



CITY OF HOUSTON, TEXAS
NOTICE OF REQUEST FOR PROPOSAL (RFP)
SOLICITATION NO.: S46-T24329

**STRATEGIC
PURCHASING DIVISION**
**"PARTNERING TO
BETTER SERVE
HOUSTON"**

NIGP CODE:

946-10

**SOLICITATION DUE
DATE/TIME:**

July 13 2012 at 2:00 P.M., CST

SUBMITTAL LOCATION:

**City Secretary's Office
City Hall Annex, Public Level
900 Bagby Street
Houston, Texas 77002**

DESCRIPTION:

**DELINQUENT ACCOUNT COLLECTION SERVICES FOR THE
FINANCE DEPARTMENT**

**PRE-PROPOSAL
CONFERENCE:**

Date Time
June 20-2012 10:30 A.M.

Location
**SPD, 901 Bagby,
Conference Rm. 1 (Lower
Level), Houston, TX 77002**

In accordance with T.L.G.C. § Chapter 252, competitive sealed Proposals for the services specified will be received by the City Secretary's Office of the City of Houston at the above specified location, until the time and date cited. Offers must be in the actual possession of the City Secretary's Office on or prior to the time and date, and at the location indicated above. Late offers will not be considered.

Offers must be submitted in a sealed envelope or package with the Solicitation Number and the Offeror's name and address clearly indicated on the envelope or package. All offers must be completed in ink or typewritten. Additional instructions for preparing an offer are included in this Solicitation.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION

**Solicitation Contact Person:
Eric S. Alexander**

Name

Eric.alexander@houstontx.gov

E-Mail Address

City Purchasing Agent

6-15-12

Date

SPECIAL INSTRUCTIONS TO OFFEROR(S)
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1.0 SUBMITTAL PROCEDURE:

1.1 Three (3) copies of the Proposal, including one (1) printed original signed in BLUE ink, and additional two (2) electronic CD copies are to be submitted in a sealed envelope bearing the assigned Solicitation Number, located on the first page of the RFP document to:

City Secretary's Office
City Hall Annex
900 Bagby
Houston, Texas 77002

1.2 The deadline for the submittal of the Proposal to the City Secretary's Office is no later than the date and time as indicated on the first page of the RFP document. Failure to submit the required number of copies as stated above may be subject for disqualification from the Proposal process.

1.3 Respondents may elect to either mail or personally deliver their Proposals to the City Secretary's Office.

1.4 The City of Houston shall bear no responsibility for submitting responses on behalf of any Offeror. Offeror(s) may submit their Proposal to the City Secretary's Office any time prior to the stated deadline.

2.0 PROPOSAL FORMAT:

2.1 The Proposal should be electronically generated, and the printed original signed in ink. They should not be submitted in elaborate or expensive binders. Legibility, clarity, and completeness are important and essential.

2.2 The Proposal must be signed by an individual(s) legally authorized to bind the Offeror(s), and must contain a statement that the Proposal and the prices contained therein shall remain firm for a period of one hundred-eighty (180) days.

3.0 PRE-PROPOSAL CONFERENCE:

3.1 A Pre-Proposal Conference will be held at the date, time, and location as indicated on the first page of the RFP document. Interested Offeror(s) should plan to attend. It will be assumed that potential Offeror(s) attending this meeting have reviewed the RFP in detail, and are prepared to bring up any substantive questions not already addressed by the City.

4.0 ADDITIONAL INFORMATION AND SPECIFICATION CHANGES:

4.1 Requests for additional information and questions should be addressed to the Administration and Regulatory Affairs Department, Strategic Purchasing Division Buyer, Eric Alexander, telephone: 832.393.8704, fax: 832.393.8759, or e-mail (preferred method to): eric.alexander@houston.tx.gov, no later than Friday, June 29, 2012 at 5:00 p.m. CST. The City of Houston shall provide written response to all questions received in writing before the submittal deadline. Questions received from all Vendor(s) shall be answered and sent to all Vendor(s) who are listed as having obtained the RFP. Vendor(s) shall be notified in writing of any changes in the specifications contained in this RFP.

5.0 LETTER(S) OF CLARIFICATION:

5.1 All Letters of Clarification and interpretations to this Solicitation shall be in writing. Any Letter of Clarification(s) or interpretation that is not in writing shall not legally bind the City of Houston. Only information supplied by the City of Houston in writing or in this RFP should be used in preparing Proposal responses.

5.2 The City does not assume responsibility for the receipt of any Letters of Clarification sent to Offeror(s).

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6.0 EXAMINATION OF DOCUMENTS AND REQUIREMENTS:

- 6.1 Each Offeror shall carefully examine all RFP documents and thoroughly familiarize themselves with all requirements prior to submitting a Proposal to ensure that the Proposal meets the intent of this RFP.
- 6.2 Before submitting a Proposal, each Offeror shall be responsible for making all investigations and examinations that are necessary to ascertain conditions and requirements affecting the requirements of this RFP. Failure to make such investigations and examinations shall not relieve the Offeror from obligation to comply, in every detail, with all provisions and requirements of the RFP.

7.0 EXCEPTIONS TO TERMS AND CONDITIONS:

- 7.1 All exceptions included with the Proposal shall be submitted in a clearly identified separate section of the Proposal in which the Offeror clearly cites the specific paragraphs within the RFP where the Exceptions occur. Any Exceptions not included in such a section shall be without force and effect in any resulting contract unless such Exception is specifically referenced by the City Purchasing Agent, City Attorney, Director(s) or designee in a written statement. The Offeror's preprinted or standard terms will not be considered by the City as a part of any resulting contract.
- 7.2 All Exceptions that are contained in the Proposal may negatively affect the City's Proposal evaluation based on the evaluation criteria as stated in the RFP, or result in possible rejection of Proposal.

8.0 POST-PROPOSAL DISCUSSIONS WITH OFFEROR(S):

- 8.1 It is the City's intent to commence final negotiation with the Offeror(s) deemed most advantageous to the City. The City reserves the right to conduct post-Proposal discussions with any Offeror(s).

9.0 PROTEST:

- 9.1 A protest shall comply with and be resolved, according to the City of Houston Municipal Code, Chapter 15, Article 1 and rules adopted thereunder. Protests shall be submitted in writing and filed with both, the City Secretary and the City Purchasing Agent. A pre-award protest of the RFP shall be received by the City Secretary and the City Purchasing Agent prior to the contract award date. A post-award protest of an awarded contract shall be filed within ten (10) days after the protester knows, or should have known, the basis or outcome of the contract award.
- 9.2 A protest shall include the following:
 - 9.2.1 The name, address, e-mail, and telephone number of the protester;
 - 9.2.2 The signature of the protester or its representative who has the delegated authority to legally bind its company;
 - 9.2.3 Identification of the RFP description and the RFP or contract number;
 - 9.2.4 A detailed written statement of the legal and factual grounds of the protest, including copies of relevant documents, etc.; and
 - 9.2.5 The desired form of relief or outcome, which the protester is seeking.

10.0 LOBBYING AND OTHER FORMS OF INFLUENCE PROHIBITED:

- 10.1 Neither Offeror(s) nor any person acting on Offeror(s)'s behalf shall attempt to influence the outcome of the contract award by the offer, presentation or promise of gratuities, favors, or anything of value to any member of the Proposal evaluation committee, any appointed or elected official or employee of the City of Houston, their families or staff members. All inquiries regarding the solicitation are to be directed to the designated City Buyer identified on the first page of the RFP. Upon issuance of the RFP through the pre-award phase and up to the award of a contract, aside from Offeror's formal response to the RFP, communications publically made during the

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official pre-bid conference, written requests for clarification during the period officially designated for such purpose by the City Buyer and communications during an oral interview, scheduled at the request of and for the benefit of the Proposal evaluation committee, if any, neither Offeror(s) nor persons acting on their behalf shall communicate with any member of the Proposal evaluation committee, appointed or elected official or employee of the City of Houston, their families or staff through written or oral means in an attempt to persuade or influence the outcome of the contract award or to obtain or deliver information intended to or which could reasonably result in an advantage to any Offeror. However, nothing in this paragraph shall prevent Offeror from making public statements to the City Council body convened for a regularly scheduled session after the Proposal evaluation committee has made its official selection and presented same to Council for action.

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UNIFORM INSTRUCTIONS TO OFFEROR(S) SOLICITATION NO. S46-T24329

- 1.0 This RFP does not commit the City of Houston to award a contract, issue a purchase order, or to pay any costs incurred in the preparation of a Proposal in response to this request.
- 2.0 The Proposals will become part of the City's official files without any obligation on the City's part. All Responses shall be held confidential from all parties other than the City until after the contract is awarded. Afterward, the Proposals shall be available to the public.
- 3.0 The City of Houston shall not be held accountable if material from responses is obtained without the written consent of the Offeror by parties other than the City, at any time during the Proposal evaluation process.
- 4.0 In the event an Offeror submits trade secret information to the City, the information must be clearly labeled as a **"Trade Secret."** The City will maintain the confidentiality of such trade secrets to the extent provided by law.
- 5.0 Offeror(s) shall not offer any gratuities, favors, or anything of monetary value to any official or employee of the City of Houston (including any and all members of Proposal evaluation committees).
- 6.0 Offeror(s) shall not collude in any manner, or engage in any practices, with any other Offeror(s), which may restrict or eliminate competition, or otherwise restrain trade. This is not intended to preclude subcontracts and joint ventures for the purposes of: a) responding to this RFP; or b) establishing a project team with the required experience and/or capability to provide the goods or services specified herein. Conversely, the City can combine or consolidate Proposals, or portions thereof, for the purposes mentioned above.
- 7.0 All Proposals submitted must be the original work product of the Offeror. The copying or paraphrasing of the work product of another Offeror is not permitted.
- 8.0 The RFP and the related responses of the selected Offeror will by reference (within either a contract or purchase order) become part of any formal Agreement between the selected Offeror and the City. The City and the selected Offeror may negotiate a Contract or contracts for submission to City Council for consideration and approval. In the event an Agreement cannot be reached with the selected Offeror, the City reserves the right to select an alternative Offeror. The City reserves the right to negotiate with alternative Offeror the exact terms and conditions of the contract.
- 9.0 Offeror(s), their authorized representatives and their agents are responsible for obtaining, and will be deemed to have, full knowledge of the conditions, requirements, and specifications of the RFP at the time a Proposal is submitted to the City.
- 10.0 The Agreement(s) shall become effective on or about **September 19, 2012** for a term of three (3) years. The City of Houston reserves the option of extending the Agreement(s) on an annual basis for two (2) additional one-year terms, or portions thereof.
- 11.0 If necessary for the completion of tasks required under the project, the City will provide reasonable working space to the Prime Contractor.
- 12.0 Clerical support and reproduction of documentation costs shall be the responsibility of the Prime Contractor. If required, such support and costs shall be defined in the negotiated Agreement.
- 13.0 Prime Contractor personnel essential to the continuity, and the successful and timely completion of the project should be available for the duration of the project unless substitutions are approved in writing by the City Project Director.
- 14.0 The Prime Contractor will be expected to adhere to all standard contractual requirements of the City which shall include, but are not limited to, provisions for: Time Extensions; Appropriation of Available Funds; Approvals; Term and Termination; Independent Contractor; Business Structure and Assignments; Subcontractors; Parties in Interest; Non-Waiver; Applicable Laws; Notices; Use of Work Products; Equal Employment Opportunity; Force Majeure; and Inspections and Audits.

