Our entire ES&S family joins in sending holiday greetings with every good wish for the new year.

Election Systems & Software
Helping provide better elections, every day!

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You are receiving this email because you are affiliated with elections.

Our mailing address is: Election Systems & Software 11208 John Galt Blvd Omaha, NE 68137
Reynolds, Janet

From: Becker, Richard <richard.becker@essvote.com>
Sent: Wednesday, November 09, 2016 3:20 PM
To: Reynolds, Janet; Trotter, Aly
Cc: Moore, Ron
Subject: ES&S Absentee Ballot Mailing Service Invoicing

Janet & Aly,

Hope you are both doing well and have some relaxation time coming soon once the election wraps up. We are preparing to start our invoicing for our absentee ballot mailing services and wanted to get your input. In the past we invoiced most customers based on our contracts but had a few customers request that we split the ballot costs out separately from the ballot packet (envelopes, instructions, etc) costs. This year we plan on breaking out these costs for all customers to help simplify their process of submitting to you and hopefully keep your process simpler. Below is how we plan on splitting out these costs, please let me know if there is anything we can do differently to help with the state's reimbursement process.

Line items on invoices:

- **Ballot packets- $1.35 each**, this includes the outgoing, return, and ballot here-in envelopes, authorization form, voter instruction form, and labor costs to process data, assemble ballot packets, and address ballot packets. The quantity on this line item will equal the total number of absentee ballots mailed for the customer. Note contract price is $1.75 for each complete addressed and mailed ballot packet so we've split this into $1.35 + $.40 each.
- **Ballots- $.040 each**, The quantity on this line item will equal the total number of absentee ballots mailed for the customer and will match the above number since all customers had a single card ballot.
- **Postage- this will be a single entry including our permit postage and metered postage.**
- **Test ballots- $.35 each**, note this is for additional test ballots for logic & accuracy testing. We provide all counties one of each ballot style for proofing/testing purposes at no cost as part of our service. Not all counties request these test ballots.
- **Freight fees-** FedEx fees for the shipping of test ballots and for shipping completed ballot packets to the counties to be mailed locally when requested by county.

For the most part we do need our invoices to match our contracts but may be able to tweak this plan slightly if it helps your process.

Thank you,

Rick

Rick Becker  |  Production Management Director - Vote by Mail
Election Systems & Software  |  11208 John Galt Blvd. Omaha, NE 68137
O: 727.330.7732  |  C: 727.265.0561
Richard.becker@essvote.com  |  www.essvote.com
Dear Valued Election Official,

ES&S realizes that election success would not be possible without the thousands of election officials and workers across the U.S. (aka YOU). You are on the front lines every election season; ensuring that every vote counts, checking and re-checking equipment and making sure results are reported timely. Truly, election officials are the heroes of the election process.

As we gear up for the finish of this year's Presidential Election Cycle, ES&S wants to celebrate each of the election officials we have the privilege to call partners for their dedication to democracy. The following "Election Worker Tribute" video contains footage from various Primary elections around the U.S. during 2016, giving kudos to the dedication exhibited by each of you responsible for conducting the nation's elections.

We encourage you to watch the video and feel free to share online through your website or social media channels so more people can see the hard work you put in every day!

We hope you feel the same pride watching it as we did producing it. Thank you for all you do for your state, your voters and the elections process.

Love what you saw? Feel free to share the video link through email or from our Facebook account.
Janet,

Comments below, please let us know if any other questions or if you'd like to set up a call Tuesday or Wednesday to talk through any of this or previous info.

Thank you,

Rick Becker  |  Production Management Director - Vote by Mail
O: 727.330.7732  |  C: 727.265.0561

Hi Rick,

I have a couple of more questions. Please excuse my ignorance, but I want to make sure we’re clear on this. I’ve attached a spreadsheet that I developed in order to analyze the invoices we’ve received thus far for the June primaries and runoffs.

- Is there ever a time when a ballot would not be sent via first class? Yes, when mailed at the non-profit postage rate. Use of the non-profit rate is determined by customer preference and if they have the required non-profit authorization from the USPS. We assist the counties with the non-profit authorization application where needed. The non-profit postage rate can save a considerable amount of money when the ballot quantities and mailing timelines allow its use.

- Are test ballots sent to the counties for runoffs? It does not appear that any of the counties received them for the June 28th runoffs. We provide ballot proofs (their ballot PDF prepped for our processing) at no cost to the counties so they can verify the ballot styles are assigned properly. Test ballots are provided by customer request, not all counties request test ballots from us- we can only assume they print on their BOD printers or a local printer.

- For the runoffs, Greenwood's postage is listed on the invoice as “on premise meter”, and all other counties are listed as “USPS/other permit”. You stated in your email that there is no difference between permit postage and on premise postage. Why is it listed differently on the invoice if there is no difference? At one time we listed metered postage and permit postage separately but this caused confusion so we now list all postage or one line. In other states we still split out the postage types (permit vs. meter) in SC cases the combined postage is entered on single line- no difference between lines other simply a case of different staff creating the invoices and choosing a different line.
• Freight fees for the primaries appear to be for mailing of test ballots only. For the runoffs, Greenwood was the only county that had freight fees, which I know were for her expedited freight to return the ballots to the county. In the case of the Primary this is true, other elections they may incur freight charges for test ballots or completed ballot packets shipped to the county for mailing locally.

• What would be indicated on the invoice if a person had their own permit number? In all cases mailings are submitted using our permit otherwise the counties would have an additional expense to open their own permit at our USPS BMEU (business mail entry unit) and fund that permit account. We only charge the county for the actual postage without marking it up so there is no benefit in the county having their own permit. Just info- the permit cost is $225 a year for each permit type- first class or non-profit so our process is saving the counties and state that expense.

• Can you tell me which counties have their own permit number? None of the counties have mailing permits at our Tampa BMEU where we enter their mailings.

We’re almost at the weekend and a tropical storm is outside, so you’re probably not even there today. I hope you’re safe and dry and that you have a good weekend! Thanks for asking we are all safe and just cleaning up storm debris, the northwestern part of the state was hit much worse than our area.

Thank you.

Janet

From: Becker, Richard [mailto:richard.becker@essvote.com]
Sent: Thursday, September 01, 2016 11:52 AM
To: Reynolds, Janet <reynolds@elections.sc.gov>
Cc: Trotter, Aly <atrotter@elections.sc.gov>; Moore, Ron <ron.moore@essvote.com>
Subject: RE: Absentee ballot ki: questions

Good Morning Janet,

Please keep in mind the customer preference and postal rules determine the postage rate used. Using the runoff election as an example none of the customer chose the non-profit rate since it potentially can have slower delivery service. Then based on their mailing quantities and whether the customer wanted the ballots mailed from our facility or from their local post office they could have different first class postage rates. Also be careful to not mix freight fees with postage fees and also know there is not a difference between permit postage and on premises meter postage- At one time we listed the permit postage separately from the metered postage but caused confusion with the counties so we now lump together in one category.

