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**FIRST AMENDMENT
TO
AGREEMENT FOR COLLECTION SERVICES**

THIS FIRST AMENDMENT TO AGREEMENT FOR COLLECTION SERVICES (the "First Amendment") is made by and between the **CITY OF HOUSTON, TEXAS** (the "City"), a home-rule city of the State of Texas, principally situated in Harris County, Texas, acting by and through its governing body, the City Council, and **LINEBARGER GOGGAN BLAIR AND SAMPSON, LLP** ("Contractor"), a limited liability company doing business in the State of Texas.

WITNESSETH

WHEREAS, pursuant to Ordinance No. 2009-0606, passed and adopted by City Council on June 30, 2009, the City entered into an Agreement for Collection Services to provide delinquent collection services for non-parking citations issued by the City of Houston Municipal Courts (the "Original Agreement") with Contractor; and

WHEREAS, the City and Contractor now desire to amend the Original Agreement to add the collection of delinquent false fire alarm response fees imposed by the Houston Fire Department to Contractor's duties in its scope of services therein.

NOW, THEREFORE, the City and Contractor agree to amend the Original Agreement as follows:

I

1) The Exhibits section listed in the TABLE OF CONTENTS of the Original Agreement is hereby amended to add an Exhibit "G" thereto, as follows:

"G. Scope of Services: Collection of Delinquent False Fire Alarm Response Fees/Penalties"

All other Exhibits shall remain unchanged.

- 2) Section III.A. Scope of Services is hereby amended to add the following language at the end of Section III.A.:

“In addition to the above, Contractor shall provide all labor, material, and supervision necessary to perform the services described in the attached Exhibit “G”.”

- 3) Section IV.A. Payment Terms is hereby amended to add the following language at the end of the sentence in Section IV.A.:

“and Exhibit G for the “Collection of Delinquent False Fire Alarm Response Fees/Penalties.” ”

- 4) Section IV.B. Invoicing is hereby amended to add the following language at the end of the first paragraph in Section IV.B.:

“Furthermore, Contractor shall submit its invoice to the Director/Fire Chief of the Houston Fire Department for performance of services set out under Exhibit “G” for any fee that may be due as provided in section A above, for the preceding calendar month, based on thirty percent (30%) of the fines/penalties collected where the collection penalty authorized by Art. 103.0031, Texas Code of Criminal Procedure has been imposed by the City. The City shall pay Contractor within thirty (30) days of receipt and approval of the invoices.”

5) The second sentence in Section V.B. Renewals is hereby deleted in its entirety and substituted in its place as follows:

“If either the Director of Municipal Courts or the Director/Fire Chief of the Houston Fire Department chooses not to renew, he or she will give a written notice of non-renewal with respect to the part of the Agreement applicable to his or her department to Contractor at least thirty (30) days before expiration of the then-current term, then the part of the Agreement which the non-renewing Director is responsible for will terminate, and all obligations under the Agreement will go to the other remaining Director.”

6) Sections V.C. Termination for Convenience by City and V.D. Termination for Cause by City are hereby amended to add the phrase “or the remaining Director” after “the Director of Municipal Courts” wherever there is a reference to the “Director of Municipal Courts” therein.

7) Written notice to the City pertaining to the collection of delinquent false fire alarm response fees as set out in Exhibit “G” shall be sent under the methods described in Section VI.F. of the Original Agreement, as follows:

Director or Designee
Houston Fire Department
City of Houston
P.O. Box 1562
Houston, Texas 77251

Written notice pertaining to the collection of delinquent non-parking citations to the Director of Municipal Courts shall remain unchanged.

II

In the event of a conflict between the Original Agreement and this First Amendment, this First Amendment shall prevail.

III

All other terms and conditions of the Original Agreement, except as amended in this First Amendment, shall continue in full force and effect.

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Signatures

IN WITNESS WHEREOF, the parties have executed this First Amendment in multiple originals, each of equal force and effect.

ATTEST / SEAL

(CONTRACTOR)
LINEBARGER, GOGGAN, BLAIR
AND SAMPSON, LLP

By: _____
Name: _____
Title: _____

By: Norman J. Nelson, PARTNER
Name: NORMAN J. NELSON
Title: MANAGING PARTNER

ATTEST / SEAL

(CITY)
CITY OF HOUSTON, TEXAS

Ernest Powell
City Secretary

Signed by:

Bill White
Mayor Aracida Ullate

APPROVED:

COUNTERSIGNED

Blair Bonshup
Director/Fire Chief
Houston Fire Department

Annice D. Parker
City Controller Matthew D. Appel

APPROVED:

Calvin D. Wells
Calvin D. Wells, Deputy Director
City Purchasing Agent

APPROVED AS TO FORM:

DATE COUNTERSIGNED:

Alan P. Nguyen
Assistant City Attorney
L.D. File No. 0440900010002

11-13-09

EXHIBIT "G"

SCOPE OF SERVICES

HOUSTON FIRE DEPARTMENT

Collection Of Delinquent False Fire Alarm Response Fees/Penalties

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A. Definitions

The following words and terms used in this Exhibit "G" shall have the meanings set out below:

"Account" means the False Fire Alarm violation referred to Contractor for collection.