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- 15.0 The City may terminate its performance under a contract in the event of a default by the Prime Contractor and a failure to cure such default after receiving notice of default from the City. Default may result from the Prime Contractor's failure to perform under the terms of the contract or from the Prime Contractor becoming insolvent, having a substantial portion of its assets assessed for the benefit of creditors, or having a receiver or trustee appointed.
- 16.0 Prime Contractor must promptly report to the City Project Director any conditions, transactions, situation, or circumstances encountered by the Prime Contractor which would impede or impair the proper and timely performance of the contract.
- 17.0 The City of Houston has sole discretion and reserves the right to cancel this RFP, or to reject any or all Proposals received prior to contract award.
- 18.0 The City reserves the right to waive any minor informality concerning this RFP, or to reject any or all Proposals or any part thereof.
- 19.0 The City reserves the right to request clarity of any Proposal after they have been received.
- 20.0 The City reserves the right to select elements from different individual Proposals and to combine and consolidate them in any way that best serves the City's interest. The City reserves the right to reduce the scope of the project and evaluate only the remaining elements from all Proposals. The City reserves the right to reject specific elements contained in all Proposals and to complete the evaluation process based only on the remaining items.
- 21.0 The selected Offeror(s) must furnish a "Certificate of Registration" which authorizes them to conduct business in the State of Texas prior to the awarding of the contract. Such Registration is obtained from the Texas Secretary of State's Office, which will also provide the certification thereof.
- 22.0 After contract execution, the successful Offeror shall be the Prime Contractor and responsible party for contracting and communicating the work to be performed to subcontractors, and for channeling other information between the City and subcontractors. Any subcontracting must be specified in the Proposal. Any subcontracting not specified in the Proposal will need prior written approval from the City Purchasing Agent.
- 23.0 Prime Contractor assumes total responsibility for the quality and quantity of all work performed, whether it is undertaken by the Prime Contractor or is subcontracted to another organization.
- 24.0 If subcontractor involvement is required in the use of license, patent, or proprietary process, the Prime Contractor is responsible for obtaining written authorization from the subcontractor to use the process, or provide another process comparable to that which is required and which is acceptable to the City, all at no additional cost or liability to the City.

GENERAL TERMS AND CONDITIONS

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1.0 INDEMNITY AND RELEASE:

1.1 RELEASE

PRIME CONTRACTOR/SUPPLIER AGREES TO AND SHALL RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY'S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY.

1.2 INDEMNIFICATION

PRIME CONTRACTOR/SUPPLIER AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

1.2.1 PRIME CONTRACTOR/SUPPLIERS AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS 1.1-1.3, "PRIME CONTRACTOR/SUPPLIER") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;

1.2.2 THE CITY'S AND PRIME CONTRACTOR/SUPPLIER'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER PRIME CONTRACTOR/SUPPLIER IS IMMUNE FROM LIABILITY OR NOT; AND

1.2.3 THE CITY'S AND PRIME CONTRACTOR/SUPPLIER'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER PRIME CONTRACTOR/SUPPLIER IS IMMUNE FROM LIABILITY OR NOT.

1.2.4 PRIME CONTRACTOR/SUPPLIER SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. PRIME CONTRACTOR/SUPPLIER'S INDEMNIFICATION IS LIMITED TO \$500,000 PER OCCURRENCE. PRIME CONTRACTOR/SUPPLIER SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.

1.2.5 CONTRACTOR AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE CITY) FROM ALL CLAIMS OR CAUSES OF ACTION BROUGHT AGAINST THE CITY ALLEGING THAT THE CITY'S USE OF ANY EQUIPMENT, SOFTWARE, PROCESS, OR DOCUMENTS CONTRACTOR FURNISHES DURING THE TERM OF THIS AGREEMENT INFRINGES ON A PATENT, COPYRIGHT, OR TRADEMARK, OR MISAPPROPRIATES A TRADE SECRET. CONTRACTOR SHALL PAY ALL COSTS (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS, AND INTEREST) AND DAMAGES AWARDED. CONTRACTOR SHALL NOT SETTLE ANY CLAIM ON TERMS WHICH PREVENT THE CITY FROM USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS WITHOUT THE CITY'S PRIOR WRITTEN CONSENT. WITHIN 60 DAYS AFTER BEING NOTIFIED OF THE CLAIM, CONTRACTOR SHALL, AT ITS OWN EXPENSE, EITHER (1) OBTAIN FOR THE CITY THE RIGHT TO CONTINUE USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS OR, (2) IF BOTH PARTIES AGREE, REPLACE OR MODIFY THEM WITH COMPATIBLE AND FUNCTIONALLY EQUIVALENT PRODUCTS. IF NONE OF THESE ALTERNATIVES IS REASONABLY AVAILABLE, THE CITY MAY RETURN THE EQUIPMENT, SOFTWARE, OR DOCUMENTS, OR DISCONTINUE THE PROCESS, AND CONTRACTOR SHALL REFUND THE PURCHASE PRICE.

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1.3 INDEMNIFICATION-SUBCONTRACTOR'S INDEMNITY

1.3.1 CONTRACTOR SHALL REQUIRE ALL OF ITS SUBCONTRACTORS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE CITY TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE AND INDEMNITY TO THE CITY.

2.0 INDEMNIFICATION PROCEDURES:

2.1 Notice of Claims. If the City or Prime Contractor receives notice of any claim or circumstances which could give rise to an indemnified loss, the receiving party shall give written notice to the other party within 30 days. The notice must include the following:

2.1.1 a description of the indemnification event in reasonable detail,

2.1.2 the basis on which indemnification may be due, and

2.1.3 the anticipated amount of the indemnified loss.

2.2 This notice does not stop or prevent the City from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If the City does not provide this notice within the 30-day period, it does not waive any right to indemnification except to the extent that Prime Contractor/Supplier is prejudiced, suffers loss, or incurs expense because of the delay.

2.3 Defense of Claims.

2.3.1 Assumption of Defense. Prime Contractor may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the City. Prime Contractor/Supplier shall then control the defense and any negotiations to settle the claim. Within 10 days after receiving written notice of the indemnification request, Prime Contractor must advise the City as to whether or not it will defend the claim. If Prime Contractor does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss.

2.3.2 Continued Participation. If Prime Contractor elects to defend the claim, the City may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. Prime Contractor may settle the claim without the consent or agreement of the City, unless it (i) would result in injunctive relief or other equitable remedies or otherwise require the City to comply with restrictions or limitations that adversely affect the City, (ii) would require the City to pay amounts that Prime Contractor does not fund in full, (iii) would not result in the City's full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

3.0 INSURANCE REQUIREMENTS:

3.1 The Contractor shall obtain and maintain in effect during the term of this Agreement, insurance coverage as set forth below and shall furnish certificates of insurance showing the City as an additional insured, in duplicate form, prior to the beginning of the Contract. The City shall be named as an additional insured on all such policies except Professional Liability and Workers' Compensation, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under the Agreement. **The issuer of any policy shall have a Certificate of Authority to transact insurance business in the State of Texas or have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition of Best's Key Rating Guide, Property-Casualty United States.**

3.2 Comprehensive General Liability including Contractual Liability and Automobile Liability insurance shall be in at least the following amounts:

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- 3.2.1 Commercial General Liability Insurance including Contractual Liability:
- 3.2.1.1 \$500,000 per occurrence
- 3.2.1.2 \$1,000,000 aggregate, (defense costs excluded from face value of the policy)
- 3.2.2 Workers' Compensation:
- 3.2.2.1 Amount shall be statutory amount
- 3.2.2.2 **Employer's Liability cannot be used as a substitute for Workers' Compensation**
- 3.2.3 Automobile Liability (See Note Below):
- \$1,000,000 Combined Single Limit per occurrence
- Defense costs are excluded from the face amount of the policy. Aggregate Limits are per 12-month policy period unless otherwise indicated.
- 3.2.4 Employer's Liability:
- 3.2.4.1 Bodily injury by accident \$100,000 (each accident)
- 3.2.4.2 Bodily injury by disease \$100,000 (policy limit)
- 3.2.4.3 Bodily injury by disease \$100,000 (each employee)
- 3.2.5 Professional Liability
- 3.2.5.1 \$1,000,000 per occurrence \$1,000,000 aggregate
- 3.3 Automobile liability insurance for autos furnished or used in the course of performance of this contract including Owned, Non-owned and Hired Auto coverage (Any Auto coverage may be substituted for Owned, Non-owned and Hired Auto coverage.) If no autos are owned by the Contractor, coverage may be limited to Non-owned and Hired Autos. If Owned Auto coverage cannot be purchased by Contractor, Scheduled Auto coverage may be substituted for Owned Auto coverage. EACH AUTO USED IN PERFORMANCE OF THIS CONTRACT MUST BE COVERED IN THE LIMITS SPECIFIED.
- 3.4 If the City of Houston requires you to maintain in effect insurance coverage during the term of a contract resulting from the City's acceptance of your response to this request for proposal ("potential contract"), all of your insurance policies must require on their face, or by endorsement, that your insurance carrier waives any rights of subrogation against the City of Houston except for Professional Liability insurance. You must give 30-days' written notice to the City Purchasing Agent if any of your insurance policies are to be cancelled, materially changed, or not renewed. Within this 30-day period, you shall provide other suitable policies in lieu of those about to be canceled, materially changed, or not renewed so as to maintain in effect the required coverage. If you do not comply with this requirement, the Purchasing Agent, at his or her sole discretion, may: (1) immediately suspend you from any further performance under the potential contract and begin procedures to terminate for default, or (2) purchase the required insurance with City funds and deduct the cost of the premiums from amounts due to you under the potential contract.
- 3.5 If any part of the work is sublet, similar insurance shall be provided by or in behalf of the Subcontractor to cover their operations, and the Contractor shall furnish evidence of such insurance, satisfactory to the City. In the event a Subcontractor is unable to furnish insurance in the limits required under the contract, the Contractor shall endorse the Subcontractor as an Additional Insured on their policies excluding Workers' Compensation and Employer's Liability.