Greenwood requested that we overnight the ballots to their office to be mailed locally. This means they were charged a freight fee for shipping the ballots from Clearwater to Greenwood. Next since they were mailing the ballots from their local post office the ballots we needed to apply full rate first class metered postage.

Anderson chose to have us mail their runoff ballots from our post office at the first class rate (so no freight) and they had less than the pre-sort rate minimum of 500 pieces so they paid the full rate first class rate.

Greenville chose to have us mail their runoff ballots from our post office at the first class rate (so no freight) and they did have over 500 pieces so they paid the pre-sort first class rate.
Spartanburg chose to have us mail their runoff ballots from our post office rate (so no freight) and they had less than the pre-sort rate minimum of 500 pieces so they paid the full rate first class rate.

Note that the different counties are serviced from different postal processing facilities and that plays into their decision on whether they want their ballots mailed from our Tampa postal facility or their local. In some cases when a county delivers their mail to the local post office it is shipped out of state to a North Carolina processing center, processed, shipped back to the counties local postal facility, and then sent out for delivery. Most times in these cases the customer receives better delivery service when the ballots are mailed from our Tampa postal facility. Just trying to help explain why the counties make different choices on this part of the delivery process. Hope the above examples and information help you understand the process and why the invoices differ. Please feel free to call me if it would help to talk through any of this.

Thank you,
Rick

Rick Becker | Production Management Director - Vote by Mail
Election Systems & Software | 11208 John Galt Blvd. Omaha, NE 68137
O: 727.330.7732 | C: 727.265.0561
Richard.becker@essvote.com | www.essvote.com

From: Reynolds, Janet [mailto:jreynolds@elections.sc.gov]
Sent: Thursday, September 01, 2016 11:14 AM
To: Becker, Richard
Cc: Trotter, Aly
Subject: RE: Absentee ballot kit questions
Importance: High

Hi Mr. Becker,

You responded to my question regarding Greenwood County’s charge for absentee ballots for the runoff as indicated below.

I also have invoice # 974069 which was billed for Greenwood County’s ballots for the June 28th runoff. The quantity is 604 “absentee ballot kits” at $1.35 each and 604 “additional ballot for ballot kit” at $.40 each. There is also a freight fee in the amount of $240.53. Please tell me why they were charged a freight fee for the runoff but not for the primary. Also, there is an on premise meter fee of $407.70. Why would it cost $260.58 more to mail 100 less ballots than were mailed for the primary? Due to the tight timeline of the runoff and at the county’s request we applied first class postage ($0.675 each) to the runoff ballot packets and overnighted to the Greenville Election’s office to be mailed locally. Please note that the county can also be charged FedEx freight if they order test ballots as well as for shipping completed ballot packets to their office.

We have three other counties that I have reviewed that used ES&S to process their absentee ballots for the runoff and the amounts were substantially less for the shipping. Is the reason that Greenwood’s was so much more due to the fact that they do not have a non-profit meter number? The other counties postage fees have a description of “USPS/Other Permit” where Greenwood’s are described as “freight fees and on premise meter”. The other counties I have reviewed are Anderson, Greenville, and Spartanburg.

I don’t mean to beat a dead horse, but just want to make sure that I have all of the facts before determining the amounts that the SEC will reimburse for this process.

Thank you so much for your assistance.
From: Becker, Richard [mailto:richard.becker@essvote.com]
Sent: Monday, August 29, 2015 5:07 PM
To: Reynolds, Janet <jreynolds@elections.sc.gov>
Cc: Trotter, Aly <atrotter@elections.sc.gov>; Andino, Marci <marci@elections.sc.gov>; Moore, Ron <ron.moore@essvote.com>
Subject: RE: Absentee ballot kit questions

Hello Janet,

Please see responses below in red.

Thank you,
Rick

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Election Systems & Software | 11208 John Galt Blvd. Omaha, NE 68137
O: 727.330.7732 | C: 727.265.0561
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From: Reynolds, Janet [mailto:jreynolds@elections.sc.gov]
Sent: Monday, August 29, 2015 4:55 PM
To: Becker, Richard
Cc: Trotter, Aly; Andino, Marci
Subject: Absentee ballot kit questions

Hi Mr. Becker,

I left you a telephone message today, but decided to email you instead. We have spoken in the past regarding the breakdown of invoices for counties in South Carolina whom ES&S provides ballot kits. You have answered some of my questions, but I am processing reimbursement requests and am once again trying to discern the process for determining the cost to mail ballots for counties. I am currently working on the reimbursement for Greenwood County and I have invoice # 973426 which was billed for their ballots for the June 14th primary. This invoice has a quantity of 704 "absentee ballot kits" mailed a: $1.35 each. It also has 704 "additional ballot for ballot kit" at .40 each and on premise meter in the amount of $147.12. There is no freight fee on this invoice.

I also have invoice # 974069 which was billed for Greenwood County’s ballots for the June 28th runoff. The quantity is 604 "absentee ballot kits" at $1.35 each and 604 "additional ballot for ballot kit" at .40 each. There is also a freight fee in the amount of $240.53. Please tell me why they were charged a freight fee for the runoff but not for the primary. Also, there is an on premise meter fee of $407.70. Why would it cost $260.58 more to mail 100 less ballots than were mailed for the primary? Due to the tight timeline of the runoff and at the county’s request we applied first class postage ($0.675 each) to the runoff ballot packets and overnighted to the Greenville Election’s office to be mailed locally. Please note that the county can also be charged FedEx freight if they order test ballots as well as for shipping completed ballot packets to their office.

Aly Trotter and I spoke with you following the Presidential Preference Primaries (PPP) regarding these ballot kits and you explained that the on premise meter charge is when ES&S uses their permit number to mail the ballots. I understood you to say at that time that the rate depends on the number of ballots mailed per day and when the amount mailed is over 200 per day, the rate decreases. Three postage rates used based on county preference and mailing quantity- Non-profit which is typically less than $0.20 each requires at least 200 pieces in a mailing and requires the county to apply for
non-profit status with USPS. First Class Pre-Sort- requires at least 500 pieces in a mailing and averages about $0.42 each. Last postage rate we use is First Class metered postage that is $0.675 each (saves .05 compared to a stamp). County preference and mailing quantity determines which of these rates is used.

In the case where ES&S had mailed PPP ballots for Spartanburg County, the invoice included a FedEx charge. You stated that when ballots were requested within a certain number of days prior to the election, the ballots have to be returned by ES&S to the county so that the county can mail them to ensure they arrive timely to the voter. When does the FedEx charge become applicable for counties that need to have their ballots returned to them for mailing? This is based on county preference- if they ask us to pack and ship the ballots to them to be mailed locally then they incur the freight charge.

I also have invoice # 973422 for Oconee County’s ballots. The quantity ordered is 280 at a rate of $1.75 each. Then 208 ballots are listed at .40 each. Freight fees are $20.39 and on premise meter is $69.74. Why wouldn’t the ballot cost for the kit be $1.35 for Oconee County as it is for Greenwood County and why are only 208 ballots billed at .40 each? This could be an invoicing error if you send me a copy of the invoice I can research and have a credit issued if a mistake was made.