"Agreement" means the Agreement for Collection Services entered between the City and Contractor that was countersigned by the City Controller's Office on July 1, 2009.

"Alarm Site" means the premises or location where the alarm system(s) is installed or operated.

"Alarm Subscriber" means a person who directly or through another person contracts with an alarm system company. Each alarm subscriber is deemed to be a person who operates, uses, causes, or allows the operation or use of the alarm system and will be liable for the payment of permit fees, fines or penalties, or the performance of other duties and responsibilities as provided in city ordinance Article III, Chapter 11.

"Collection Fee" means a collection fee added to each false fire alarm response fee and/or penalty assessed under Chapter 11 of the City Code of Ordinances, if the false fire alarm response fee and/or penalty remain unpaid on the 61st day after it is due. Collection fees are due and payable on the day they are added to the false fire alarm response fee and/or penalty. The collection fee shall be 30 percent of the false fire alarm response fee and/or penalty amount unless state law requires a lesser amount, in which case such lesser amount shall apply.

"Collected Funds" means funds that are available for immediate withdrawal, such as cash, incoming wires, Cashier's Checks, and ACH transactions. All other checks deposited within the last 10 business days must have cleared the originating institution before they are considered Collected Funds and thus can be used for a wire.

"Director/Fire Chief" means the Director of the Houston Fire Department or his/her designee(s).

"Delinquent Account" means an Account that is more than sixty (60) days past due. As used in this Exhibit, "more than 60 days past due" has that meaning assigned by Subsection (f) of Art. 103.0031, Texas Code of Criminal Procedure [as amended by Senate Bill 782, 78th Legislature (2003), effective June 18, 2003]

"Due Date" means no later than the 30th day following the date the City places the false alarm confirmation notice in the mail, unless an appeal hearing has been timely requested.

"Effective Date" means the date of countersignature by the City Controller in the First Amendment to the Agreement.

"False Alarm Notice" means a notice of each false alarm shall be mailed to the permit holder or the person in control if there is no valid permit, within 30 days from the date of the false alarm response.

"False Alarm Penalty" has that meaning assigned by city ordinance Article III, Chapter 11 as amended.

"False Fire Alarm" means an incident in which the operation of an alarm system elicits an emergency response by HFD when a situation requiring such a response by HFD did not in fact exist. The term does not include an otherwise false alarm if the Director/Fire Chief determines that the false alarm was caused primarily by one or more of the following:

- (1) Manual alarm notification to the fire department and the person actuating the alarm was acting under a reasonable belief that smoke or fire existed; or
- (2) Any causes clearly unrelated to the proper maintenance, use or operation of the alarm system that is beyond the control of the permit holder.

"False Fire Alarm Response" means HFD is deemed to have made an emergency response to the false fire alarm at the moment that it receives notice of an alarm that is subsequently determined or deemed to be a false fire alarm.

"False Fire Alarm Response Fee" means if HFD receives notice of any fire alarm from an alarm system that does not have a valid permit, then each person in control of any portion of the alarm site shall be jointly and severally liable to the City for a fee, for each false fire alarm response by HFD. Notwithstanding the general definition of "false fire alarm" as defined herein, "false fire alarm" means an incident in which the operation of an alarm system elicits an emergency response by the fire department when a situation requiring such a response by the fire department did not in fact exist; however, the term does not include an otherwise false fire alarm if the Director/Fire Chief determines that the false alarm was caused primarily by a manual alarm notification to the fire department and the person actuating the alarm was acting under a reasonable belief that smoke or fire existed.

"HFD" means the Houston Fire Department.

"Packeted" means the grouping together of Accounts for the same Alarm Site.

"Person In Charge" means a person who owns, leases possesses resides at or manages the alarm site.

"Person In Control" means a person holding an alarm permit or person, who owns, leases, possesses, resides at, or manages any part of the alarm site.

"Permit Holder" means a person to whom an alarm permit has been issued. The permit holder shall at all times be deemed a person in control of the alarm site.

B. Accounts

The Director/Fire Chief shall refer all cases to the Contractor as they become delinquent and the collection fee provided for in Art. 103.0031, Texas Code of Criminal Procedure [as amended by Senate bill 782, 78th Legislature (2003), (the "Collection Fee") shall be imposed upon referral.