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- 3.5.1 (See Insurance Requirements Exhibit for a sample insurance certificate format.)
- 3.5.2 Only unaltered original insurance certificates endorsed by the underwriter are acceptable. Photocopies are unacceptable.
- 3.6 Contractor shall maintain in effect certain insurance coverage, which is described as follows:
- 3.6.1 Form of Policies: The Director may approve the form of the insurance policies, but nothing the Director does or fails to do relieves Contractor from its duties to provide the required coverage under this Agreement. The Director's actions or in-actions do not waive the City's right under this Agreement.
- 3.6.2 Issuers of Policies: The issuer of any policy shall have a Certificate of Authority to transact insurance business in Texas or have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition Best's Key Rating Guide, Property-Casualty United States.
- 3.6.3 Insured Parties: Each policy, except those for Workers Compensation, Employer's Liability, and Professional Liability, must name the City (and its officers, agents, and employees) as Additional Insured parties on the original policy and all renewals or replacements.
- 3.6.4 Deductibles: Contractor shall be responsible for and bear any claims or losses to the extent of any deductible amounts and waives any claim it may have for the same against the City, its officers, agents, or employees.
- 3.6.5 Cancellation: Each policy must state that it may not be canceled, materially modified, or non-renewed unless the contractor gives the Director 30 days' advance written notice. Contractor shall give written notice to the Director within five days of the date on which total claims by any party against Contractor reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project or location subject to this Agreement.
- 3.6.6 Subrogation: Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City, its officers, agents, or employees, except for Professional Liability insurance.
- 3.6.7 Endorsement of Primary Insurance: Each policy, except Worker's Compensation and Professional Liability (if any), must contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under this Agreement.
- 3.6.7.1 All certificates of insurance submitted by Contractor shall be accompanied by endorsements for additional insured coverage in favor of the City for Commercial General Liability and Automobile Liability policies; and waivers of subrogation in favor of the City for Commercial General Liability, Automobile Liability, and Worker's Compensation/Employers' Liability policies. For a list of pre-approved endorsement, forms see <http://purchasing.houstontx.gov/forms.shtml>. The Director will consider all other forms on a case-by-case basis.
- 3.6.8 Liability for Premium: Contractor shall pay all insurance premiums, and the City shall not be obligated to pay any premiums.
- 3.6.9 Subcontractors: Contractor shall require all subcontractors to carry insurance naming the City as an additional insured and meeting all of the above requirements except amount. The amount must be commensurate with the amount of the subcontract, but in no case less than \$500,000 per occurrence. Contractor shall provide copies of insurance certificates to the Director.
- 3.6.10 Proof of Insurance: On the effective date and at any time during the Term of this Agreement, Contractor shall furnish the Director with Certificates of Insurance, along with an Affidavit from Contractor confirming that the Certificates accurately reflect the insurance coverage maintained. If requested in writing by the Director, Contractor shall furnish the City with certified copies of Contractor's actual insurance policies.

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3.6.10.1 Contractor shall continuously and without interruption, maintain in force the required insurance coverage's specified in this Section. If Contractor does not comply with this requirement, the Director, at his or her sole discretion, may immediately suspend Contractor from any further performance under this Agreement and begin procedures to terminate for default, or

3.6.10.2 Purchase the required insurance with City funds and deducts the cost of the premiums from amounts due to Contractor under this Agreement.

3.6.10.3 The City shall never waive or be stopped to assert its right to terminate this Agreement because of its acts or omissions regarding its review of insurance documents.

3.6.11 Other Insurance: If requested by the Director, Contractor shall furnish adequate evidence of Social Security and Unemployment Compensation Insurance, to the extent applicable to Contractor's operations under this Agreement.

4.0 CONTRACTOR PERFORMANCE LANGUAGE:

4.1 Contractor should make citizen satisfaction a priority in providing services under this contract. Contractor's employees should be trained to be customer-service oriented and to positively and politely interact with citizens when performing contract services. Contractor's employees should 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's determination, the Contractor is not interacting in a positive and polite manner with citizens, the Contractor shall take all remedial steps to conform to the standards set by this contract and is subject to termination for breach of contract.

5.0 INSPECTIONS AND AUDITS:

5.1 City representatives may have the right to perform, or have performed, (1) audits of Contractor's books and records, and (2) inspections of all places where work is undertaken in connection with this Agreement. Contractor shall keep its books and records available for this purpose for at least three (3) years after this Agreement terminates. This provision does not affect the applicable statute of limitations.

6.0 INTERPRETING SPECIFICATIONS:

6.1 *The specifications and product references contained herein are intended to be descriptive rather than restrictive. The City is soliciting Proposals to provide a complete product and service package, which meets its overall requirements. Specific equipment and system references may be included in this RFP for guidance, but they are not intended to preclude Offeror(s) from recommending alternative solutions offering comparable or better performance or value to the City. Unless specifically stated otherwise with regard to a specific item of equipment, it should be assumed that the City requires all equipment proposed for this project to be supported by a manufacturer's warranty, which is equal to or better than the prevailing standard in the industry.*

6.2 Changes in the specifications, terms and conditions of this RFP will be made in writing by the City prior to the Proposal due date. Results of informal meetings or discussions between a potential Offeror(s) and a City of Houston official or employee may not be used as a basis for deviations from the requirements contained in this RFP.

7.0 CONTRACTOR DEBT:

7.1 **IF CONTRACTOR, AT ANY TIME DURING THE TERM OF THIS AGREEMENT, INCURS A DEBT, AS THE WORD IS DEFINED IN SECTION 15-122 OF THE HOUSTON CITY CODE OF ORDINANCES, IT SHALL IMMEDIATELY NOTIFY THE CITY CONTROLLER IN WRITING. IF THE CITY CONTROLLER BECOMES AWARE THAT CONTRACTOR HAS INCURRED A DEBT, HE SHALL IMMEDIATELY NOTIFY CONTRACTOR IN WRITING. IF CONTRACTOR DOES NOT PAY THE DEBT WITHIN 30 DAYS OF EITHER SUCH NOTIFICATION, THE CITY CONTROLLER MAY DEDUCT FUNDS IN AN AMOUNT EQUAL TO THE DEBT**

GENERAL TERMS AND CONDITIONS

SOLICITATION NO.: S46-T24329

FROM ANY PAYMENTS OWED TO CONTRACTOR UNDER THIS AGREEMENT, AND CONTRACTOR WAIVES ANY RECOURSE THEREFOR.

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1.0 LOCAL MINORITY/WOMEN BUSINESS ENTERPRISE PARTICIPATION:

- 1.1 Contractor shall comply with the City's Minority and Women Business Enterprise ("M/WBE") programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Contractor shall make good faith efforts to award subcontracts or Supply Agreements in at least 15 % of the value of this Agreement to M/WBEs. Contractor acknowledges that it has reviewed the requirements for good faith efforts on file with the City's Office of Business Opportunity ("OBO"), and will comply with them.
- 1.2 Contractor shall require written subcontracts with all M/WBE subcontractors and shall submit all disputes with M/WBEs to binding arbitration to be conducted in Houston, Texas, if directed to do so by the OBO Director. M/WBE subcontracts must contain the Terms set out in **Exhibit II**.

2.0 CITY CONTRACTORS' PAY OR PLAY PROGRAM:

- 2.1 The requirements and terms of the City of Houston Pay or Play Program, as set out in Executive Order 1-7, are incorporated into this Agreement for all purposes. Contractor has reviewed Executive Order No. 1-7 and shall comply with its Terms and Conditions as they are set out at the time of City Council approval of this Agreement. This provision requires certain Contractors to offer to certain employees a minimal level of health benefits or to contribute a designated amount to be used to offset the costs of providing health care to uninsured people in the Houston/Harris County area. Failure to complete **Exhibit X** "Pay or Play" Acknowledgement Form & Certification of Agreement to Comply with Pay or Play Program may be just cause for rejection of your Proposal.

3.0 CITY CONTRACTOR OWNERSHIP DISCLOSURE ORDINANCE:

- 3.1 City Council requires knowledge of the identities of the owners of entities seeking to contract with the City in order to review their indebtedness to the City prior to entering into contracts. Therefore, all respondents to this RFP must comply with Houston Code of Ordinances Chapter 15, as amended (Sections 15-122 through 15-126) relating to the disclosure of owners of entities bidding on, proposing for or receiving City contracts.
- 3.2 Completion of Exhibit VI – "Affidavit of Ownership or Control" will satisfy this requirement. Failure to provide this information may be just cause for rejection of your Bid or Proposal.

4.0 CITY OF HOUSTON FAIR CAMPAIGN ORDINANCE:

- 4.1 The City of Houston Fair Campaign Ordinance makes it unlawful for a Contractor to offer any contribution to a candidate for City elective office. For purposes of this ordinance a contract is defined as any contract for goods or services having a value in excess of \$30,000 or more, regardless of the way by which it was solicited or awarded. **Exhibit V** of this RFP describes the contract and documentation requirements relating to this Ordinance.

5.0 DRUG DETECTION AND DETERRENCE PROCEDURES FOR CONTRACTORS:

- 5.1 It is the policy of the City to achieve a drug-free workforce and to provide a workplace that is free from the use of illegal drugs and alcohol. It is also the policy of the City that the manufacture, distribution, dispensation, possession, sale or use of illegal drugs or alcohol by Contractors while on City premises is prohibited. Accordingly, effective September 1, 1994, and pursuant to the Mayor's Executive Order 1-31, as a condition to the award of any contract for labor or services, a successful Offeror(s) must certify to its compliance with this policy. **EXHIBIT VII** contains the standard language, which will be used in each contract for labor or services, as well as the Executive Order 1-31 disclosure and compliance forms (Attachments A, B, and C). These forms must be completed and returned prior to award.

6.0 HIRE HOUSTON FIRST:

- 6.1 **Designation as a City Business or Local Business**

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6.1.1 To be designated as a City or Local Business for the purposes of the Hire Houston First Program, as set out in Article XI of Chapter 15 of the Houston City Code, a bidder or proposer must submit the **Hire Houston First Application and Affidavit (“HHF Affidavit”)** to the Director of the Mayor’s Office of Business Opportunities and receive notice that the submission has been approved prior to award of a contract. Bidders are encouraged to secure a designation prior to submission of a bid or proposal if at all possible.

6.1.2 **Download the HHF Affidavit** from the Office of Business Opportunities Webpage at the City of Houston e-Government Website at the following location:

www.houstontx.gov/obo/moreforms/hirehoustonfirstaffidavit.pdf

6.1.3 Submit the completed application forms to: Mayor’s Office of Business Opportunity, One Stop Business Center, 900 Bagby St., Public Level, Houston, TX 77002 or Applications may be submitted via e-mail to HHF-MOBO@houstontx.gov or faxed to 832.393.0952.

Award of Procurement Pursuant to a Request for Proposal, Best Value Solicitation or Alternative---
Pursuant to Chapter --- of the Local Government Code

6.2.1 IN EVALUATION OF A PROPOSAL SUBMITTED UNDER ANY OF THE ABOVE PROCUREMENT METHODS, THE CITY SHALL AWARD EXTRA POINTS EQUAL TO

- **THREE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A “LOCAL BUSINESS,” AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES, AND
- **FIVE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A “CITY BUSINESS ,”AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES
- UNLESS THE USER DEPARTMENT DETERMINES THAT AN AWARD TO THE LOCAL OR CITY BUSINESS WOULD UNDULY INTERFERE WITH CONTRACT NEEDS, AS PROVIDED N SECTION 15-181 OF THE CODE.

