: Standard Printing Company
3540 West Lincoln Street
Phoenix, AZ 85009
Attention: Debbie Bogdanski
Phone: (602) 352-2369
Email: iosales@spcio.com

IN WITNESS WHEREOF, intending to be bound, the Parties have entered into this Agreement as of the Effective Date.

The Texas A&M University System

By DocuSigned by: Jeff Zimmermann 1/3/2020 | 16:08:59 CST
E72BE2924E69547F...
Jeff Zimmermann, Director, Procurement and Business Services Date

Standard Printing Company

By DocuSigned by: Debbie Bogdanski 1/3/2020 | 16:48:18 CST
2EA4FF8C4ECF45A...
Debbie Bogdanski, Director of Operations Date

EXHIBIT A – SCOPE

US Postal Service – Postage Methodology

All pre-sorting is done during processing by way of postal software, which allows us to garner the lowest possible postal rates for our customers and to manage the process from start to finish. We also own our own trucks for delivery of mail to the post office.

For your mailings we will utilize first class postage as applied by postage meter. We are responsible for applying the postage to your mailings, versus drawing on your permit account. A meter imprint would be printed in the top right corner of the envelope in lieu of your pre-printed permit indicia. Only the actual postage required for your mailings would be applied and billed to TAMUS, so the cost for your postage would be the same as a permit scenario. We pre-sort your mailing to the lowest automated presort postage rates and apply this amount to the envelope. All mail is taken to the Phoenix Business Mail Entry Unit for processing in our company-owned trucks.

With this method, TAMUS may enjoy additional postage savings, as all mail pieces would meet automation standards and an Intelligent Mail Barcode would be applied to the outbound address. Foreign mail pieces would be metered at the appropriate rate based on delivery address.

Postage checks are written to the US Postmaster, mailed to our physical location, and are deposited with the USPS on your behalf. Funds are drawn on for your mailing and any funds that are not utilized are refunded to you.

1095-C Document Handling

As mentioned in our online submission, we will determine the best way to handle your data files once we are able to review test data. We are able to utilize PDF output if your desire is to keep your export file the same, or we can utilize a .TXT, .XML or other delimited file structure if your system comfortably allows for this type of output.

The majority of our 1095-C clients opt to use an 8.5” x 14” output for their 1095-C forms and print the static IRS instructions on the back of the document.

Implementation Details

Your Project Manager will lead you through our implementation phase, whereby we address your unique data elements and prepare to process your data in a live state.

Implementation Planning

The following is what will occur immediately following your decision to work with IO:

- Introductory call from your Client Specialist to discuss the implementation process
- Delivery of login credentials for file upload
 - Request for test data files

Development: Phase 1

During the first phase of development, the following will occur:

- Your requests and instructions will be researched by IO Development
- The report form for your job will be built and tested by IO Development
- Phase 1 samples will be sent to you for feedback and approval

Development: Phase 2

Following your approval of the Phase 1 Development samples:

- IO Development will move your job into our Production environment and perform a battery of quality control checks
- Phase 2 samples will be produced using test data in our Production environment
- Your staff will be trained on file submission and file tracking

Production: Go-Live

Once you approve Phase 2 items, we are ready to “go live”. What this means is:

- Production is ready to receive your live file
- A final series of quality control checks will be performed by Production and your Client Specialist during your first job
- Live job samples and control totals will be provided to you for approval
- Your documents will mail

Production Workflow

DATA TRANSFER

- Raw data uploaded via secure FTP or secure web-based portal using unique username and password
- Automated acknowledgement email is sent, confirming receipt of data
- Message files are included in file submission, or communicated to your Client Specialist for handling

FILE PROCESSING

- Data is formatted in preparation for mailing
- Quality control documentation is generated
- All job paperwork is created, including required custom materials, inserts and envelopes per application

ADDRESS CORRECTION

- Address information is extracted & CASS-certified through our USPS-certified software
- Non-verified addresses are reported
- Addresses are pre-sorted for postal discounts & postal paperwork is generated