HFD will remit payment to the Contractor for collection service fee from the Collected Funds upon receipt of a monthly invoice.

The City agrees to pay, and the Contractor agrees to accept, as its sole compensation for services performed under this Agreement, fees equal to thirty percent (30%) of the False Fire Alarm Response Fee and/or False Alarm Penalty collected with regard to Accounts where the collection penalty authorized by Art. 103.0031, Texas Code of Criminal Procedure has been imposed by the City

For all accounts, the Contractor shall implement all services described herein including, but not limited to:

1. Notice mailings;
2. Postage;
3. Address research;
4. Phone efforts;
5. Payment collection and processing of fines, costs and fees for referred accounts;
6. Notification to Persons In Charge;
7. Providing management information and reports;
8. Providing all necessary equipment, facilities and communications;
9. Personnel and administrative support;
10. Providing all necessary software programs;
11. Providing security, insurance; and
12. Providing all inquiries and correspondence.

The Contractor shall generate written correspondence based on the information in the Contractor's Master File. The Contractor shall maintain copies for review by the Director/Fire Chief.

C. Required Processes and Standards

The Contractor shall maintain the following processes and work plan description at all times during the term of the Agreement. Contractor shall provide a copy of this work plan to the Director/Fire Chief no later than 60 days after the Effective Date of the First Amendment to the Agreement and the work plan may be modified by mutual consent of the Director/Fire Chief and the Contractor. It is recognized by the Parties that these processes and work plan represent the minimum efforts required of the Contractor and that the Contractor may, at its option, perform additional collection efforts in addition to, but not inconsistent with these required processes and standards. All expenses for notices, telephone calls, postage and other services performed by the Contractor shall be paid by the Contractor at its sole expense.

1. Person In Charge/ Person In Control Identification and Address Research

- (a) Internal Search. Contractor shall sort its existing database to match and determine if an address and telephone number for the Person In Charge exists and if the Contractor has previously made contact. If such address does exist the Accounts that have been issued to the same Permit Holder, or Person In Charge/Person In Control will be Packeted.

- (b) National Change of Address (NCOA) Submission. Prior to mailing any notices pursuant to this Agreement, the Contractor shall submit the proposed mail file for NCOA. If a new address is indicated by the NCOA submission, the Contractor shall mail future notices to the new address obtained from NCOA.
- (c) Electronic Skip-tracing. For any Account for which (i) the address to which HFD has sent a previous mailing has been returned or (ii) the Contractor has received a return mail, the Contractor shall submit the Permit Holder, or Person In Charge/Person In Control for skip-tracing to a minimum of two services that perform this service electronically. The Contractor will determine the service(s) to be used for this purpose, but will provide the Director/Fire Chief with the company name, the address, the phone number and the contact person for both skip tracing services.
- (d) Acquisition of telephone numbers. In addition to the foregoing electronic skip-tracing the Contractor shall also, for any Permit Holder, or Person In Charge/Person In Control for which it does not have a valid telephone number, submit the Permit Holder, or Person In Charge/ Person In Control to Telephone Pends ACCOLAID.

2. Mail Notices

- (a) Frequency of Notices. The Contractor shall send notices according to the following schedule with respect to each Permit Holder, or Person In Charge/Person In Control for which there is an address (which address has not been previously returned):
 - (i) Within fifteen (15) Business Days of initial assignment of an Account;
and
 - (ii) Within thirty (30) Business Days, of initial assignment of an Account; and
 - (iii) Within forty-five (45) Business Days of initial assignment of an Account
and
 - (iv) Within seventy-five (75) Business Days of initial assignment of an Account.
- (b) Form and Content of Notices. The form, content, and mailing sequence of all notices shall be reviewed and approved by the Director/Fire Chief prior to implementation. The Contractor shall develop notices in both English and Spanish, duplex printing.
- (c) Returned Notices. The Contractor, upon receipt of any notices that are mailed and returned because of incorrect information, shall use the methods identified in Sub-Subsection 1(c) to obtain the appropriate address and phone number prior to resuming noticing efforts or ceasing collection efforts.

- (d) Noticing Scheme Modifications. The Director/Fire Chief, at his or her sole discretion, may modify form, content, sequence, number and timing of notices that are mailed to the Permit Holder, or Persons In Charge/ Persons In Control. The Contractor may, at its discretion, request approval from the Director/Fire Chief to send notices in addition to those set out in Section 2(b). In the event the Contractor makes such a request that is approved by the Director/Fire Chief, the Contractor shall pay the cost of such mailings.
- (e) Noticing Records. The Contractor shall maintain and provide a monthly performance report. The performance report must provide noticing detail regarding each category of case. The Contractor shall monitor its own performance against the Agreement. The format for this noticing records performance report must be approved by the Director/Fire Chief. The Contractor shall maintain complete documentation, in a manner approved by the Director/Fire Chief, of all noticing activity undertaken and shall provide the Director/Fire Chief with such documentation upon request.