7.0 PROJECT ADMINISTRATION:

7.1 Questions regarding the scope of the project, technical specifications, proposed applications, etc., may be addressed to the project manager at the Pre-Proposal conference.

8.0 PROCUREMENT TIMELINE/SCHEDULE:

8.1 Listed below are the important and estimated completion dates and times for this Request for Proposal (RFP).

<u>EVENT</u>	<u>DATE</u>
Date of issue of the RFP	June 15th, 2012
Pre-Proposal Conference	June 20th, 2012
Questions from Proposers due to City	June 29th, 2012
Proposals due from Proposers	July 13th, 2012
Notification of Finalists for Oral Presentations	July 25th, 2012
Oral Interviews/Presentations	August 1st, 2012
Notification of intent to award (Estimated)	August 8th, 2012
Contract Negotiations/Best and Final Offers	August 22nd, 2012
Council Agenda Date (Tentative)	September 5th, 2012
Implementation of interfaces and testing	September 19th, 2012
Contract start date (Estimated)	September 19th, 2012

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DEFINITION OF TERMS: (GENERAL)

“**Accounts**” means any outstanding fees, fines, penalties, or other charges for a City service, good or permit based upon amounts approved by City Council and owed by a Customer that are referred to the Vendor for collection

“**Agreement**” means the ORIGINAL AGREEMENT, when awarded, between the Parties, including all exhibits and any written amendments thereto, which have been authorized by City Council by ordinance or motion and approved by Vendor.

“**Business Day**” is used to describe Monday through Friday, 8 a.m. – 5p.m excluding official City of Houston Holidays.

“**Cash Collection Rate**” is defined as the total payments received divided by the total assigned excluding any accounts recalled or suspended due to an administrative decision:

$$\text{Cash Collection Rate} = \frac{\text{Payments}}{\text{Assigned} - \text{Recalled} - \text{Suspended}}$$

“**City of Houston**”, “**Houston**”, “**City**”, and “**COH**” are used interchangeably and refer to the public entity that is seeking proposals for a new Delinquent Collections Contract.

“**City**” is defined in the preamble of this Agreement and includes its successors and assigns.

“**City Attorney**” means the currently appointed or acting City Attorney or his/her designee.

“**City Purchasing Agent**” is defined as the person or duly authorized successor, authorized in writing to act for the City. The term includes, except as otherwise provided in this Contract, the authorized representative of the City Purchasing Agent acting within the limits of delegated authority.

“**City Contract Administrator**” means the Director of the City’s Finance Department or his/her designee and shall have the authority to act on behalf of the City within the boundaries of the contract.

“**Collection System**” means a computerized system—including but not limited to functional specifications, notice and warrant forms, telephone scripts, database design, transaction coding structures, underlying methodology, software implementation and all other documents and things created, developed and/or used in connection with the performance of this Agreement—for turnkey collection of Accounts.

“**Contract Award Notice**” means the official notification substantiated by the Notice to Proceed issued by the City Purchasing Agent to the Vendor.

“**Contract Charges**” means charges that accrue during a given month as defined in Article III.

“**Contractor**” is defined in the preamble of this Agreement and includes its successors and assigns.

“**Countersignature Date**” means the date shown as the date countersigned by the City’s Controller on the signature page of this Agreement.

“**Customer**” means any individual or legal entity named on an Account.

“**Delinquent**” means overdue. In the context of an **account**, an **account obligation which remains** unpaid after the initial due date – usually 30 to 60 days from the date of original invoice or billing statement.

“**Director**” means the Director of the Finance Department, or the person he or she designates.

“**Documents**” include the Collection System, notes, manuals, notebooks, plans, computations, databases, tabulations, exhibits, reports, underlying data, charts, analyses, maps, letters, models, forms, photographs, scripts, notices, the original tracings of all drawings, designs and plans, electronic data and computer programs and other work products (and

SPECIFICATIONS / SCOPE OF WORK
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any modifications or improvements to them) that Vendor prepares or provides under this Agreement, or developed in conjunction with the City or with the Vendor's subcontractors.

"Due Date" means the date upon which payment is specified to be made on the face of the bill or invoice.

"Effective Date" means the first day of the first calendar month after approval of the Agreement by City Council.

"First Placement/New Debt" means debt that was not previously assigned to another collection agency.

"Fiscal Year" refers to the City of Houston financial year that is July 1st through June 30th.

"Governing Body" means the Mayor and City Council of the City of Houston.

"Mail Noticing System" means an automated noticing method that meets or exceeds industry standards as established by the United States Postal Service for processing all mail notices required by this Agreement, capable of printing the notice, folding and inserting the notice into an envelope, applying appropriate postage and delivering the notices to an appropriate US Post Office for mailing in compliance with all applicable US Postal regulations. If the City has provided the necessary information and approved the forms, the Notice must include a payment coupon that provides an OCR scan line to allow for automated payment process at an offsite payment center.

"Master File Accounts" means Account data files submitted by the City to the Vendor and maintained by the Vendor under the terms of this Agreement.

"Notice to Proceed" means a written communication from the City Purchasing Agent or Finance Director to Vendor instructing Vendor to begin performance.

"Vendor" is used to describe the individual and/or organization who are responding to this RFP.

"Packeted" means multiple bills of the same type for the same Customer that are grouped together.

"Parties" mean all the entities set out in the Preamble who are bound by this Agreement.

"Previously Assigned Delinquent Accounts" means Accounts that were previously assigned to one or more collection agencies.

"Recovery Rate" is defined as the total dollar value recovered divided by the total dollar value assigned excluding any accounts recalled or suspended due to an administrative decision:

$$\text{Recovery Rate} = \frac{\text{Payments} + \text{Writeoffs} + \text{Payment Adjustments} + \text{Others}}{\text{Assigned} - \text{Recalled} - \text{Suspended}}$$

SPECIFICATIONS / SCOPE OF WORK
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DEFINITION OF TERMS: (FALSE FIRE ALARMS – PART 1 OF THE SCOPE OF WORK)

“**Account**” means the False Fire Alarm violation referred to Vendor for collection.

“**Agreement**” means the agreement for Collection Services entered between the City and Vendor that was countersigned by the City Controller’s Office.

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

“**Alarm Subscribers**” 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 ordinances Article III.

“**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.

“**Delinquent Account**” means an Account that is unpaid on the 61st day after it is due. As used in this Exhibit, “an Account that is unpaid on the 61st day after it is due” has the meaning defined in Chapter 11 of the City Code of Ordinances.

“**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.

“**False Alarm Notice**” means each notice of each false alarm mailed to the permit holder or person in control if there is no valid permit.

“**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 responsible 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’s response to a fire alarm that HFD receives notice for 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 alarm response by HFD. However, the fee does not apply to a 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.

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“**Packeted**” means the grouping together of Accounts for the same Alarm Site and Responsible Party.

“**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.

“**Responsible Party**” means the party that is responsible for payment of the account.

DEFINITION OF TERMS: (EMERGENCY MEDICAL SERVICES – PART 2 OF THE SCOPE OF WORK)

“**Account**” means the individual EMS patient transport that was referred to Vendor for collection.

“**Delinquent Account**” means an account that is past due.

“**Due Date**” means no later than the 30th day following the date the patient is first invoiced for payment of the EMS transport.

“**EMS**” means the Emergency Medical Services.

“**HFD**” means the Houston Fire Department.

“**Nixie**” means an account where contact cannot be established with the transported individual, may it be because of “undeliverable-as-addressed mail”, incomplete account information, or some other factor.

“**Responsible Party**” means the party that is responsible for payment of the account

SPECIFICATIONS / SCOPE OF WORK

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1.0 INTRODUCTION AND OBJECTIVE

- 1.1 The City of Houston ('City') Finance Department is issuing this Request for Proposal (RFP) for Delinquent Account Collection Services. The Finance Department's Accounts Receivables and Collections Division has oversight over accounts receivables and collections citywide and will administer contracts resulting from this RFP. This delinquent account collection services contract is expected to encompass multiple revenue sources across departments. Additionally, this RFP is to identify and enter into a non-exclusive Agreement with one or more capable collection vendors to collect on current and future general delinquent collection accounts managed by the Finance Department.
- 1.2 The scope of work outlines the services the City expects the Vendor to provide during the contract term. Vendors' responses should clearly identify their project management approach to the implementation and support of the Delinquent Account Collection Services Contract. The City of Houston reserves the right to select services from more than one Vendor in whole or in part.
- 1.3 Collections Requirements are for the following delinquent municipal fees, fines and/or penalties. It is anticipated that additional fees, fines and/or penalties will be placed under this contract at the discretion of the City:
- 1.3.1 – **Part 1 of the Scope of Work - Houston Fire Department Emergency Medical Services (EMS)**
- 1.3.1.1 EMS handles approximately 130,000 ambulance transports each year. The City of Houston contracts with a third party vendor for EMS transport billing. Approximately \$56.2 million (69,000 accounts) in EMS transport fees billed to full self-pay, co-pays, or nixie accounts goes delinquent each year.
- 1.3.1.2 Under the direct supervision of the Director, the current billing and collections vendor will designate which types and amounts of delinquent accounts will be turned over to the winning Vendor(s) of this contract for secondary collection. Each transport is considered a separate and unique account for any individual patient.
- 1.3.2 – **Part 2 of the Scope of Work - Houston Fire Department False Fire Alarms (False Fire Alarms)**
- 1.3.2.1 The Houston Fire Department (HFD) contracts with a third party vendor for collection services associated with False Fire Alarms, and currently assigns approximately 140 overdue accounts to the vendor per month (\$30,000 - \$70,000 monthly). Approximately \$3.51 million in outstanding citations existed as of April 6, 2012. Dollar amounts include collection fees for those citations older than 60 days which have been assigned to the collections vendor. Approximately \$1.37 million in citations older than 60 days has not been assigned to the current vendor and does not include the collection fee; once assigned, this would add an additional \$412,218 to the \$3.51 million outstanding.
- 1.3.3 Additionally, the Finance Department recently assumed responsibility for the outstanding debt associated with red light camera violations. As of May 15, 2012, there was approximately \$27 million outstanding in red light camera violations. During the duration of this contract, Finance may assign part or all of this debt for external collection under the terms of this contract.
- 1.3.4 At the Director's discretion, one or more delinquent accounts from other City departments which are currently not being referred to a third party vendor for collection may become part of this contract for primary or secondary collection.
- 1.3.5 At the Director's discretion, one or more delinquent accounts from other City departments which are currently being entrusted to a third party vendor for collection may become part of this contract.