Please respond via email. We have discussed various county billing amounts over the last couple of years since the ballot kit service has been available to counties, but I still do not feel as though I understand how the billing amounts are determined. As I stated in previous conversation with you, I need to be able to explain this process in order to reimburse the counties in a fair and consistent manner. I also need to be able to explain the charges to auditors when the SEC is audited.

I appreciate your assistance in this matter.

Janet Reynolds
Director of Administration

South Carolina State Election Commission
P. O. Box 5987
Columbia, SC 29205
803.734.9069
Election Systems & Software
Helping provide better elections, every day!

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You are receiving this email because you are affiliated with elections.

Our mailing address is: Election Systems & Software 11208 John Galt Blvd Omaha, NE 68137

Want to change how you receive these emails?
You can update your preferences or unsubscribe from this list.
Janet,

Please feel free to touch base with us anytime, we are here to help. If you land on a reimbursement plan can you make us aware of it so we can help as well?

Sincerely

Ron

Ron Moore | Vice President Vote by Mail Services
O: 727-330-7732  C: 727.776.5950
ron.moore@essvote.com

Hi Rick,

I really appreciate you and Mr. Moore providing me the information over the past few days. I think I definitely have a better understanding of the process. I can see where the counties were confused, because it is confusing. I’m just trying to make sure that we are consistent in our reimbursement to all counties.

Thank you again.

Janet

Good Morning Janet,

Please keep in mind the customer preference and postal rules determine the postage rate used. Using the runoff election as an example none of the customer chose the non-profit rate since it potentially can have slower delivery service. Then based on their mailing quantities and whether the customer wanted the ballots mailed from our facility or from their local post office they could have different first class postage rates. Also be careful to not mix freight fees with postage fees and also know there is not a difference between permit postage and on premises meter postage- At one
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O: 727.330.7732  |  C: 727.265.0561
Richard.becker@essvote.com  |  www.essvote.com

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Sent: Thursday, September 01, 2016 11:14 AM
To: Becker, Richard
Cc: Trotter, Aly
Subject: RE: Absentee ballot kit questions
Importance: High

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Sent: Monday, August 29, 2016 5:07 PM
To: Reynolds, Janet <reymonds@elections.sc.gov>
Cc: Trotter, Aly <atrotter@elections.sc.gov>; Andino, Marci <marci@elections.sc.gov>; Moore, Ron <ron.moore@essvote.com>
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I appreciate your assistance in this matter.

Janet Reynolds
Director of Administration

South Carolina State Election Commission
P. O. Box 5987
Columbia, SC  29205
803.734.9069
Hi Janet,

I have attached a standard Contract we use in South Carolina. Hope this helps!!

Give me a call if you have any questions.

Sincerely

Ron

Ron Moore | Vice President Vote by Mail Services
O: 727-330-7732 C: 727.776.5950
ron.moore@essvote.com

---

Hi Mr. Moore,

Thank you for this information. Is there an Exhibit B that we should review as well?

Janet

---

Hi Marci and Janet,

As requested we have sent a list of the fees and services associated with Vote by Mail. Please review at your convenience and let us know if you have questions or need additional information.

Let us know how we can help!

Sincerely

Ron
From: Andino, Marci [mailto:marci@elections.sc.gov]
Sent: Monday, August 29, 2016 9:08 PM
To: Moore, Ron
Subject: Re: ES&S Vote by Mail Service

Thanks, Ron. Really appreciate your quick response.

Sent from my iPad

On Aug 29, 2016, at 9:04 PM, Moore, Ron <ron.moore@essvote.com> wrote:

Thanks Marci,

We will get you the list in the morning.

Have a great evening!

Sincerely

Ron

From: Andino, Marci [mailto:marci@elections.sc.gov]
Sent: Monday, August 29, 2016 7:11 PM
To: Moore, Ron
Cc: Beeson, Mac; Reynolds, Janet
Subject: Re: ES&S Vote by Mail Service

Thank you, Ron. Janet’s email is included.

Sent from my iPhone

On Aug 29, 2016, at 6:46 PM, Moore, Ron <ron.moore@essvote.com> wrote:

Marci,

Hope you are doing well!

I left a message on your phone in regard to county invoicing. Please call whenever you are able to discuss as there are a couple of variable items a county can be invoiced for and they can be quite difficult to understand in an email.

We will try to reach out to you tomorrow as well.

Sincerely
ELECTION SYSTEMS & SOFTWARE, LLC
BALLOT PROCESSING, PRINTING AND MAILING SERVICES AGREEMENT

This Agreement is made as of the date it is executed by the last of the parties named below (the “Effective Date”),

BETWEEN:  ELECTION SYSTEMS & SOFTWARE, LLC (“ES&S”);

AND:  _______________________ (“Customer”).

REQUITALS:

A.  ES&S is a provider of ballot processing, printing and mailing services to government and other entities and Customer has agreed to engage the services of ES&S for the purpose of ES&S providing its ballot processing, printing and mailing services to the Customer in ______________________ (the “Jurisdiction”). The terms and conditions under which such services shall be provided are set forth in the GENERAL TERMS attached hereto.

B.  The following Exhibits are incorporated into, and constitute an integral part of, this Agreement (check all that apply):

   _X_ Exhibit A (Pricing Summary)
   _X_ Exhibit B (ES&S Ballot Processing Services)

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the parties hereto:

•  Agrees to the GENERAL TERMS and the terms and conditions set forth in each Exhibit attached hereto and incorporated herein.

•  Agrees that at all times, this Agreement shall be governed by and construed in accordance with the laws of the State of __________, without regard to conflicts of law principles that would require the application of the laws of any other state.

•  Represents and warrants to the other party that as of the date of its signature below it has full power and authority to enter into and perform this Agreement, and that the person signing below on its behalf has been properly authorized to execute this Agreement.

•  Acknowledges that it has read this Agreement, understands it and intends to be bound by it.

ELECTION SYSTEMS & SOFTWARE, LLC
11128 John Galt Boulevard
Omaha, Nebraska 68137
Fax No.: (402) 970-1291
Email:

Signature
Name (Printed or Typed)
Title
Date

Customer name
Address
City, ST and Zip
Fax No.: Email:

Signature
Name (Printed or Typed)
Title
Date
GENERAL TERMS
ARTICLE 1

BALLOT PROCESSING SERVICES AND FEES

1.1 Ballot Processing, Printing and Mailing Services. Subject to the terms and conditions of this Agreement, ES&S shall provide the Customer with ballot processing, printing and mailing services ("Ballot Processing Services") for all Customer elections occurring during the Term of the Agreement. The specific Ballot Processing Services provided by ES&S and each party's obligations with respect to such services are set forth on Exhibit B.

1.2 Ballot Processing Services Fees. In consideration for ES&S providing the Ballot Processing Services, Customer shall pay ES&S the fees set forth on Exhibit A for each election in which ES&S provides the Ballot Processing Services during the Term of the Agreement. ES&S reserves the right to adjust the Ballot Processing Services Fees annually during the term of the Agreement in the event ES&S experiences unforeseen increases in the cost of ballot paper, envelopes and/or ballot printer consumables. ES&S shall notify Customer, in writing, of such price increase by providing Customer with ninety (90) days advanced written notice.