3. Telephone Efforts and Contacts

- (a) Frequency of Telephone Efforts. The Contractor shall attempt to contact the Permit Holder, or Persons In Charge/ Persons In Control not less than six (6) times on six separate days and at different times. The intention is for the Contractor to continue to locate the Permit Holder, or Person In Charge/Person In Control to encourage him/her to resolve their outstanding Accounts. The Contractor upon reaching a Permit Holder, or Person In Charge/Person In Control shall make every effort to resolve all outstanding Accounts. The attempted calls to the Permit Holder, or Person In Charge/Person In Control shall be varied as to the day and the time of day to reasonably maximize the likelihood of making contact. The Contractor shall complete these telephone efforts within forty-five (45) days of the assignment of the Account from HFD. The Contractor must maintain Spanish speaking staff to assist Hispanic customers. The Contractor should provide an 800 phone line to assist the Permit Holders, or Persons In Charge/Persons In Control in resolving their Accounts; this phone number shall be provided on all forms and correspondence.
- (b) Special Instructions and Constraints. Any telephone contact between Contractor and the public shall be limited to Monday through Saturday between the hours of 8:00 a.m. and 9:00 p.m. Central Standard Time or the time zone of the person being called. Contractor shall provide Spanish language speaking staff to properly communicate with Spanish language speaking persons. Contractor shall provide a toll free number for all public contact. Complaints received from the public shall be maintained in a database and shall be provided to the Director/Fire Chief as part of the invoice process, otherwise the invoice will not be paid. Timely resolution of the issues and complaints should be the Contractor's goal. A turn around of 15 Business Days is the maximum time allowed to resolve a complaint from the Permit Holder, or Person In Charge/ Person In Control. Collection efforts must be conducted through proper and lawful means without threats, intimidation, or harassment of the Permit Holder, or Person In Charge/ Person In Control in full compliance with the Fair Debt Collection Practices Act (FDCPA) and any other applicable federal or state law.

Contractor's employees and agents, when communicating with any individual with respect to a fine/penalty, either by telephone, correspondence, or otherwise, shall truthfully state who they are and who they are employed by, and not, in any manner, mention The City of Houston Fire Department, Fire Department or HFD or any HFD member or component except in explaining to whom the fine/penalty is owed.

- (c) Telephone Script Approval. All telephone scripts shall be pre-approved by the Director/Fire Chief before their use by a contractor.

4. Litigation

Subject to the following provisions, Contractor may institute and prosecute civil litigation in courts of appropriate jurisdiction at its sole cost and expense to collect outstanding Alarm Accounts that have been assigned to Contractor under the Agreement:

- (a) Before filing any complaint or petition to institute litigation; before adding any additional Permit Holders, or Persons In Charge or Person In Control to any previously filed litigation; or before appealing any matter related to any previously filed litigation relating to the collection of delinquent False Fire Alarm Response Fees/Penalties against any individual or entity, Contractor must request and receive the written permission of the City Attorney to prosecute such litigation. The City Attorney's (or his or her designee's) decision on each matter shall be considered final.
- (b) Contractor shall provide monthly status reports to the City Attorney on all matters that are the subject of litigation.
- (c) Any and all expenses and costs (including, but not limited to, attorney's fees, sanctions imposed by any court or any other amounts assessed against the City or the Contractor as the City's legal counsel) that are incurred as a result of the litigation hereunder (and appeals of such litigation) shall be the sole expense and responsibility of the Contractor who shall pay the same and indemnify and hold the City harmless.
- (d) Contractor shall submit all settlement offers to the City Attorney for approval. The City Attorney's decision on each settlement shall be final. Contractor shall not approve any payment arrangements without the City Attorney's prior consent
- (e) False Fire Alarm Response Fees and/or Penalties collected through settlements or judgments paid shall be counted in the calendar month in which such False Fire Alarm Response Fees and/or Penalties or judgments are actually received by the City for purposes of calculating the compensation due to the Contractor.