2.0 POLICIES AND PROCEDURES:

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- 2.1 All services provided must be in compliance with all state and federal debt collection laws, rules and regulations as applicable. These include but are not limited to:
- 2.1.1 The Fair Debt Collection Practices Act (FDCPA)
 - 2.1.2 The Fair Credit Reporting Act (FCRA)
 - 2.1.3 The Federal Trade Commission Act (the FTC Act)
 - 2.1.4 The Gramm Leach Bliley Act (GLBA)
 - 2.1.5 The Texas Debt Collection Act
 - 2.1.6 The Health Insurance Portability and Accountability Act of 1996 and subsequent regulations promulgated by the US Department of Health and Human Services (HIPAA) – For EMS Collections and/or any other specified accounts
- 2.2 All services provided must follow the City's Accounts Receivable and Collections Policy, AP4-4 (<http://www.houstontx.gov/adminpolicies/4-4.pdf>) and any subsequent relevant Administrative Procedures put into place. All Administrative Procedures are subject to amendment from time to time.
- 2.3 All services provided must strictly adhere to the City of Houston Code of Ordinances. Below are select sections relevant to each City service (revenue stream / debt category) specifically enumerated in this RFP. These sections should not be considered comprehensive; they are provided for your reference. See: www.houstontx.gov/codes/index.html for access to the full Code of Ordinances.
- 2.3.1 Chapter 2 - ADMINISTRATION >> ARTICLE III. - DEPARTMENT OF FINANCE
 - 2.3.2 Chapter 4 - AMBULANCE
 - 2.3.3 Chapter 11 - BURGLAR AND FIRE ALARM PROTECTIVE SERVICES >> ARTICLE II. - FIRE ALARM SERVICES >> DIVISION 2. - FIRE ALARM PERMITS; FALSE FIRE ALARM FEES
- 2.5 The Director as appropriate shall have the right to review and approve all correspondence, notices and mailing sequences, telephone scripts, and any other collection techniques both prior and during their use. Any modifications requested by the Director or his/her designee shall be implemented no later than ten (10) Business Days after receipt of written instructions
- 2.6 The Vendor must develop notices in English and Spanish, Duplex printing. The Vendor must also be able to furnish notices in Vietnamese as necessary. Notices must be approved by the Director. Vendor must assign copyright for all notices developed under this contract to the City.
- 2.7 The Vendor must have the ability to credit bureau report accounts if specified by the Director.
- 2.8 The Vendor must have the ability to pursue legal action up to and including litigation if deemed necessary by the Director.
- 2.9.1 RIGHT OF RECALL
- 2.9.2 The Director, at his/her own discretion, may elect to recall any portion of the delinquent accounts awarded to the Vendor without monetary charge of any kind to the City. For accounts that do not require immediate cessation of collections activities, the Vendor will be given 30 days notice of the City's intent to recall or suspend an account.
 - 2.9.3 Vendor agrees to return to City upon request, at no charge, any account referred to the Vendor.
 - 2.9.4 The Vendor shall suspend collection efforts on any account and take no further action if instructed to do so in writing – by mail or by appropriate electronic means (such as e-mail or fax) – by the Director. Collection efforts may be resumed by a subsequent written request to do so by the Director.
- 2.10 AUDIT REQUIREMENTS
- 2.10.1 The Director shall have the right to enter into the Vendor's premises during normal business hours to inspect, monitor, or otherwise evaluate any City work performed or being performed therein.

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2.10.2 The Vendor shall assure that the Director or Designee shall have access, during normal business hours, to any books, documents, records, discs, data, systems and papers retained by the Vendor which the Director determines are pertinent to making an audit or examination.

2.10.3 The Vendor shall provide, at its own cost, all computer stations, telephone and communication lines, modems, and other devices required to allow the City's representatives to conduct remote audits, view and extract master account data and reports as outlined in this RFP.

3.0 **COLLECTION SERVICES REQUIREMENTS**

The collection services requirements listed below provide a detailed listing of the minimum requirements the City expects the Delinquent Collection Services Vendor to satisfy. The guidance outlined in this RFP is not intended to preclude Vendors from recommending alternative solutions or approaches offering comparable or better performance or value to the City.

3.1 The Vendor shall document and maintain the applicable internal processes, procedures, forms, templates, scripts, etc. at all times during the term of this Agreement. Vendor shall provide a copy of these documents to the Director no later than 30 days after the Effective Date of this Agreement. The documents may be modified by mutual consent of the Director and the Vendor. It is recognized by the Parties that the Vendor may, at its option and expense, perform additional collection efforts in addition to, but not inconsistent with these required processes and standards.

3.2 ACCOUNT MANAGEMENT

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

- 3.2.1.1 Invoice/notice mailings
- 3.2.1.2 Written correspondence to customers
- 3.2.1.3 Address and telephone number research (Skip tracing)
- 3.2.1.4 Phone efforts (live and automated)
- 3.2.1.5 Email/Fax efforts
- 3.2.1.6 Bankruptcy research
- 3.2.1.7 Death records research
- 3.2.1.8 Payment collection and processing of fines, costs and fees for uncontested charges
- 3.2.1.9 Management information and reports
- 3.2.1.10 Provide all necessary computer equipment, facilities and communications for remote monitoring by authorized City personnel
- 3.2.1.11 Personnel and administrative support
- 3.2.1.12 Manage all inquiries and correspondence
- 3.2.1.13 Provide all necessary software programs and updates
- 3.2.1.14 Credit Bureau Reporting of delinquent Defendants authorized by the City
- 3.2.1.15 Litigate on behalf of the City for all approved delinquent accounts if directed to do so by the City Attorney

3.2.2 Master File or Database of Accounts Management

3.2.2.1 The Vendor shall maintain secure records of all accounts (active or inactive), and all activities associated with the account, in a relational database.

3.2.2.2 The Vendor shall provide web access to the City to conduct searches, information updates, queries, and advanced reporting to generate ad hoc reports.

3.2.2.3 The Director may revise the file access specifications and requirement at his/her sole discretion and the Vendor will have ten (10) business days to implement such changes

3.2.2.4 This access shall be provided at no cost to the City.

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3.2.2.5 The Vendor shall retain all master file information and transactions for the entire term of the awarded Agreement and shall provide an electronic copy of the master file information upon request and at the termination of the awarded agreement.

3.2.2.6 The Vendor shall provide downloads of specified information in a database backup or flat file format. The schedule and information will be determined by the Director.

3.3 CUSTOMER IDENTIFICATION AND ADDRESS RESEARCH

3.3.1 Electronic Skip-tracing – The Vendor may use its own internal process to attempt to locate a valid address upon the initial receipt of return mail, however if these processes result in return mail, the Vendor shall submit the account for skip-tracing to a minimum of two services that perform this service electronically. Vendor will determine the service(s) to be used for this purpose.

3.3.2 Manual Skip-tracing – For an account where the electronic skip-tracing described above does not result in a good mailing address and/or telephone number, and whereby the account meets a minimum set of criteria proposed and agreed to by the City, the Vendor shall also attempt to obtain an address and/or telephone number through manual skip-tracing.

3.3.3 Bankruptcy Information – Vendor shall, initially on receipt of an account and periodically thereafter for all accounts, check to see that the account debtor has not filed for bankruptcy. If a bankruptcy filing is detected, the Vendor shall: timely file a proof of claim for the City; and, notify the City Attorney in writing of the bankruptcy filing and the filing of the proof of claim. This information should be clearly recorded in the account file and properly designated in accordance to pre- and post- bankruptcy requirements.

3.3.4 Death – The Vendor shall, initially on receipt of a delinquent account and annually thereafter for all outstanding accounts, verify that the account owner is not deceased. If an account owner is deceased, the Vendor shall timely obtain proof of claim and update the account file. Suspension of collection activities should occur after the City has reviewed the claim and instructed Vendor to suspend collections.

3.4 MAIL NOTICES

3.4.1 At a minimum, the Vendor must send no less than three (3) notices, on different days, within the first sixty (60) business days of initial account assignment or acquisition of a valid address. At anytime during the process, if mail is returned, the Vendor is required to verify/re-verify the address via skip tracing or other methods approved by the City. Upon obtaining a valid address the Vendor should repeat the below schedule from the date the valid address has been obtained. The Vendor shall maintain account contact history and all updates electronically.

3.4.2 The Vendor shall maintain complete documentation of all noticing activity undertaken and shall provide the Director with such documentation upon request.

3.4.3 The following mailings shall be sent for Credit Bureau Reporting (See Credit Bureau Reporting [Section 3.0 - Collection Requirement Services, Subsection 3.9] below for more details):

3.4.3.1 First notice of the City's intent to credit bureau report the debtor must be sent to the debtor sixty (60) business days prior to the deadline (to be established by the City).

3.4.3.2 Combining one of these notices with other regularly scheduled notices is permitted.

3.4.4 The Vendor may, at its discretion, request approval from the Director to send notices in addition to those set out in Section 3.0 – Collection Requirement Services, Subsection 3.5.1. In the event the Vendor makes such a request that is approved by the Director, the Vendor shall pay the cost of such mailings.

3.5 TELEPHONE EFFORTS AND CONTACTS

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- 3.5.1 At a minimum, the Vendor shall make no less than six (6) calls with at least one in person contact to the delinquent account. In person contact means a live telephone contact (agent to responsible party) and does not include a voicemail or leaving a message.
- 3.5.2 The calls must be made on separate days and times (unless requested by the debtor) and be distributed across the first 75 days of assignment or obtaining a valid telephone number.
- 3.5.3 Additionally, the Vendor shall make telephone calls to the account owner that coincide with the mailing of all notices to the account owner.
- 3.5.4 If a new telephone number is identified for the account, the Vendor must repeat the number of calls outlined in this section.
- 3.5.5 The Vendor should outline how it handles accounts beyond 75 business days from date of assignment to the Vendor.
- 3.5.6 The Vendor upon reaching an account owner shall make every effort to resolve all outstanding delinquent accounts. Upon successfully reaching the account owner, the Vendor is encouraged to do the following (if applicable for the particular account type being handled):
 - 3.5.6.1 Accept Credit, Debit Card or Checking Account Payments
 - 3.5.6.2 Offer a City approved payment plan to the account owner
 - 3.5.6.3 Obtain a promise-to-pay from the account owner
 - 3.5.6.4 Employ other methods as approved by the Director
 - 3.5.6.5 Verify or obtain additional contact information (e.g. email, etc.)
- 3.5.7 The Vendor should be able to provide Spanish and Vietnamese speaking staff to assist customers.
- 3.5.8 The Vendor should provide an 800 phone line to assist account owners in resolving their account(s); this phone number must be provided on all forms and correspondence.
- 3.5.9 Any telephone contact between Vendor and the public must 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.
- 3.5.10 The Vendor must keep detailed electronic records of all customer contacts (whether successful or unsuccessful).

3.6 PAYMENT PLANS

- 3.6.1 When applicable for a debt type – as determined by the Director – the Vendor must keep records of all customers that are on Payment Plans. Specific Vendor resource(s) must be assigned to monitor these accounts to ensure that the account owner is remaining current with the required payments or has paid off the balance. The Vendor is required to make immediate (within 24 hours) calls to the account owner when payments are not received per the agreed payment plan to collect the late payment and/or make modifications (as approved by the Director) to the payment plan.
- 3.6.2 The Vendor is required to mail a notice to the account owner outlining the agreed payment plan and require that the account owner return the signed document that will be kept on file by the Vendor. The payment plan notification form must be approved by the Director.
- 3.6.3 At a minimum, the Vendor is required to mail a written notice to all account debtors ten (10) business days before the due date of an installment payment and to also mail a written notice of failure to make a required installment payment within 48 hours of the determination that the required installment has not been made.