1.3 Standards. ES&S shall perform the Ballot Processing Services in a prompt, efficient and workerlike manner, according to industry standards and the timelines agreed upon between ES&S and the Customer. The Customer acknowledges and agrees that the performances by ES&S of the Ballot Processing Services are contingent upon the Customer providing ES&S with accurate and timely information. The Customer further acknowledges and agrees that ES&S shall not be liable for any delays or inaccuracies which are directly or indirectly related to the acts, errors or omissions by the Customer. Each party shall comply with all applicable federal and state laws, regulations, rules and ordinances in performing their respective obligations hereunder.

1.4 Disclaimer of Warranties. ES&S EXPRESSLY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, WHICH ARE NOT SPECIFICALLY SET FORTH IN THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE 2
MICELLANEOUS

2.1 Term; Termination. This Agreement shall be effective for a _______ year period beginning on the Effective Date (the "Initial Term"). The Initial Term shall automatically renew for an unlimited number of successive one year period unless otherwise agreed to, in writing, by the parties (each a "Renewal Period"). The Initial Term and all Renewal Periods shall be collectively referred to herein as the "Term". The Term shall continue until this Agreement is terminated by the first to occur of the following (i) either party's election to terminate it upon the expiration of the Initial Term or any Renewal Period thereof, written notice of such election shall be given to the other party at least sixty (60) calendar days prior to the expiration of the Initial Term or any Renewal Period; (ii) the date which is thirty (30) days after either party notifies the other that it has materially breached this Agreement, if the breaching party fails to cure such breach (except a breach as provided in (iii) below which will require no notice), (iii) Customer's failure to make any payment due hereunder within thirty (30) days after it is due or (iv) in the event that funds are not appropriated or otherwise made available to support the continuation of performance by Customer hereunder in any fiscal period; provided that this subsection 2.1(iv) shall not be construed so as to permit Customer to terminate this Agreement in order to acquire Ballot Processing Services from a third party. In the event of early termination by ES&S due to (a) a breach of this Agreement by Customer, (b) Customer's failure to pay any amounts owed under this Agreement or (c) the failure of Customer to appropriate funds to make the payments due under this Agreement, Customer shall pay ES&S for all services performed and fees earned up through the date of termination.
2.2 **Limitation Of Liability.** Neither party shall be liable for any indirect, incidental, punitive, exemplary, special or consequential damages of any kind whatsoever arising out of or relating to this Agreement. Neither party shall be liable for the other party’s negligent or willful misconduct. ES&S’ total liability to Customer arising out of or relating to this Agreement shall not exceed the aggregate amount actually paid to ES&S hereunder. Any action by Customer against ES&S must be commenced within one (1) year after the cause of action has accrued. By entering into this Agreement, Customer agrees to accept responsibility for (a) the selection of the ES&S Ballot Processing Services to achieve Customer's intended results; (b) the selection of, use of and results obtained from any equipment, software or services not provided by ES&S; or (c) Customer errors, included errors in Customer data provided to ES&S, user errors, voter errors or problems encountered by any individual in the election process that are not otherwise a result of the failure of ES&S to perform its obligations under this Agreement.

2.3 **Taxes; Interest.** Customer shall provide ES&S with proof of its tax-exempt status. If Customer does not provide such proof, it shall pay, or shall reimburse ES&S for, all sales and use, excise or other similar taxes imposed on the transactions contemplated by this Agreement; provided, however, Customer shall in no event be liable for taxes imposed on or measured by ES&S' income. If Customer disputes the applicability of any tax to be paid pursuant to this Section 2.3, it shall pay the tax and may thereafter seek a refund. Any disputed or undisputed payment not paid by Customer to ES&S when due shall bear interest from the due date at a rate equal to the lesser of one and one-half percent (1.5%) per month or the maximum amount permitted by applicable law for each month or portion thereof during which it remains unpaid.

2.4 **Indemnification.** Customer shall indemnify and hold harmless ES&S from and against any and all Adverse Consequences arising out of or relating to the following:

- **a.** Any third party Infringement Claim resulting from (i) the use of any ES&S software or ES&S equipment in combination with other equipment, hardware or software not meeting ES&S’s specifications for use with such ES&S software or ES&S equipment; or (ii) Customer’s modification or alteration of any item of ES&S software or ES&S equipment without the prior written consent of ES&S;

- **b.** Any claims by Third Parties arising out of or relating to the use or misuse by Customer, its employees and any other persons under its authority or control (“Customer’s Representatives”) of any third party items; and

- **c.** Personal injury (including death) or property damage that is caused by any negligent or willful act, error or omission of one or more of Customer’s Representatives.

ES&S shall notify Customer immediately if it becomes aware of any claim for which it may be entitled to indemnification under this Section 2.4, and hereby gives Customer full and complete authority, and shall provide such information and assistance as is necessary (at Customer’s expense with respect to reasonable out-of-pocket costs), to enable Customer to defend, compromise or settle any such claim.

2.5 **Excusable Nonperformance.** Except for obligations to make payments hereunder, if either party is delayed or prevented from performing its obligations under this Agreement as a result of any cause beyond its reasonable control, including acts of God, fire, riots, acts of war, terrorism or insurrection, labor disputes, transportation delays, governmental regulations and utility or communication interruptions, the delay shall be excused during the continuance of, and to the extent of, such cause, and the period of performance shall be extended to the extent necessary to allow performance after the cause of delay has been removed. ES&S agrees to work with Customer, at Customer’s request, to develop mutually agreeable alternatives in order to minimize the negative impact of any such delay.

2.6 **Assignment.** Except in the case of a sale, transfer or assignment of all or substantially all of the assets of ES&S to a successor who has asserted its intent to continue the business of ES&S, neither party may assign or transfer this Agreement or assign, subcontract or delegate any of its rights,
duties or obligations hereunder without the prior written consent of the other party hereto, such consent not to be unreasonably withheld or conditioned, nor unduly delayed.

2.7 **Entire Agreement.** This Agreement, including all exhibits hereto, shall be binding upon and inure to the benefit of the parties and their respective representatives, successors and assigns. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes any and all prior and contemporaneous agreements and understandings, whether oral or written, regarding the subject matter hereof. Any provision of any such form or agreement that conflicts with or is in addition to the provisions of this Agreement shall be of no force or effect. No waiver, amendment or modification of any provision of this Agreement shall be effective unless in writing and signed by the party against whom such waiver, amendment or modification is sought to be enforced. No consent by either party to, or waiver of, a breach by either party shall constitute a consent to, or waiver of, any other different or subsequent breach by either party. The headings preceding the text of the Sections herein are inserted solely for convenience of reference, and shall not constitute a part of this Agreement, nor shall they affect the meaning, construction or effect of this Agreement.

2.8 **Notice.** Any notice or other communication required or permitted hereunder shall be in writing, and will be deemed given when (a) delivered personally, (b) sent by confirmed fax, (c) sent by commercial overnight courier (with written verification of receipt), (d) sent by electronic mail communication with confirmation of receipt, or (e) sent by registered or certified mail, return receipt requested, postage prepaid, when the return receipt is received. All communications shall be sent to the attention of the persons listed on the signature page to this Agreement and at the addresses, fax numbers or email addresses set forth on such signature page unless other names, addresses, fax numbers or email addresses are provided by either or both parties in accordance herewith.