ELECTRONIC CONFIRMATION

- Control Totals, samples and address reports are provided for review
- Reporting includes non-verified addresses

VERIFICATION & APPROVAL

- Reports & samples are reviewed
- Control totals approved

INSERTING & MAILING

- Samples are verified by Production Lead
- Documents are folded and inserted into envelopes
- Specified inserts are employed if required
- Documents are presorted, metered and mailed First Class
- Envelopes are delivered to the USPS in our company-owned trucks

Security

SOC 2 TYPE II CERTIFICATION

We are pleased to state that Information Outsource and Standard Printing Company are SOC 2 Type II certified, thus upholding the highest standards of network and physical security. We adhere to the industry standard best practices for security, consistent with the aforementioned certification.

Highlights of our security measures are detailed below:

- **Network Security:** Our network utilizes Smoothwall Firewall security appliances to keep unauthorized access from external sources. Internal network access is controlled utilizing Windows Active Directories and employees are granted access to specific job-related network resources using group policies. All users are required to update passwords every 90 days and are required to comply with strict complex password criteria.

Our customers access their data through either a secure FTP connection or our secure customer portal on the Information Outsource website. After submission, data is immediately swept behind our firewall to a secure server on the internal network.

All of our servers and workstations are protected with the latest enterprise-level anti-virus and anti-spyware software from McAfee, which is monitored daily. All email traffic is monitored and protected by McAfee as well.

In addition to ensuring the security of your data, we also have procedures in place that ensure our servers are available and functioning, so that your files may be properly received and all electronic billing sites are available. Server checks are performed at the beginning and at the end of the day, as well as continuous monitoring of the electronic billing sites at scheduled times throughout the day and on the weekends.

- **Physical Security:** Our building is completely secured and all visitors are granted access only through the main lobby with a visitor's badge and accompanying authorized employee. Keypad access is required to enter the production area of our facility.

All internal servers are housed in a secure locked server room with separate keypad access granted only to authorized personnel. This server room has its own alarm in addition to the system that arms the building as a whole. Exterior security cameras monitor activity 24 hours a day.

Any spoiled documents that require disposal are locked in secure bins, which are retrieved and shredded onsite by a secure document shredding company.

In addition, our offsite data center allows access only to authorized IO personnel. Photo identification, keypad entry, retinal scan and key card are all required in order to access our servers. The facility is under video surveillance and also guard personnel. Our disaster recovery locations are accessible only by authorized IO personnel, and require keyed entry.

Quality Assurance

Our quality control procedures and performance standards are found at each stage of our workflow, and these procedures are routinely audited to ensure they are comprehensive in their design. Our Quality Control team meets regularly to review areas of risk that could be improved upon by tightening procedures, improving

equipment maintenance or implementing changes in technology. We have put thousands of hours into our quality control practices, which allow for error-free mailings.

We strive for 100% accuracy on every job we run. If for any reason the accuracy is compromised, all necessary steps will be taken to rectify the situation – whether it be a corrected mailing or financial retribution. Details of our Quality Assurance program follow:

Implementation

- Roll-Off & Start-Up meetings held internally to educate teams on new business
- Phase 1 & 2 Development environments created to manage changes and begin testing
- QA review completed by Development, Client Services & Production teams
- QA checklist completed by internal teams prior to client approval
- Client review of all materials, output and connectivity prior to go-live
- Optional: Onsite or remote start-up meeting with client involvement

Live Job Processing & Approval

- Duplicate file identification in place
- Processing Error auto-generation for file issues and Client Specialist notification
- Control Total & Sample generation for client approval
- Client Specialist review of processed job
- Production review of process output

Printing & Insertion

- Quality Assurance checklists to guide operators through battery of checks, including:
 - ✓ Readmarks
 - ✓ Print position
 - ✓ Address completeness & position
 - ✓ Clarity
 - ✓ Paper quality
 - ✓ Correct material usage
- Intelligent inserting equipment that stops if a piece is out of sequence or an insert is mismanaged
- Materials, insert counts, mailing timelines identified on Job Check Sheet