3.7 PROMISES-TO-PAY

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- 3.7.1 The Vendor must keep records identifying all accounts that have promised-to-pay verbally or in writing and the promises made and broken.
- 3.7.2 The Vendor is required to monitor the account and make immediate (within 24 hours) calls to the account when a promise is broken. Upon successfully reaching the account owner, the Vendor must make all efforts to obtain payment immediately.

3.8 LITIGATION

- 3.8.1 The Vendor shall litigate based upon case selection criteria approved by the City Attorney. Prior authorization by the City Attorney or Director prior to initiating legal proceedings is required with the understanding that all attorney fees, court costs and other expenses incurred with legal collection proceedings authorized by the City shall be borne by the Vendor. At City's option before the commencement of litigation, Vendor shall return to City individual case files as may be requested by the City Attorney so that the City Attorney may sue to collect on the debt. Vendor shall reasonably support the City Attorney in such litigation.
- 3.8.2 Vendor shall also provide a detailed, written litigation strategy which includes the types/size of accounts to litigate, proposed court, service strategy, and post-judgment collection processes.

3.9 CREDIT BUREAU REPORTING

- 3.9.1 The Vendor will be responsible for reporting account owners, authorized by the Director, to the national credit bureaus. The Vendor must have the Director's or Designee's permission in writing prior to commencing credit bureau reporting.
- 3.9.2 The specific language and process regarding credit bureau reporting must comply with all state, federal and local laws as well as be approved by the Director.
- 3.9.3 The Vendor assumes all legal liability for ensuring that its credit bureau reporting practices are in compliance with Federal and State laws, including the requirement to resolve all disputes in the timelines specified by law and shall indemnify and defend the City against any claims of violations arising out of this agreement.

3.10 NON-TRADITIONAL COLLECTION EFFORTS

- 3.10.1 The Vendor may provide a seasonal, cyclical marketing strategy regarding radio, television, and newspaper that will encourage account owners to resolve their accounts timely.
- 3.10.2 The strategy and scripts must be presented to the Director, and upon approval, implemented not later than ninety (90) days after the Effective Date of the awarded Agreement.
- 3.10.3 The Vendor must provide specific examples of non-traditional collection efforts that would be implemented. Examples of non-traditional efforts include advertising, public awareness campaigns, outreach, etc.

3.11 STAFFING LEVELS

- 3.11.1 The Vendor shall provide to the Director one contact person and an alternate who will make themselves available for operational and performance discussions and attend monthly meetings to review performance.
- 3.11.2 During the term of the contract, if awarded, if performance goals are not being met due to personnel inadequacies, the Vendor agrees to change or add resources sufficient to meet or exceed performance goals set by Finance.

3.12 COMPLAINTS

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3.12.1 Complaints received from the public must be maintained and detailed in a database and both the complaint and the resolution must be provided to the Director as part of the invoice process, otherwise the invoice will not be paid.

3.12.2 Timely resolution of the issues and complaints should be the Vendor's goal. A turnaround of ten (10) Business Days is the maximum to resolve a complaint from the customer.

3.13 REPORTING STANDARD

The Vendor shall, not later than the fifteenth (15th) business day of the following month, submit all required reports to the Director. The reports shall be part of the invoice process. The City shall have no obligation to pay any invoice submitted until the City has reviewed and reconciled the required reports associated with such invoice. All reports shall be available electronically.

3.13.1 Monthly aged report of all outstanding/uncollected receivables. The report should show age (as measured from the delinquency and assignment dates) by category (e.g. revenue stream; new and previously placed) and summarized within the following buckets: 0-30 days, 31-60 days, 61-90 days, 91-180 days, 181 – 270 days, 271 – 365 days, 1-2 years, 2-3 years, 3-4 years, 4-5 years, 5-6 years, 6-7 years, 7+ years.

3.13.2 Collections

3.13.2.1 Collection rate %, and Recovery rate % (One month, three month, twelve month) by category (e.g. revenue stream).

3.13.2.2 Monthly aged report of all collected receivables. The report should show age (as measured from the delinquency and assignment dates) by category (e.g. revenue stream; new and previously placed) and summarized within the following buckets: 0-30 days, 31-60 days, 61-90 days, 91-180 days, 181 – 270 days, 271 – 365 days, 1-2 years, 2-3 years, 3-4 years, 4-5 years, 5-6 years, 6-7 years, 7+ years.

3.13.3 Collections Activities

3.13.3.1 Monthly report outlining the effectiveness of the Vendor's electronic skip tracing efforts. The report should include (for the current period) the number of accounts eligible for electronic skip tracing, the number of accounts updated after electronic skip tracing, the number of successful hits after electronic skip tracing, the number of accounts forwarded to manual skip tracing. Report should be broken down by category (e.g. revenue stream), dollar value, and count.

3.13.3.2 Monthly report outlining the effectiveness of the Vendor's manual skip tracing efforts. The report should include (for the current period) the number of accounts eligible for manual skip tracing, the number of accounts updated after manual skip tracing, the number of successful hits after manual skip tracing. Report should be broken down by category (e.g. revenue stream), dollar value, and count.

3.13.3.3 Monthly report that summarizes the accounts under a payment plan. The report should include (for the current period and overall) number of accounts, receivable by age (as specified above), total receivable collected to date, number of accounts that are current. Report should be broken down by category (e.g. revenue stream), dollar value, and count.

3.13.3.4 Monthly report that summarizes the number of accounts that promise-to-pay. The report should include (for the current period and overall) the number of accounts, receivable by age (as specified above), total receivable collected as promised, number of broken promises (accounts that require follow up). Report should be broken down by category (e.g. revenue stream), dollar value, and count.

3.13.3.5 Monthly report summarizing the mail campaigns. At a minimum, the report should include (for the current period) the number of required mailings, actual number of mailings, average number of mailings per account and the number of returned letters. Report should be broken down by category (e.g. revenue stream), dollar value, and count.

3.13.3.6 Monthly report summarizing the phone campaigns. At a minimum, the report should include (for the current period) the number of required phone calls, actual number of calls, average number of calls per account, the number of accounts called, and number of successful contacts

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(actual debtor reached). Report should be broken down by category (e.g. revenue stream), dollar value, and count.

- 3.13.3.7 Monthly report outlining the number of accounts referred to the credit bureau (if applicable). The report should include (for the current period and overall) the number of accounts, and age of receivables (as specified above). Report should be broken down by category (e.g. revenue stream), dollar value, and count.
- 3.13.3.8 Monthly report outlining the number of accounts in litigation for the current period and overall (if applicable). The report should include the number of accounts, age of receivables (as specified above), average amount of the receivables, and number of litigated accounts resolved during the reporting period. Report should be broken down by category (e.g. revenue stream), dollar value, and count.
- 3.13.3.9 Monthly reporting outlining non-traditional activities undertaken, accounts impacted, and results of the non-traditional activities

3.13.4 Other Vendor Reports

- 3.13.4.1 Monthly report that summarizes the number of complaints filed with the Vendor (for the current period and overall). The agency must make the detailed log available, on line, for the City to review and address with the Vendor. Report should be broken down by category of debt (e.g. revenue stream) and nature of complaint.
- 3.13.4.2 Monthly report that summarizes disputes and complaints.
- 3.13.4.3 Quarterly report outlining inactive accounts (an account is inactive when the agency has voluntarily suspended all collection activities on an account or when no collection activities have been performed in the past 90 days or more). The report should include the overall number of accounts, age of receivables (as specified above), number of mailings and number phone calls per account. Report should be broken down by category (e.g. revenue stream; new and previously placed).

3.13.5 Call Center activity reports detailing

- 3.13.5.1 Hold times (average and standard deviation)
- 3.13.5.2 Abandon rate (average and standard deviation)
- 3.13.5.3 Time to answer (average and standard deviation)
- 3.13.5.4 Talk time (average and standard deviation)
- 3.13.5.5 Inbound and outbound call volumes
- 3.13.5.6 Manual calls by customer service rep
- 3.13.5.7 Calls handled by each representative working on the City's accounts

- 3.13.6 The above reports represent the minimum report requirements. The Vendor is encouraged to provide additional information that enhances the value of the reports requested.
- 3.13.7 The City reserves the right to modify, delete or add to the minimum reports specified. The Vendor agrees to provide additional reports, at no cost to the City, as requested by the Director.
- 3.13.8 The Vendor agrees that all reports shall be made available in an electronic file(s) in a format approved by the Director.
- 3.13.9 The City's Finance department will require daily data transfers of accounts, account information, detailed account activity, and raw transactional data for the purpose of in-depth data analysis and reporting of Vendor performance. Exact specifications will be mutually agreed up on by the Vendor and the City.
- 3.13.10 Vendor shall provide the name of a contact for use by City staff when questions arise regarding the contents of the reports. These reports shall be a part of the invoice process.

3.14 PAYMENT PROCESSING AND COLLECTION PROCESS

- 3.14.1 The Vendor shall instruct the account holder to make payments via approved payments options such as specific call centers, physical locations, web portals or mail addresses as approved by the Director.

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- 3.14.1.1 Authorized payment methods may differ depending on the debt type.
- 3.14.1.2 The Vendor may offer a web portal to process payments with approval of the Director.
- 3.14.1.3 If the Vendor is authorized for a particular account type to accept payments by mail or at a physical location, the Vendor shall be responsible for processing and posting all mail and physical location payments.
- 3.14.1.4 All payments processed by the Vendor shall be deposited in a City-designated bank account by the end of day on which it is received.
- 3.14.2 The selected Vendor must provide proof of PCI (Payment Card Industry) Compliance. The Vendor shall provide their processes for all credit card payments, electronic check payments, or other forms of electronic payments used by the Vendor's telephone collection staff. If the Vendor allows the PCI certification to lapse, the Vendor will be liable for any damages and penalties incurred by the City.
- 3.14.3 Accounts may not be re-negotiated by the Vendor; however, Vendor may enter into payment arrangements with customer not to exceed 12 months with prior approval of the Director. It is the intent of the City that the Vendor works with cooperative customers who enter into and comply with the terms of a payment agreement. Such accounts shall not be referred to the credit bureaus unless the customer fails to make payments in accordance with the agreement.
- 3.14.4 It is paramount that the Vendor updates its database with this transaction detail on a daily basis. If there are any delays or issues with this upload, the Vendor shall provide the City immediate notification and at no later than the end of same Business Day. It is the Vendor's responsibility to ensure that the transaction upload information is done daily and that the collection personnel for the Vendor have on line, real time access to this important information.
- 3.14.5 The Vendor shall properly process all telephone credit card payments, electronic check payments, or other forms of electronic payments used by the Vendor's telephone collection staff before the end of the same Business Day. The criteria and the process for this transaction detail will be approved by the City and must be real time payment information that is provided directly to the City's system. The Vendor will be responsible for any credit card processing fees they incur.
- 3.14.6 The Vendor shall put in place safeguards to ensure against employee fraud and regularly monitor employees to avoid the potential problem of an account owner's credit card or identity being stolen or misused. If the Vendor obtains information which would lead to the reasonable belief that a citizens identity or credit information has been used falsely by the Vendor's personnel, the City expects to be notified in writing within 24 hours that the investigation has commenced and that personnel involved will no longer be allowed to work the City's account.
- 3.14.7 Records developed as a result of an agreement are the City's records and subject to access, scheduling, audit, and disposition approved by the City.
- 3.14.8 The City shall not pay any Vendor fee based upon a collection resulting from City initiated collection action which shall include, but not be limited to, garnishment, levy, or lien.
- 3.14.9 All records pertaining to accounting operations of the Vendor shall be open for inspection and/or audit by the City at any reasonable time.
- 3.14.10 At the request of the City, Vendor shall meet with the City to review each invoice, explain charges, discuss problems, and mutually agree on courses of action which may be required to provide improved control and/or service.