2.9 **Disputes.**
   a. **Payment of Undisputed Amounts.** In the event of a dispute between the parties regarding (1) a product or service for which payment has not yet been made to ES&S, (2) the amount due ES&S for any product or service, or (3) the due date of any payment, Customer shall nevertheless pay to ES&S when due all undisputed amounts. Such payment shall not constitute a waiver by Customer or ES&S of any of its rights and remedies against the other party.

   b. **Remedies for Past Due Undisputed Payments.** If any undisputed payment to ES&S is past due more than thirty (30) days, ES&S may suspend performance under this Agreement until such amount is paid.

2.10 **Other.** ES&S is providing the Ballot Processing Services to Customer as an independent contractor, and shall not be deemed to be a "state actor" for purposes of 42 U.S.C. § 1983. The provisions of section 1.4 and sections 2.2-4.10 of these General Terms shall survive the termination of this Agreement, to the extent applicable.

[END OF GENERAL TERMS]
**EXHIBIT A**  
**FEE SCHEDULE**

<table>
<thead>
<tr>
<th>Description</th>
<th>Refer to</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mailing fee per envelope processed as set forth on Exhibit B</td>
<td>Exhibit B</td>
<td>$1.75 per envelope processed</td>
</tr>
<tr>
<td>(Fee includes the processing of 1 page ballot, black and white, up to 18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>inches in length</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Ballot fee for each additional black and white ballot, up to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 inches in length, printed inserted, matched, and verified in a single</td>
<td></td>
<td></td>
</tr>
<tr>
<td>envelope</td>
<td>Exhibit B</td>
<td>$0.40 per each additional ballot</td>
</tr>
<tr>
<td></td>
<td></td>
<td>processed</td>
</tr>
<tr>
<td>Additional Test Decks</td>
<td></td>
<td>$0.35 per ballot, plus delivery</td>
</tr>
<tr>
<td>Additional Inserts</td>
<td></td>
<td>$0.10 per insert</td>
</tr>
<tr>
<td>I voted Sticker</td>
<td></td>
<td>$0.05 per sticker</td>
</tr>
</tbody>
</table>

**Terms & Conditions:**

**Note 1:** Except as specifically set forth in Exhibit B, any applicable state and local taxes are not included, and are the responsibility of Customer. See Section 2.3. Premium or rush transportation services incurred in connection with the Ballot Processing Services are additive and will be billed as incurred.

**Note 2:** Invoicing and Payment terms are as follows:
100% of Total Invoice Amount due within thirty (30) calendar days of receipt of ES&S’ invoice. Postage will be billed at the end of the election and will be a separate line item on the invoice.
EXHIBIT B
BALLOT PROCESSING SERVICES AND OBLIGATIONS

The Ballot Processing Services to be provided by ES&S are described below. Customer acknowledges that ES&S’s fees for support services are based on the descriptions listed below, and that a change in the descriptions may require ES&S to change the fees charged to Customer.

Ballot Mailing Services
ES&S will provide the following services and functions related to the printing and mailing of absentee ballots:

Mail File Preparation
• Once per day, by 5:00PM EST, Customer will provide ES&S the following absentee request files for mailing: Domestic Civilians.
• ES&S will process absentee request files through CASS certified software in order to obtain valid Delivery Point Barcode data.
• ES&S will use DPBC data to create an Intelligent Mail Barcode in order to facilitate postal discounts and tracking of ballots during USPS transit.
• All files provided to ES&S will be uploaded through the ES&S website.

Ballot File Preparation
• Customer will provide ES&S a PDF for each ballot style to be used in an election. This will be the same PDF used for Election Day and Ballot On Demand ballots. One PDF will suffice for all ballot services.
• Customer will provide ES&S with a relationship table that identifies all active ballot styles for each election and the ballot PDF that corresponds with that style.
• ES&S will crop and electronically prepare ballots for printing.
• ES&S will produce a test deck of each ballot style for purposes of customer proofing and verification at no charge. No ballots will be mailed until said test deck has been run and tabulation verified. ES&S can provide additional test decks or L&A test decks at the prices listed below.

Mail Processing
• ES&S will provide the outside mailing envelope, return mailing envelope, voters ID envelope, Ballot Herein envelope, voters instructions and the authorization form
• ES&S will print a ballot(s) for each voter in the absentee request file that corresponds to that voter's ballot style in the relational table.
• ES&S will insert voter return envelope, voter ID envelope, Ballot Herein envelope, voters instructions, and authorization form into the mailing envelope.
• ES&S will print the outbound voter’s address onto the mailing envelope along with the intelligent mail barcode for tracking purposes.
• ES&S will print voter’s return information, including voter unique barcode, onto the ID envelope.
• ES&S will scan and capture an image of each outbound mail envelope to verify completion of each ballot package.
Postal Processing
- ES&S will process and prepare all outbound mail pieces for submission to the USPS at the lowest appropriate automation postal rate.
- Mail volumes of greater than 200 pieces of CASS certified, non-forwarded pieces will be sorted and submitted at the qualifying Non Profit, Standard Class rate.
- Mail volumes of less than 200 pieces of mail will be submitted at the appropriate 1st class mail rate.
- Regular Outgoing Domestic Envelopes will carry the endorsement of "Return Service Requested". Undeliverable mail pieces will be returned to the Customer with the reason for non-delivery. The USPS will charge first class postage for these pieces.
- Outgoing envelopes will carry an Indicia which bears Permit #1652, no location or mail drop post mark will be visible to the voter.
- ES&S will produce all necessary postal documentation for mail submission and tracking.
- Mail pieces will be dropped at a bulk mail acceptance unit as agreed upon with Customer.

Postage and Postal Permitting
- Customer must request and obtain a nonprofit permit (PS Form 3624) through the USPS.
- Customer must obtain permit imprint account number and request a ghost permit to allow ES&S to mail their nonprofit pieces.
- Customer will be invoiced for postage funds immediately after the election. This will be a separate line item on the invoice.

Service Level Standards
ES&S agrees to complete ballot printing and mail processing for customer submitted files, as follows:
- Initial Large File Run for CivDom – Complete all processes and deliver mail to the USPS within seven (7) business days after receipt of Voter Registration ("VR") request file on a date to be designated by ES&S.
- Daily File Run: Complete all processes and deliver mail to the USPS the following business day after receipt of VR request file. The VR request file is to be sent to ES&S by no later than 5:00 PM EST.

Mail Ballot Tracking and Reporting
ES&S will provide password protected access for the BallotTracker system to Customer as a means to monitor and track the status of mail ballots.