5. Minimum Staffing Levels

The Contractor shall provide to the Director/Fire Chief one contact person who will make themselves available to meet for operational discussions and attend meetings to review performance. During the term of this Agreement, the Contractor agrees to have the

following personnel assigned to performing the duties of the Contract under this Agreement:

Project Manager (1)
Telephone Collection Supervisor (1)
Data Processing Coordinator (1)
Telephone Collectors (15)
Commercial Account Collector (1)
Skip-tracing Specialists (2)

D. PAYMENT PROCESSING

The Contractor shall instruct the Permit Holder, or Person In Charge/Person In Control that HFD accepts payment by personal check, cash, certified funds or credit cards, and to make payments to a post office box or other address designated by the Director/Fire Chief. HFD shall be responsible for processing and posting all mail and physical location payments made to City cashiers. HFD's transaction detail with updated transaction data shall be provided to the Contractor on a weekly basis (or more frequently); in turn the Contractor shall update its database with this transaction detail on the same frequency basis. If there is any problem with this upload, the Contractor shall provide HFD immediate notification. It is the Contractor's responsibility to ensure that the transaction upload information is done timely and that the collection personnel for the Contractor have on line, real time access to this important information.

1. Walk-In Payments

The Contractor shall not accept any walk-in payments, but rather shall direct the Permit Holder, or Person In Charge/ Person In Control to the City's cashier location at HFD 1205 Dart Street, Houston, Texas 77007 from Monday thru Friday 8-5 PM except City of Houston Holidays. The Contractor shall provide routinely to all citizens the locations and times of the City's Cashier location.

E. INFORMATION SYSTEM SERVICE LEVELS

1. System Compatibility

HFD shall create and transmit to the Contractor, by a mutually agreed method, Account information. As HFD provides this information to the Contractor the Contractor shall update its database on a weekly basis (or more frequently) with the transaction detail provided by HFD. Any issues or concerns regarding this upload must be reported to HFD immediately and the Contractor must address any technical difficulties immediately.

2. Master File Access

The Contractor shall provide access to information on those Accounts that have been paid or otherwise disposed for a period of at least ninety (90) days following final disposition of the Account. The Contractor shall retain all Master File information and transactions for the entire term of this Agreement.

The Contractor shall provide the capability for HFD to access on-line all payment processing information as well as noticing, payment, disposition activities, and the corresponding dates of such activities.

The Director/Fire Chief may, in his or her sole discretion, revise any reports or file access format specification as needed and the Contractor will have ten (10) Business Days to implement such revisions or changes.

3. Timely Delivery of Outputs

Contractor shall deliver accurate and timely management and performance reports as may be required by the Director/Fire Chief. The Contractor shall deliver accurate monthly reports to their designated recipients no later than ten (10) Business Days after the end of each calendar month.

4. Systems Availability

The Contractor shall provide at its own cost all telephone and communication lines, modems, and other telecommunication devices required to perform the services under this Agreement.

The Contractor shall notify the Director/Fire Chief of each occurrence of downtime that may potentially impact the transmission of files and expected duration of such downtime. The Director/Fire Chief shall provide to the Contractor a list of persons to be notified and the appropriate telephone numbers. The Contractor shall also notify the Director/Fire Chief of any foreseeable or anticipated downtime at least twenty-four (24) hours before such downtime is to occur.

5. System Documentation

The Contractor shall provide the Director/Fire Chief with complete user documentation of all procedural and system controls for all collection activities for which the Contractor is responsible. This documentation shall, at a minimum, include:

- Copy of all telephone scripts,
- Policy and Procedures for handling citizen complaints,
- The manner in which all processing functions are carried out,

- The interrelationships or interfaces between the various sub-systems,
- A functional organization chart,
- The locations at which such functions are carried out, and
- The timing for the carrying out of each function.

6. System Test

All system modifications, enhancements, or other changes shall be made and properly tested by the Contractor and approved by the Director/Fire Chief before their implementation. The Contractor shall bear the cost and expense of any needed enhancements or modifications. Comprehensive test files to test systems shall be done and actual test results shall be provided to the Director/Fire Chief before implementation of the system(s).

7. System Failure

The Contractor shall provide to HFD, immediately upon discovering system failure or programming error, information detailing causes for the system failure. The Contractor shall satisfactorily correct, within two (2) Business Days, at no cost to the City, all Contractor's hardware or software malfunctions and other Contractor errors.

8. Back-up systems

The Contractor shall have or create complete back-up systems and capacity for all systems including hardware, software, communication lines, and other equipment. The Contractor shall retain sufficient back-up files so that reconstruction of all payment processing activities can be accomplished for audit purposes and emergency situations.

9. Production Schedules

The Contractor shall prepare a detailed monthly production schedule for report and other document generation, transaction cut-off periods, and notice mailing. Such schedules shall be delivered to the Director/Fire Chief at least ten (10) Business Days before the beginning of the month of scheduled production.

10. Training

The Contractor shall, at the Director/Fire Chief's request, conduct instruction and training of HFD personnel in connection with any of the services or provision of equipment for which the Contractor is responsible.