3.15 INFORMATION SYSTEM SERVICE REQUIREMENTS

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- 3.15.1 The Vendor's computer system must be able to interface with the City's account management/billing system(s) (to include at minimum the EMS account management/billing system, the Fire Permitting system and the SAP Sales & Distribution and Accounts Receivable modules) to allow for daily uploads and downloads of accounts. The Vendor is responsible for setting up and testing the interfaces, at no cost to the City. Specifications will be developed by Vendor and approved by Director. Any subsequent changes in specifications, systems or changes in interface processes that require additional expenditures will be incurred solely by the Vendor. The Director must approve the interface setup before it is activated.
- 3.15.2 The City shall transmit account information to the Vendor by a mutually agreed method. As the City provides this information to the Vendor, the Vendor shall update its relational database on a daily basis with the transaction detail provided by the City. Any issues or concerns regarding this upload must be reported to the City immediately and the Vendor must address any technical difficulties immediately.
- 3.15.3 The Vendor (and its information system) must have the capability to:
- 3.15.3.1 Discontinue or suspend noticing and collection of disputed accounts temporarily or permanently if authorized by the Director.
 - 3.15.3.2 Add any additional penalties, costs or fees to accounts as authorized by law.
 - 3.15.3.3 Update accounts as required.
- 3.15.4 The Vendor shall provide to the City, immediately upon discovering system failure or programming error, information detailing causes for the system failure. The Vendor shall satisfactorily correct the issue in a timely manner, at no cost to the City, all Vendor's hardware or software malfunctions and other Vendor errors.
- 3.15.5 The Vendor shall notify the Director of each occurrence of downtime, shall report to the Director the causes and expected duration of such downtime, and the remedial measures being undertaken. The Director shall provide to the Vendor a list of persons to be notified and the appropriate telephone numbers. The Vendor shall also notify the Director of any foreseeable or anticipated downtime at least twenty-four (24) hours before such downtime is to occur.
- 3.15.6 All system modifications, enhancements, or other changes shall be made and properly tested by the Vendor and approved by the Director before their implementation. The Vendor 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 before implementation of the system(s).
- 3.15.7 The Vendor shall have or create complete back-up systems and capacity for all systems including hardware, software, communication lines, and other equipment. The Vendor shall retain sufficient back-up files so that reconstruction of all payment processing activities can be accomplished for audit purposes and emergency situations.
- 3.15.8 The Vendor shall complete the repair or replacement of any hardware device that fails to perform in accordance with Director approved specifications within four (4) hours of receipt of notification of malfunction from the City (plus normal local travel time).
- 3.15.9 The Vendor shall provide at its own cost all telephone and communication lines, modems, and other devices required to allow the City's representatives to conduct remote audits, view and extract master account data and reports as outlined in this RFP.
- 3.15.10 The Vendor shall maintain complete documentation of all collection activities and shall maintain logs, reports and other records all of which are subject to review by the Director upon reasonable request. The Vendor shall maintain a flowchart description of its collection process.
- 3.15.11 The Vendor shall, at the Director's request, conduct instruction and training of City personnel in connection with any of the services or provision of equipment for which the Vendor is responsible.
- 3.15.12 The Vendor shall perform all computer programming that is necessary to generate the electronic or written reports that are required by the Director for the execution and monitoring of Vendor's performance.

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The Director will specify the types and specifications for the performance reports. Unless otherwise provided, the Director may, at his or her sole discretion, modify or enhance Vendor's reporting requirements at anytime during the Agreement term upon 10 Business Days advance written notice to the Vendor.

3.15.13 Vendor shall deliver accurate and timely management and performance reports as may be required from time to time by the Director in addition to the monthly required reports.

4.0 PERFORMANCE:

- 4.1 Representatives from the Finance Department, will conduct monthly and annual Vendor performance reviews. The reviews will cover the following key areas:
- 4.1.1 Collection and Recovery Rate [new (first placement) and previously placed (i.e. second placement) accounts]
 - 4.1.2 Activity compliance (Mail, Telephone, etc.)
 - 4.1.3 Collection techniques effectiveness (Skip-tracing methods, credit bureau reporting, non-traditional, etc.)
 - 4.1.4 Contract compliance (Reporting, QA, Certifications, Audits, etc.)
 - 4.1.5 Complaint/Dispute management and resolution
 - 4.1.6 Client relations
- 4.2 The Vendor will be responsible for active participation in the performance review meetings, addressing concerns / discrepancies, responding to requests for additional information, and acting promptly to assigned action items as a result of the performance review meetings.
- 4.3 The monthly and annual performance reviews and any subsequent reports will be used in determining the suitability of contract extension.
- 4.4 The Vendor shall be offered the opportunity to provide input in the development of the scorecard detailing the performance metrics with the City having the final decision. The Director reserves the right to terminate the relationship or adjust future allocations of new delinquent accounts if the Vendor's performance consistently remains below the mutually agreed performance standards.

5.0 PROJECT ADMINISTRATION:

- 5.1 The Vendor shall designate a Project Manager who shall be the City's primary point of contact during the term of this contract.
- 5.2 The Project Manager shall be available to attend performance review meetings as scheduled by the Director.
- 5.3 The City reserves the right to require a change in the individual assigned to represent the Vendor if the assigned representative is not serving the needs of the City in acceptable manner through the term of the Contract.

6.0 PRICING, PAYMENT TERMS AND COMPENSATION:

- 6.1 The Vendor is requested to submit pricing that is based on performance and/or a fixed collection fee. Pricing must fall within statutory and ordinance requirements, where stipulated by law.
- 6.1.1 The Vendor must provide pricing based on meeting all of the requirements outlined above.
 - 6.1.2 The Vendor should propose a pricing proposal based on a % of the amount collected.
 - 6.1.3 As an alternate price structure, the Vendor may also propose a fixed fee pricing proposal. If a fixed fee proposal is submitted, please outline in detail how the proposed fixed fee would work including clear definitions of how the fee would be calculated, the calculation process, and the invoice submission and reconciliation process with the City.
 - 6.1.4 Liquidated Damages for Failure to Meet Performance Metrics
 - 6.1.4.1 The Vendor agrees and acknowledges that performance will be measured based on a scorecard to be developed and agreed to by the Vendor and the City. Failure of a

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Vendor to meet the performance goals will result in damages to the City. Therefore, in addition to adjustments to future allocations of new delinquent accounts, the Vendor will agree to pay the City liquidated damages for substantial deficiencies in performance as measured and recorded on the scorecard.

- 6.1.4.2 The amount of the liquidated damages will be dependent upon the overall cash collection rate achieved by the Vendor and will be based on the sliding scale outlined below. Damages will be assessed at the annual performance review. Payments to the City will be due within 30 days of the conclusion of the performance review meeting and notification in writing by the City.

Revenue Stream	Guaranteed Cash Collection Rate	Damages
False Fire Alarms	Less than ___%	\$ Proposed by Vendor
EMS Collections	Less than ___%	\$ Proposed by Vendor
Other Revenue Streams (Standard Rates)	Less than ___%	\$ Proposed by Vendor

- 6.1.4.3 The Vendor may propose performance incentives. If performance incentives are proposed, the Vendor should outline in detail how the performance incentive would work including clear definitions of how the incentive would be calculated, the calculation process, and the invoice submission and reconciliation process with the City.

- 6.1.5 **ALL TABLES AND DATA PRESENTED FOR EXISTING DELINQUENT ACCOUNTS AND ASSOCIATED AMOUNTS ARE FOR INFORMATIONAL PURPOSES ONLY AND NO ONE SHOULD RELY ON GETTING OR KEEPING ALL OF THOSE ACCOUNTS AS THERE MAY BE MORE THAN ONE VENDOR SELECTED, AND THE CITY RESERVES THE RIGHTS TO SHIFT ACCOUNTS BETWEEN SELECTED VENDORS BASED ON COLLECTIONS PERFORMANCE.**

- 6.1.6 For EMS collections, the Vendor will not be compensated for patients that have declared and proved an “inability to pay”.

- 6.2 The Vendor, if it chooses, may submit a proposal that selectively bids on only certain revenue streams (e.g. only false fire alarms, only EMS transport fees). The Vendor should clearly outline the revenue stream it is submitting a proposal for and should outline their compensation proposal using the pricing suggestions outlined in Section 6.0 – Pricing, Payment Terms and Compensation, Subsection 6.1.

- 6.3 The Vendor, if it chooses, may submit a proposal that selectively bids on only providing skip tracing, credit bureau reporting, and/or mailing services. The Vendor should clearly outline the service(s) it is submitting a proposal for and should clearly outline their compensation model on a per-unit, flat fee basis, or sliding-scale basis.

- 6.4 The tables below outline a sample for illustrating your pricing approach:

- 6.4.1 Base Fee Structure:

Revenue Stream	Collection Fee %	Fixed Fee
False Fire Alarms	___%	\$ ___
EMS Collections	___%	\$ ___
Other Revenue Streams	___%	\$ ___

- 6.4.2 Performance Incentive Structure (if proposed):

Revenue Stream	Proposed Incentive & Structure
False Fire Alarms	
EMS Collections	
Other Revenue Streams	

- 6.5 All False Fire Alarm accounts are assessed a collection fee of 30% on the 61st day after it is due per Chapter 11 of the City Code or Ordinances and Chapter 103 of the Texas Code of Criminal Procedure. The Vendor’s fee shall

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be a portion of the collection fee set by ordinance as agreed upon by the parties, or as established by other law. The City encourages Vendors to suggest a lesser percentage or performance based rate.