BallotTracker Functionality
The BallotTracker will provide access to the following mailing processing information for any individual voter whose request has been received in an absentee request file:
- Date and Time VR Request file was received.
- Date and Time Ballot was Printed.
- Description of ballot, including ballot style, number of pages and access to image of ballot PDF for that style.
- Date and Time Ballot Package was mailed.
- Description of ballot package, including thickness of mail piece, verification of ballot style inserted into envelope and image of outbound envelope processed.
• Confirm Tracking data regarding delivery status and details of mail piece delivery during USPS transit.

Service Fees
Customer agrees to pay ES&S fees as follows:
• Fee of $1.75 per envelope packet processed as described herein including a 1 page ballot, black and white, up to 18 inches in length, 3 envelopes and up to 2 instruction sheets
• A $.40 Fee will be charged for each additional black and white ballot, up to 18 inches in length, printed, inserted, matched, and verified in a single envelope
• A $.35 Fee will be charged for each black and white ballot up to 18 inches in length ordered for Test Decks, these ballots will not be folded.

County agrees to use ES&S's Mail Ballot Processing Services for the ________
Elections.

County Acknowledges that it has read this Agreement, understands it and intends to be bound by it for the term mentioned above.

ELECTION SYSTEMS & SOFTWARE, LLC
11128 John Galt Boulevard
Omaha, Nebraska 68137
Fax No.: (402) 970-1291
Email: 

Signature

Customer name____________________________________
Address_________________________
City, ST and Zip_____________________
Fax No.: _______________________
Email: _______________________

Signature

Name (Printed or Typed) __________________________________________________________
Name (Printed or Typed) __________________________________________________________

Title _________________________________________________________________________
Title _________________________________________________________________________

Date _________________________________________________________________________
Date _________________________________________________________________________
Hi Mr. Moore,

Thank you for this information. Is there an Exhibit B that we should review as well?

Janet

From: Moore, Ron [mailto:ron.moore@essvote.com]
Sent: Tuesday, August 30, 2016 10:51 AM
To: Andino, Marci <marci@elections.sc.gov>; Reynolds, Janet <jreynolds@elections.sc.gov>
Cc: Beeson, Mac <dmbeeson@essvote.com>; Becker, Richard <richard.becker@essvote.com>
Subject: RE: ES&S Vote by Mail Service

Marci and Janet,

As requested we have sent a list of the fees and services associated with Vote by Mail. Please review at your convenience and let us know if you have questions or need additional information.

Let us know how we can help!

Sincerely

Ron

Ron Moore  |  Vice President Vote by Mail Services
O: 727-330-7732  C: 727.776.595C
ron.moore@essvote.com

From: Andino, Marci [mailto:marci@elections.sc.gov]
Sent: Monday, August 29, 2016 9:08 PM
To: Moore, Ron
Subject: Re: ES&S Vote by Mail Service

Thanks, Ron. Really appreciate your quick response.

Sent from my iPad

On Aug 29, 2016, at 9:04 PM, Moore, Ron <ron.moore@essvote.com> wrote:

Thanks Marci,

We will get you the list in the morning.

Have a great evening!
Sincerely

Ron

Ron Moore | Vice President Vote by Mail Services
O: 727-330-7732  C: 727.776.5950
ron.moore@essvote.com

From: Andino, Marci [mailto:marci@elections.sc.gov]
Sent: Monday, August 29, 2016 7:11 PM
To: Moore, Ron
Cc: Beeson, Mac; Reyrolds, Janet
Subject: Re: ES&S Vote by Mail Service

Thank you, Ron. Janet’s email is included.

Sent from my iPhone

On Aug 29, 2016, at 6:46 PM, Moore, Ron <ron.moore@essvote.com> wrote:

Marci,

Hope you are doing well!

I left a message on your phone in regard to county invoicing. Please call whenever you are able to discuss as there are a couple of variable items a county can be invoiced for and they can be quite difficult to understand in an email.

We will try to reach out to you tomorrow as well.

Sincerely

Ron

Ron Moore | Vice President Vote by Mail Services
Election Systems & Software | 11208 John Galt Blvd. Omaha, NE 68137
O: 727.330.7732  C: 727.776.5950 | ron.moore@essvote.com | www.essvote.com
Howard,

We are so glad to hear about the absentee/mail ballot export with date ranges as this will help the counties tremendously.

As requested I'm sending you a list of counties we will be serving during the 2016 Presidential General Election. Let me know if you have any questions or need additional information.

South Carolina

Aiken County
Anderson County
Beaufort
Berkeley County
Charleston County
Dorchester County
Greenville County
Greenwood County
Horry
Lancaster County
Laurens County
Marlboro
Oconee County
Orangeburg
Richland County
Spartanburg County
York County

Sincerely

Ron
Thank you, Ron. Janet and I will review the information you provided and get back to you with any questions we might have.

Thanks again.

From: Moore, Ron [mailto:ron.moore@essvote.com]  
Sent: Tuesday, August 30, 2016 10:51 AM  
To: Andino, Marci <marci@elections.sc.gov>; Reynolds, Janet <jreynolds@elections.sc.gov>  
Cc: Beeson, Mac <dmbeeson@essvote.com>; Becker, Richard <richard.becker@essvote.com>  
Subject: RE: ES&S Vote by Mail Service

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To: Moore, Ron
Cc: Beeson, Mac; Reynolds, Janet
Subject: Re: ES&S Vote by Mail Service

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    We will try to reach out to you tomorrow as well.

    Sincerely

    Ron
Reynolds, Janet

From: Becker, Richard <richard.becker@essvote.com>
Sent: Tuesday, August 30, 2016 11:07 AM
To: Reynolds, Janet
Subject: RE: Absentee ballot kit questions

Good Morning Janet,

That was an error on the Oconee County invoice, as you pointed out they should have been charged for 280 ballot kits at $1.35 each and then 280 ballots at $0.40 each. The amount overcharged is $83.20 and I will contact Ms. Scharich in Oconee County to see if she would like a credit or refund issued.

Thank you,
Rick

Rick Becker  |  Production Management Director - Vote by Mail  
O: 727.330.7732  |  C: 727.265.0561

From: Reynolds, Janet [mailto:jreynolds@elections.sc.gov]  
Sent: Monday, August 29, 2016 5:44 PM  
To: Becker, Richard  
Subject: RE: Absentee ballot kit questions

Please see attached invoice for Oconee County

From: Becker, Richard [mailto:richard.becker@essvote.com]  
Sent: Monday, August 29, 2016 5:07 PM  
To: Reynolds, Janet <jreynolds@elections.sc.gov>  
Cc: Trotter, Aly <atrotter@elections.sc.gov>; Andino, Marci <marci@elections.sc.gov>; Moore, Ron <ron.moore@essvote.com>  
Subject: RE: Absentee ballot kit questions

Hello Janet,

Please see responses below in red.