11. Transaction Files or Other Electronic Media

The Contractor shall acquire and maintain in a secure location within its control, all computer files or other electronic media relating to transactions processed by the Contractor. The Contractor may, however, consolidate such files or electronic media files on a weekly or monthly basis and substitute the daily files with a consolidated file so long as the Contractor's complete Master File can be reconstructed in its entirety at any time.

12. Other Specifically Requested Processing

The Contractor (and its system) must have the capability to:

- Discontinue or suspend noticing and collection of disputed Accounts temporarily or permanently if authorized by the Director/Fire Chief.
- Update names and addresses on Accounts on a daily basis.
- Update name and address information on a format usable by HFD to be approved by the Director/Fire Chief that HFD may use to run against its Master File to update name and address information.
- Add any additional penalties, costs or fees to Accounts as authorized by law.

13. Project Administration

The Director/Fire Chief shall provide overall project administration.

14. Site Inspections & Access

1. To assure compliance with any Agreement term or condition, the Director/Fire Chief shall have the right to enter into the Contractor's premises during normal business hours to inspect, monitor, or otherwise evaluate the work performed or being performed therein. The Director/Fire Chief shall be permitted access at all reasonable times.
2. The Contractor shall assure that the Director/Fire Chief shall have access during normal business hours to any books, documents, records, tapes and papers retained by the Contractor which the Fire Chief determines are pertinent to making an audit or examination.

15. Service Requirements

All telephone contacts made and correspondence used by the Contractor must comply with applicable federal, state and local laws. The Director/Fire Chief as appropriate shall review and approve all correspondence, notices and telephone scripts prior to their use.

16. Collection Techniques

Collection techniques used by the Contractor must include, but are not limited to:

- Extensive address, name correction and research to locate the Permit Holders, or Persons In Charge or Persons In Control. Contractor is required to utilize all available resources standard in the collections industry for locating, identifying and updating the Houston Fire Department files for the Permit Holder, Person In Charge or Person In Control information including: home and business address and home and business phone;
- An aggressive noticing program;
- Comprehensive "Skip tracing" methodologies;
- Extensive telephone contact with the Permit Holders, Persons In Charge or Persons In Control to dispose of outstanding accounts and;
- Customer service initiatives to resolve Permit Holder, Person In Charge or Person In Control complaints.

17. Approval of Proposed Collection Techniques

The Director/Fire Chief reserves the right to review at any time and approve or disapprove any collection techniques that are proposed by the Contractor.

18. Documentation Of Collection Efforts

The Contractor shall maintain complete documentation of all collection activities and shall maintain logs, reports and other records that are subject to review by the Director/Fire Chief. The Contractor shall maintain a flowchart description of its collection process.

19. Performance Reporting

The Contractor shall develop both the noticing and telephone performance reports and submit them to the Director/Fire Chief within 30 days after the Effective Date of the First Amendment to the Agreement. These performance reports must be submitted on a monthly basis along with the Invoice. The Contractor is responsible for monitoring its own performance and tracking it against the contract, and evaluating its own performance monthly. The Contractor shall implement and operate a system for recording, monitoring, and responding to all complaints and requests by HFD relative to the Contractor's performance and obligations. Contractor will provide a monthly report to the Director/Fire Chief that tracks complaints and resolutions. It shall develop procedures and reporting formats to track and respond to all requests and complaints in a systematic and timely fashion.

20. Enhancements

Contractor system enhancements may be required by the Director/Fire Chief. Such enhancements may include, but are not limited to: a) report changes; b) addition/deletion of reports; c) addition, deletion or relocation of equipment; or d) a change in the format of Accounts.

The Contractor must review the specifications of any system required enhancements and respond with a development and implementation schedule within ten (10) Business Days. Upon receipt of written authorization from the Director/Fire Chief, Contractor shall commence work on the requested changes by a mutually agreed upon date. The Contractor shall also update the appropriate system and user documentation to reflect the enhancements. The Contractor must provide, prior to implementation, the description, capabilities, operation and maintenance of all proposed and installed hardware and software, as well as training, consultation and assistance to HFD.

F. RESPONSIBILITY FOR COSTS

1. General Expenses

The Contractor shall be responsible for all costs necessary to execute the work plan set out in Section C above, including but not limited to, the cost of notices (including printing, folding, stuffing and postage), all telephone charges (including any long distance charges), skip-tracing or address research/search charges.

G. GENERAL PROVISIONS AND REQUIREMENTS

1. Maintenance of Local Office

The Contractor must maintain a local office within the city limits of Houston, Harris County, Texas.