Delivery to USPS

- Mail tray count correct; USPS barcode applied to tray
- Postal paperwork & presort verification complete
- Postage report complete and balanced to actual amount applied by meter
- No co-mingling of mail to allow for a complete audit trail
- Delivery of mail to the USPS Business Mail Entry Unit in our company -owned trucks

Redundancy & Disaster Recovery

Backup Procedures

Knowing that the delivery of your billing documents represents revenue, we understand the importance of timely delivery. Our business model is such that we practice redundancy both in our personnel and in equipment.

Production, Development, and Client Services all work together to service our client accounts, and the Director of Operations regularly monitors all account activity. Cross-training occurs at all levels; if a team member is not available, shared knowledge of open projects and procedures will allow us to service your business in a timely fashion.

All of our production functions (processing, printing and inserting) are able to be performed on at least two other pieces of machinery, so if one piece of equipment is out of service, we are never left without the capability to meet agreed-upon timelines. In addition, our facility houses two-onsite generators to provide power for equipment in the event of a short-term power outage, along with data connections through multiple providers to allow continuous access to customers.

Disaster Recovery

We have a disaster recovery facility in Phoenix, located at 3616 West Thomas Road in Phoenix, which is equipped to mirror our main operation and perform all necessary functions to meet customer commitments in the event of short- or long-term failure. This site contains printing and inserting equipment comparable to the equipment housed in our main facility, which would allow for the processing, printing, inserting and mailing of your documents.

Should facility failure occur:

- A remote data center with multiple power sources and multiple Internet connections mitigates the risk of local site facility failures caused by weather, power failure, etc.
- Disaster recovery site is located several miles away to mitigate against local site facility failures
- Multiple domain controllers are located in different facilities to ensure domain authorizations take places in case of any site failure
- Local backups are stored off-site and transferred via Internet every night
- Scheduled testing occurs routinely

Additionally, our relationships with our paper and envelope vendors would allow for the delivery of supplemental materials within 24 hours.

All data and custom programming is stored and transmitted to our primary and secondary locations through our data center, Phoenix NAP. Phoenix NAP is an offsite data center located at 3402 E. University Drive, in Phoenix, 15 minutes from our primary location. IPSEC VPN tunnel is employed to connect the remote data center to the local office.

Phoenix NAP employs 24x7x365 full customer support and guarantees 100% uptime in a secured, catastrophic free, stable environment. Our servers at this location run parallel to our production equipment, allowing access to our all data in the event of onsite connectivity or access issues. Phoenix NAP is one of the nation's premiere disaster recovery operations, offering redundant power and network infrastructure.

The Data Center was architected, engineered, built and is maintained by a Certified Information System Security Professional and underwent an external black-box penetration test to certify its security with defects remediated. The architecture includes a firewall that performs stateful packet inspection and is configured to allow only business-appropriate traffic to enter the network. Firewall rules are reviewed to reduce risk and modified appropriately.

EXHIBIT B – RATE SHEET

Rate Sheet 1095-C Mailing	
Description	Price per
1095-C Form/Paper <i>Material cost for paper, per sheet</i>	\$.03
#10 Envelopes <i>Double-window outbound envelopes</i>	\$.025
Printing, Insertion & USPS Preparation <i>Includes all first page service costs, including CASS address verification, printing, inserting, pre-sorting, metering and delivery to the USPS</i>	\$.12
Postage <i>Postage is applied based on the make-up of your data file and will range from \$.383 - .50. It is anticipated that the majority of your bills will mail at the \$.383 postage rate due to the concentration of recipients within a specified zip code.</i>	\$.383 - \$.50
Additional Pages <i>If documents exceed a single page, this cost will be incurred per additional page.</i>	\$.08
Programming <i>A programming charge will apply for the initial set up. It is anticipated that approximately 2-3 hours of development time will be required, which is billed at \$115.00 per hour.</i>	\$115.00