Thank you,
Rick

Rick Becker  |  Production Management Director - Vote by Mail  
Election Systems & Software  |  11208 John Galt Blvd. Omaha, NE 68137  
O: 727.330.7732  |  C: 727.265.0561  
Richard.becker@essvote.com  |  www.essvote.com

From: Reynolds, Janet [mailto:jreynolds@elections.sc.gov]  
Sent: Monday, August 29, 2015 4:55 PM  
To: Becker, Richard
Hi Mr. Becker,

I left you a telephone message today, but decided to email you instead. We have spoken in the past regarding the breakdown of invoices for counties in South Carolina whom ES&S provides ballot kits. You have answered some of my questions, but I am processing reimbursement requests and am once again trying to discern the process for determining the cost to mail ballots for counties. I am currently working on the reimbursement for Greenwood County and I have invoice # 973426 which was billed for their ballots for the June 14th primary. This invoice has a quantity of 704 “absentee ballot kits” mailed at $1.35 each. It also has 704 “additional ballot for ballot kit” at .40 each and on premise meter in the amount of $147.12. There is no freight fee on this invoice.

I also have invoice # 974069 which was billed for Greenwood County’s ballots for the June 28th runoff. The quantity is 604 “absentee ballot kits” at $1.35 each and 604 “additional ballot for ballot kit” at .40 each. There is also a freight fee in the amount of $240.53. Please tell me why they were charged a freight fee for the runoff but not for the primary. Also, there is an on premise meter fee of $407.70. Why would it cost $260.58 more to mail 100 less ballots than were mailed for the primary? Due to the tight timeline of the runoff and at the county’s request we applied first class postage ($0.675 each) to the runoff ballot packets and overnighted to the Greenville Election’s office to be mailed locally. Please note that the county can also be charged FedEx freight if they order test ballots as well as for shipping completed ballot packets to their office.

Aly Trotter and I spoke with you following the Presidential Preference Primaries (PPP) regarding these ballot kits and you explained that the on premise meter charge is when ES&S uses their permit number to mail the ballots. I understood you to say that time that the rate depends on the number of ballots mailed per day and when the amount mailed is over 200 per day, the rate decreases. Three postage rates used based on county preference and mailing quantities- Non-profit which is typically less than $0.20 each requires at least 200 pieces in a mailing and requires the county to apply for non-profit status with USPS. First Class Pre-Sort- requires at least 500 pieces in a mailing and averages about $.42 each. Last postage rate we use is First Class metered postage that is $.675 each (saves .05 compared to a stamp). County preference and mailing quantity determines which of these rates is used.

In the case where ES&S had mailed PPP ballots for Spartanburg County, the invoice included a FedEx charge. You stated that when ballots were requested within a certain number of days prior to the election, the ballots have to be returned by ES&S to the county so that the county can mail them to ensure they arrive timely to the voter. When does the FedEx charge become applicable for counties that need to have their ballots returned to them for mailing? This is based on county preference- if they ask us to pack and ship the ballots to them to be mailed locally then they incur the freight charge.

I also have invoice # 973422 for Oconee County’s ballots. The quantity ordered is 280 at a rate of $1.75 each. Then 208 ballots are listed at .40 each. Freight fees are $20.39 and on premise meter is $69.74. Why wouldn’t the ballot cost for the kit be $1.35 for Oconee County as it is for Greenwood County and why are only 208 ballots billed at .40 each? This could be an invoicing error if you send me a copy of the invoice I can research and have a credit issued if a mistake was made.

Please respond via email. We have discussed various county billing amounts over the last couple of years since the ballot kit service has been available to counties, but I still do not feel as though I understand how the billing amounts are determined. As I stated in previous conversation with you, I need to be able to explain this process in order to reimburse the counties in a fair and consistent manner. I also need to be able to explain the charges to auditors when the SEC is audited.

I appreciate your assistance in this matter.
Janet Reynolds
Director of Administration

South Carolina State Election Commission
P. O. Box 5987
Columbia, SC 29205
803.734.9069
Reynolds, Janet

From: Moore, Ron <ron.moore@essvote.com>
Sent: Tuesday, August 30, 2016 10:51 AM
To: Andino, Marci; Reynolds, Janet
Cc: Beeson, Mac; Becker, Richard
Subject: RE: ES&S Vote by Mail Service
Attachments: ESS Ballot Mailing Services.doc

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I left a message on your phone in regard to county invoicing. Please call whenever you are able to discuss as there are a couple of variable items a county can be invoiced for and they can be quite difficult to understand in an email.

We will try to reach out to you tomorrow as well.

Sincerely

Ron

Ron Moore  |  Vice President Vote by Mail Services
Election Systems & Software  |  11208 John Galt Blvd. Omaha, NE 68137
O: 727.330.7732  C:727.776.5950  |  ron.moore@essvote.com  |  www.essvote.com

<image006.png>  Election Systems & Software
11208 John Galt Blvd.
Omaha, NE 68137
<image007.png><image008.png><image009.png><image010.png>
Fee Schedule per ES&S Vote by Mail (VBM) Services Contract

<table>
<thead>
<tr>
<th>Description</th>
<th>Refer to</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mailing fee per envelope processed as set forth on Exhibit B</td>
<td>Exhibit B</td>
<td>$1.75 per envelope processed</td>
</tr>
<tr>
<td>(Fee includes the processing of 1 page ballot, black and white, up to 18 inches in length)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Ballot fee for each additional black and white</td>
<td>Exhibit B</td>
<td>$0.40 per each additional ballot</td>
</tr>
<tr>
<td>ballot, up to 18 inches in length, printed inserted, matched,</td>
<td></td>
<td>processed</td>
</tr>
<tr>
<td>and verified in a single envelope</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Test Decks</td>
<td>Exhibit B</td>
<td>$0.35 per ballot, plus delivery</td>
</tr>
<tr>
<td>Additional Inserts</td>
<td></td>
<td>$0.10 Black &amp; White</td>
</tr>
</tbody>
</table>

Terms & Conditions:

Note 1: Except as specifically set forth in Exhibit B, any applicable state and local taxes are not included, and are the responsibility of Customer. See Section 2.3. Premium or rush transportation services incurred in connection with the Ballot Processing Services are additive and will be billed as incurred.

Note 2: Invoicing and Payment terms are as follows:
100% of Total Invoice Amount due within thirty (30) calendar days of receipt of ES&S’ invoice.
Postage will be billed at the end of the election and will be a separate line item on the invoice.

ITEM DESCRIPTIONS AND DETAILS

- Absentee/VBM Ballot Kit listed on contract at $1.75 per envelope is split into two costs per South Carolina request
  - Absentee Ballot Kit 321 at $1.35 each- this cost includes the outgoing envelope, return envelope, secrecy envelope, voter instructions, voter authorization form, and processing fees to produce and mail the ballot kits. Processing fees include costs for data processing, postal processing to create Intelligent Mail Barcodes to receive discounted postage rates, access to Ballotrack, and Postal Tracking
  - Additional Ballot for Ballot packet at $0.40 each- this includes the printing, folding and intelligent inserting (verifies page one and two of the same style are present)

- Blank Test Ballots at $0.35 each plus delivery costs (up to 18 inch, B&W, 1 or 2 sided)

- Extra inserts at $0.10 cents (B&W 8 ½ X 11” folded and inserted)(candidate withdraw)

- Freight Fees
  - FedEx delivery charges for shipping of test ballots
  - FedEx delivery charges - shipping complete ballot kits to county election office to be mailed locally – usually in a runoff election, but also used if the county wants us to process ballot packets on the Wednesday and Thursday before the Tuesday election overnighting the packets via FedEx

- Postage Fees
  - Standard Non-Profit postage rate
    - Rate ranges from $0.15 - $0.20 per ballot based on quantity and zip code density
    - Rate requires minimum of 200 ballots in a single mailing
    - Rate requires non-profit authorization from USPS
  - First Class Pre-Sort postage rate
    - Rate ranges from $0.40 to $0.42 based on quantity and zip code density
    - Rate requires minimum of 500 ballots in a single mailing
  - First Class Single Piece postage rate
    - $0.68 per ballot ($0.005 discount when we meter at $0.675)
    - Used when less than 200 ballots are in the data file as they cannot be mailed at Non-Profit rates
    - Used when less than 500 ballots are in a data file as this does not qualify for First Class Pre-Sort mailing
    - Used when ballot kits are shipped to Election’s Office to be mailed locally no matter how many ballots are in the data file
Thank you, Ron. Janet's email is included.