2. Ownership of Information

- (a) All information and data acquired by the Contractor from HFD or from others at the expense of or through the participation of HFD in the performance of the services under this Agreement shall be and remain the property of HFD.
- (b) The Contractor must use this information and data only as required in the performance of services required by the Agreement, and shall not, before, during, or after the term of the Agreement, otherwise use, copy or reproduce, sell or distribute the information in any form, except pursuant to the written instructions and authorization by the Director/Fire Chief. The Contractor must return the

information to HFD promptly at the request of the Director/Fire Chief on disk or in a medium or format determined by the Director/Fire Chief.

- (c) The Contractor shall not claim any copyright to any collection materials, information or data Contractor developed in the performance of services under the Agreement.

3. Confidentiality of Information and Security

The Contractor shall become the holder of and have access to confidential information. The Contractor shall keep such information confidential and shall comply fully with the laws and regulations of the State of Texas, ordinances and regulations of the City, and any applicable federal laws and regulations, including amendments thereto, relating to confidentiality.

4. Customer Service

Contractor shall make citizen satisfaction a priority in providing services under the Agreement. Contractor's employees shall be trained to be customer-service oriented and to positively and politely interact with citizens when performing services. Contractor's employees shall be clean, courteous, efficient and neat in appearance at all times and committed to offering the highest degree of service to the public. If, in the Director/Fire Chief's determination, the Contractor is not interacting in a positive and polite manner with citizens, the Director/Fire Chief may notify the Contractor of such determination and the Contractor shall immediately take all remedial steps to conform to the standards required by the Agreement.

5. Suspend Efforts/Holds and Recall of Accounts

The Contractor shall suspend collection efforts on any Account and take no further action if instructed to do so in writing or by appropriate electronic means such as e-mail, etc., by the Director/Fire Chief. Collection efforts may be resumed by a subsequent written request to do so. The Director/Fire Chief also reserves the right to recall (withdraw assignment) any or all uncollected Accounts previously assigned to the Contractor without monetary charge of any kind to the City. For each Account that is suspended, the Contractor shall receive no collection fee on such Account.

6. Secondary Collection Agency

The Director/Fire Chief shall have the right to review and approve the use of any support agencies, secondary (sub-Contractor) collection techniques, services, or sub-Contractor agencies used. The sub-Contractor collection agency used by the Contractor must be approved by the Director/Fire Chief and, subject to the same standards, limitations and restrictions as Contractor. It shall be Contractor's responsibility to assure that sub-Contractors operate within the terms of the Agreement. The Contractor must report to HFD on a monthly basis all Accounts referred to sub-Contractors for collection.

7. Scope of Authority Regarding Accounts

The Contractor has no authority to settle Accounts for less than the False Fire Alarm Response Fee and/or Penalty plus all applicable fees, costs and other charges.

The Contractor has no authority to make decisions regarding dispositions of outstanding Accounts. The Contractor shall inform the Permit Holders, Persons In Charge or Persons In Control of his or her available alternatives for action. The Director/Fire Chief will provide information to the Contractor alternatives available to the Permit Holders, Persons In Charge or Persons In Control.

8. HFD Application Modification Request

The Contractor and the HFD hereby agree to the modifications, if any, to the HFD's Information Management System to facilitate Contractor's responsibilities under the Agreement.

9. Public Awareness Component

The Contractor shall develop a public awareness plan that will make use of the media to inform citizens of the consequences of their failure to resolve outstanding Citation and the various payment options. Neither party will have any obligation under this Agreement or the public awareness plan to purchase any advertising. The Contractor specifically understands and agrees that it may not release any information related to its performance under this Agreement to the media without the prior written approval of the Director/Fire Chief. Contractor shall not issue Press Releases without the pre-approval by both the Mayor's Communication's Office and the Director/Fire Chief.

10. Change Order

(a) At any time during the Agreement Term, the Director/Fire Chief may issue a Change Order to technical specifications, as he or she may find necessary to accomplish the general purposes of this Agreement. Contractor shall furnish the services or deliverables in the Change Order in accordance with the requirements of this Agreement plus any special provisions, specifications, or special instructions issued to execute the extra work.

(b) The Director/Fire Chief will issue the Change Order in substantially the following form:

CHANGE ORDER

TO: [Name of Contractor]

FROM: City of Houston, Texas (the "City")

DATE: [Date of Notice]

SUBJECT: Change Order under the Agreement between the City and [Name of Contractor] countersigned by the City Controller on [Date of countersignature of the Agreement]

Subject to all terms and conditions of the Agreement, the City requests that Contractor provide the following:

[Here describe the additions to or changes to the equipment or services and the Change Order Charges applicable to each.]