Sent from my iPhone

On Aug 29, 2016, at 6:46 PM, Moore, Ron <ron.moore@essvote.com> wrote:

Marci,

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<image006.png> Election Systems & Software
11208 John Galt Blvd.
Omaha, NE 68137
<image007.png><image008.png><image009.png><image010.png>
Reynolds, Janet

From: Reynolds, Janet
Sent: Monday, August 29, 2016 5:44 PM
To: 'Becker, Richard'
Subject: RE: Absentee ballot kit questions

Please see attached invoice for Oconee County.

From: Becker, Richard [mailto:richard.becker@essvote.com]
Sent: Monday, August 29, 2016 5:07 PM
To: Reynolds, Janet <jreynolds@elections.sc.gov>
Cc: Trotter, Aly <atrotter@elections.sc.gov>; Andino, Marci <marci@elections.sc.gov>; Moore, Ron <ron.moore@essvote.com>
Subject: RE: Absentee ballot kit questions

Hello Janet,

Please see responses below in red.

Thank you,
Rick

Rick Becker | Production Management Director - Vote by Mail
Election Systems & Software | 11208 John Galt Blvd. Omaha, NE 68137
O: 727.330.7732 | C: 727.265.0561
Richard.becker@essvote.com | www.essvote.com

From: Reynolds, Janet [mailto:jreynolds@elections.sc.gov]
Sent: Monday, August 29, 2016 4:55 PM
To: Becker, Richard
Cc: Trotter, Aly; Andino, Marci
Subject: Absentee ballot kit questions

Hi Mr. Becker,

I left you a telephone message today, but decided to email you instead. We have spoken in the past regarding the breakdown of invoices for counties in South Carolina whom E&O provides ballot kits. You have answered some of my questions, but I am processing reimbursement requests and am once again trying to discern the process for determining the cost to mail ballots for counties. I am currently working on the reimbursement for Greenwood County and I have invoice # 973426 which was billed for their ballots for the June 14th primary. This invoice has a quantity of 704 “absentee ballot kits” mailed at $1.35 each. It also has 704 “additional ballot for ballot kit” at .40 each and on premise meter in the amount of $147.12. There is no freight fee on this invoice.

I also have invoice # 974069 which was billed for Greenwood County’s ballots for the June 28th runoff. The quantity is 604 “absentee ballot kits” at $1.35 each and 604 “additional ballot for ballot kit” at .40 each. There is also a freight fee in the amount of $240.53. Please tell me why they were charged a freight fee for the runoff but not for the primary. Also, there is an on premise meter fee of $407.70. Why would it cost $260.58 more to mail 100 less ballots than were mailed for the primary? Due to the tight timeline of the runoff and at the county’s request we applied first
class postage ($0.675 each) to the runoff ballot packets and overnighted to the Greenville Election’s office to be mailed locally. Please note that the county can also be charged FedEx freight if they order test ballots as well as for shipping completed ballot packets to their office.

Aly Trotter and I spoke with you following the Presidential Preference Primaries (PPP) regarding these ballot kits and you explained that the on premise meter charge is when ES&S uses their permit number to mail the ballots. I understood you to say that at that time the rate depends on the number of ballots mailed per day and when the amount mailed is over 200 per day, the rate decreases. Three postage rates used based on county preference and mailing quantity: Non-profit which is typically less than $0.20 each requires at least 200 pieces in a mailing and requires the county to apply for non-profit status with USPS. First Class Pre-Sort- requires at least 500 pieces in a mailing and averages about $0.42 each. Last postage rate we use is First Class metered postage that is $0.675 each (saves .05 compared to a stamp). County preference and mailing quantity determines which of these rates is used.

In the case where ES&S had mailed PPP ballots for Spartanburg County, the invoice included a FedEx charge. You stated that when ballots were requested within a certain number of days prior to the election, the ballots have to be returned by ES&S to the county so that the county can mail them to ensure they arrive timely to the voter. When does the FedEx charge become applicable for counties that need to have their ballots returned to them for mailing? This is based on county preference- if they ask us to pack and ship the ballots to them to be mailed locally then they incur the freight charge.

I also have invoice # 973422 for Oconee County’s ballots. The quantity ordered is 280 at a rate of $1.75 each. Then 208 ballots are listed at $.40 each. Freight fees are $20.39 and on premise meter is $69.74. Why wouldn’t the ballot cost for the kit be $1.35 for Oconee County as it is for Greenwood County and why are only 208 ballots billed at $.40 each? This could be an invoicing error if you send me a copy of the invoice I can research and have a credit issued if a mistake was made.

Please respond via email. We have discussed various county billing amounts over the last couple of years since the ballot kit service has been available to counties, but I still do not feel as though I understand how the billing amounts are determined. As I stated in previous conversation with you, I need to be able to explain this process in order to reimburse the counties in a fair and consistent manner. I also need to be able to explain the charges to auditors when the SEC is audited.

I appreciate your assistance in this matter.

Janet Reynolds
Director of Administration

South Carolina State Election Commission
P. O. Box 5987
Columbia, SC  29205
803.734.9069
Election Systems & Software
6055 Paysphere Circle
Chicago, IL 60674
(877) 377-8683

BILL TO: Oconee County, South Carolina
Board of Elections
415 S Pine St
Walhalla, SC 29691-2145

SHIP TO: Oconee County, South Carolina
Board of Elections
415 S Pine St
Walhalla, SC 29691-2145

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VOUCHER
Vendor Number: 5095
Budget Code: 010-715-40632-777/5
Signature: J. Schaud
Date: 6/28/16

JUN 24 2016 AM 11:35

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TOTAL
Election Systems & Software
ABA Routing No: [REDACTED]
Account No: [REDACTED]

PLEASE DETACH AND RETURN THIS STUB WITH YOUR PAYMENT. THANK YOU!
Reynolds, Janet

From: Becker, Richard <richard.becker@essvote.com>
Sent: Monday, August 29, 2016 5:07 PM
To: Reynolds, Janet
Cc: Trotter, Aly; Andino, Marci; Moore, Ron
Subject: RE: Absentee ballot kit questions

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Thank you,
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Rick Becker | Production Management Director - Vote by Mail
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