Signed:

[Signature of Director/Fire Chief]

- (c) The Director/Fire Chief may issue more than one Change Order, subject to the following limitations:
- (i) Council expressly authorizes the Director/Fire Chief to approve Change Orders up to a maximum amount of \$ _____ for each Change Order. Any Change Order in excess of this maximum amount must be approved by the City Council, subject to the supplemental allocation of funds as provided under Section IV.D (b) of the Agreement.
 - (ii) If a Change Order describes items that Contractor is otherwise required to provide under this Agreement, the City is not obligated to pay any additional money to Contractor.
 - (iii) The Total of all Change Orders issued under this section may not exceed \$_____.
- (d) Whenever Contractor receives a Change Order, Contractor shall furnish all material, equipment, and personnel necessary to perform the work described in the Change Order. Contractor shall complete the work within the time prescribed. If no time for completion is prescribed, Contractor shall complete the work within a reasonable time. If the work described in any Change Order causes an unavoidable delay in any other work Contractor is required to perform

under this Agreement, Contractor may request a time extension for the completion of the work. The Director/Fire Chief's decision regarding a time extension is final.

- (e) Services provided under a Change Order are subject to inspection, acceptance, or rejection in the same manner as the work described in the Agreement, and is subject to the terms and conditions of the Agreement as if it had originally been a part of the Agreement.
- (f) Change Orders are subject to the Allocated Funds provisions under Section IV.D of the Agreement.
- (g) Contractor shall have no obligation to perform services in connection with any such change until such time as the parties have agreed upon the effect of such change on Contractor's fees and/or schedule of performance and the City has allocated sufficient funding to pay for the services.

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA# 8366

Subject: Approve an Ordinance Awarding a Contract to the Best Respondent for Delinquent Collection Services for the Municipal Courts-Administration Department
S46-T23226

Category #
4

Page 1 of 2

Agenda Item

5546

FROM (Department or other point of origin):
Calvin D. Wells
City Purchasing Agent
Administration & Regulatory Affairs Department

Origination Date
June 09, 2009

Agenda Date
JUN 30 2009

DIRECTOR'S SIGNATURE

MS Calvin D. Wells

Council District(s) affected
All

PASSED
ORD 09-0606

For additional information contact:
Sahira Abdool Phone: (713) 247-4105
Douglas Moore Phone: (832) 393-8724

Date and Identification of prior authorizing Council Action:

RECOMMENDATION: (Summary)

Approve an ordinance awarding a revenue contract to the best respondent, Linebarger Goggan Blair & Sampson, LLP for delinquent collection services for the Municipal Courts-Administration Department.

NONE REQUIRED (REVENUE)

Finance Budget

SPECIFIC EXPLANATION:

The City Purchasing Agent recommends that City Council approve an ordinance awarding a three-year contract with two one-year options to Linebarger Goggan Blair & Sampson, LLP for delinquent collection services for the Municipal Courts-Administration Department. The Director/Chief Clerk of Municipal Courts-Administration may terminate this contract for convenience at any time after 24 months from the effective date of the contract upon 30-days written notice to the contractor.

The scope of work requires the contractor to provide all labor, materials, equipment, facilities, transportation, equipment, and incidentals necessary to collect delinquent fees for the Municipal Courts-Administration Department.

The Request for Proposal (RFP) was advertised in accordance with the requirements of the State bid laws. Fifty-five perspective bidders downloaded the solicitation from SPD's e-bidding website and as a result, proposals were received from Perdue Brandon Fielder Collins & Mott, LLP, Linebarger Goggan Blair & Sampson, LLP and MSB Government Services. The Evaluation Committee consisted of three evaluators; two from the Municipal Courts-Administration Department and one from the Administration and Regulatory Affairs Department. The evaluations were based on the following criteria:

- Conformance to the scope of the RFP
- Financial impact to the City
- Experience and reputation in municipal delinquent collections
- Financial strength of the proposer
- MWBE participation

Linebarger Goggan Blair & Sampson, LLP received the highest score.

REQUIRED AUTHORIZATION

Finance Department:

Other Authorization:

Other Authorization:

MT

Date: 6/9/2009	Subject: Approve an Ordinance Awarding a Contract to the Best Respondent for Delinquent Collection Services for the Municipal Courts-Administration Department S46-T23226	Originator's Initials EA	Page 2 of 2
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M/WBE Subcontracting:

Law Office of Darryl B. Carter, Donald Hollingsworth and B & E Reprographics, Inc., for a total of 15% of the prorated share of the fees collected.

Pay or Play Program

The proposed contract requires compliance with the City's 'Pay or Play' ordinance regarding health benefits for employees of City Contractors. In this case, the contractor provides health benefits to eligible employees in compliance with City policy.

The Affirmative Action Division will monitor this contract.

Buyer: Eric Alexander