7.0 EXPENSES:

- 7.1 The Vendor shall be responsible for all costs necessary to execute and perform under the contract, if awarded, as set out in this RFP, including but not limited to:
- 7.1.1 Cost of notices (including printing, folding, stuffing and postage)
 - 7.1.2 Telephone charges (including any long distance charges)
 - 7.1.3 Payment processing and deposit costs (including any credit card processing fees, NSF fees, and payment portal maintenance fees)
 - 7.1.4 Skip-tracing or address research/search charges
 - 7.1.5 Credit Bureau reporting
 - 7.1.6 Advertising or public relations costs incurred in any non-traditional collection methods or public awareness campaign
 - 7.1.7 All system set-up and maintenance charges
 - 7.1.8 Legal/litigation costs

8.0 GENERAL PROVISIONS AND REQUIREMENTS:

- 8.1 It is preferred that the Vendor maintain a local office within the City limits of Houston, Texas. However, if this is not possible, the Vendor is reminded that all key activities associated with the awarded contract must fall within the normal business hours of the City.
- 8.2 All information and data acquired by the Vendor from the City or from others at the expense of or through the participation of the City or paid for by Vendor in order to perform under the awarded Agreement shall be and remain the property of the City. The Vendor must use this information and data only as required in the performance of services, and shall not, before, during, or after the term of the awarded 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. The Vendor must return the information to the City promptly at the request of the Director in a mutually agreed format/media.
- 8.3 The Vendor shall become the holder of and have access to confidential information. The Vendor 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.
- 8.4 Vendor shall make citizen satisfaction a priority in providing services under the awarded agreement. Vendor's employees shall be trained to be customer-service oriented and to positively and politely interact with citizens when performing services. Vendor's employees shall be courteous, efficient, and committed to offering the highest degree of service to the public. If, in the Director's determination, the Vendor is not interacting in a positive and polite manner with citizens, the Director may notify the Vendor of such determination and the Vendor shall immediately take all remedial steps to conform to the standards required by the agreement, if awarded.
- 8.5 The Director 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 Vendor must be approved by the Director and, subject to the same standards, limitations and restrictions as Vendor. It shall be Vendor's responsibility to assure that sub-Contractors operate within the terms of the agreement (if awarded). The Vendor must report to the City on a monthly basis all Accounts referred to sub-Contractors for collection.
- 8.6 The Vendor specifically understands and agrees that it may not release any information related to its performance under the awarded agreement to the media without the prior written approval of the Director. Vendor shall not issue Press Releases without the pre-approval of the Director.
- 8.7 The Vendor has no authority to make decisions regarding dispositions of outstanding Accounts. The Vendor shall inform the Customer of his or her available alternatives for action. The Director will provide information to the Vendor on alternatives available to the Customer.

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8.8 The Vendor will be required to introduce itself at any public meetings requested.

PART 1 – SCOPE OF WORK REQUIREMENTS – FALSE FIRE ALARMS

1.0 FALSE FIRE ALARMS – INTRODUCTION AND DESCRIPTION OF DEBT:

- 1.1 The Houston Fire Department (HFD) contracts with a third party vendor for collection services associated with False Fire Alarms, and currently assigns approximately 140 overdue accounts to the vendor per month (\$30,000 - \$70,000 monthly). Approximately \$3.51 million in outstanding citations existed as of April 6, 2012. Dollar amounts include collection fees for those citations older than 60 days which have been assigned to the collections vendor. Approximately \$1.37 million in citations older than 60 days has not been assigned to the current vendor and does not include the vendor fee; once assigned, this would add an additional \$412,218 to the \$3.51 million outstanding.
- 1.2 Upon issuance of this contract, the existing contract for false fire alarms collections will cease. All debt outstanding and new debts under this revenue stream will be awarded to the Vendor(s) chosen for this RFP.
- 1.3 The Director shall refer accounts to the Vendor as they become delinquent and shall impose the vendor's collection fee immediately prior to transmission of the records.
- 1.4 Debt Aging: The following table is a representation of the non-exempt, outstanding debt as it stood on April 6, 2012. Citations older than 60 days would be assigned to the Vendor.

Aging Bucket	Number of Citations	Amount Outstanding*
0-30 Days	214	\$79,770
31-60 Days	141	\$52,151
61-90 Days	104	\$49,336
91-120 Days	101	\$45,925
121-150 Days	119	\$53,376
151-180 Days	134	\$61,171
181-365 Days	570	\$262,184
1-2 Years	1,082	\$438,968
2-3 years	1,047	\$406,450
3-4 years	1,186	\$462,686
4-5 years	585	\$227,790
Eligible, Not Exported**	4,659	\$1,374,060
Grand Total	9,942	\$3,513,867

* Dollar amounts include vendor fees for those citations older than 60 days which have been assigned to the collections vendor.

**Approximately \$1.37 million in citations older than 60 days has not been assigned to the current vendor and does not include the vendor fee; once assigned, this would add an additional \$412,218 to the \$3.51 million outstanding.

2.0 FALSE FIRE ALARMS – RECALL PROVISIONS:

- 2.1 From time to time the Vendor may receive accounts that later end up having payments received in which the payment was post-marked before the date of export to the Vendor/delinquency date. These accounts are subject to recall and the Vendor shall receive no compensation for these accounts.

SPECIFICATIONS / SCOPE OF WORK
SOLICITATION NO.: S46-T24329

- 2.2 Some accounts provided to the Vendor may be later determined to be exempt from the false alarm fire fee/penalty. These accounts are subject to recall and the Vendor shall receive no compensation for these accounts.

PART 2 – SCOPE OF WORK REQUIREMENTS – EMERGENCY MEDICAL SERVICES

1.0 **EMERGENCY MEDICAL SERVICES – INTRODUCTION AND DESCRIPTION OF DEBT:**

- 1.1. The City currently uses a third party to bill and collect HFD EMS transport fees. The Vendor will be working in conjunction with the current third party biller in order to collect patient information (required demographic and/or insurance information) and/or payments on accounts for EMS transport.
- 1.2. HFD conducts approximately 130,000 transports annually and the transport information is sent to the biller. Information is collected by the third party biller via ePCR (Electronic Patient Care Reports) used by HFD, interfaces with local hospitals, electronic skip tracing, and matching of accounts within the third party biller's current system. The third party biller will send insurance claims when there is enough information to create a claim; otherwise the patient is sent a notice requesting additional information (demographic and/or insurance). Claims may be paid in full, or partially paid with the remainder to be paid by the patient.
- 1.3. The Vendor will be required to perform several functions as part of the collection process. The final handoff process and timing will be mutually agreed upon by the City, the third party biller, and the Vendor:
- 1.3.1. Collect the co-payment portion for which the patient is responsible for all accounts that have been paid by insurance companies and which have been outstanding for at least 120 days from the date of service and the patient has been notified for a minimum of 30 days. In the case of nixies, the account will be handed to the Vendor after 120 days from the date of service. Collect additional information (demographic and/or insurance) and/or payment for accounts that have been outstanding for at least 120 days from date of service that do not have enough information to submit a claim to an insurer or are classified as "self-pay".
- 1.3.2. Provide the ability for a patient to claim "inability to pay" status and provide appropriate documentation to the patient to prove inability to pay.
- 1.3.3. As part of the process, the Vendor will need to be able to update the current third party biller with patient information received and/or payment information.
- 1.3.4. The following table shows the average volume and dollars of accounts that the Vendor will be responsible for performing the activities noted above:

	Accounts (#)	Accounts (\$)
Nixie	183,266	\$ 85,081,366
Co-Pay (>120 Days and <4 Years)	9,473	\$ 1,054,033
Unpaid (120-1 Year)	6,911	\$ 7,086,284
Unpaid (1-2 Years)	17,552	\$ 8,720,888
Unpaid (2-3 Years)	21,428	\$ 10,058,540
Unpaid (3+ Years and includes co-pays)	127,902	\$ 58,161,621
Not Nixie	653,498	\$ 265,477,243
Co-Pay (>120 Days and <4 Years)	54,458	\$ 5,221,834
Unpaid (120-1 Year)	34,490	\$ 32,179,513
Unpaid (1-2 Years)	37,379	\$ 18,436,658
Unpaid (2-3 Years)	40,395	\$ 20,028,170
Unpaid (3+ Years and includes co-pays)	486,776	\$ 189,611,068
Grand Total	836,764	\$ 350,558,609

Note: Unpaid accounts 3+ years include transports that occurred as far back as 2002

2.0 **RECALL PROVISIONS:**

SPECIFICATIONS / SCOPE OF WORK

SOLICITATION NO.: S46-T24329

- 2.1 From time to time the Vendor may receive accounts that later end up having payments received in which the payment was post-marked before the date of export to the Vendor/delinquency date. These accounts are subject to recall and the Vendor shall receive no compensation for these accounts.
- 2.2 Some accounts provided to the Vendor may be later determined to be exempt from payment due to inability to pay. These accounts are subject to recall and the Vendor shall receive no compensation for these accounts.
- 3.0 **ADDITIONAL REQUIRED ACTIVITIES:**
- 3.1 Vendor must create system interfaces with the current third party billing company in order to transmit patient account information and payment information on a daily basis. This includes receiving updated information from the third party biller.
- 3.2 Vendor will be required to work with the third party biller to develop a process (or interface) for updating patient information with updated demographic, contact, insurance information, and/or payment information.
- 3.3 The Contactor must first seek to obtain insurance information and correct demographic information from the patient and/or responsible party.
- 3.3.1 Insurance information includes: Insurance Company Name, Group #, Policy Holder, Insurance Policy #, Date of Service, and name as it appears on the insurance (includes Medicare and Medicaid).
- 3.3.2 Demographic information includes: patient name, address, phone, date of birth, sex (male / female), and Social Security Number.
- 3.3.3 Responsible party information includes: name, address, and phone.
- 3.4 Medicare and Medicaid have set rates and disallow and consider exempt any billed amount above their set rate. When the Vendor collects Medicare / Medicaid billing information, they will be required to provide that information to the City's third party biller for billing purposes. The Vendor will be paid based on the allowed actual payment received from Medicare / Medicaid. The disallowed portion will not be considered an amount collected by the Vendor for purposes of calculating the amount payable to the Vendor.
- 3.5 In cases where there is no insurance information or insurance has paid, the Vendor will be expected to collect payment information from the patient or responsible party.
- 3.6 Vendor will be expected to perform the following activities if payment cannot be received:
- 3.6.1 Skip-trace patients to obtain current contact information including phone and address (as outlined in Section 3.0 - Collection Requirement Services, Subsection 3.4)
- 3.6.2 Send letters to the patient requesting missing information (contact, demographic, insurance) or payment (as outlined in Section 3.0 - Collection Requirement Services, Subsection 3.5)
- 3.6.3 Call the patient to request missing information (contact, demographic, insurance) or payment (as outlined in Section 3.0 - Collection Requirement Services, Subsection 3.6)
- 3.6.4 Process "inability to pay" requests and submit to the third party biller to update the system
- 4.0 **ADDITIONAL REPORTS:**
- 4.1 In addition to the reports listed in "Reporting Standard" section (Section 3.0 - Collection Requirement Services, Subsection 3.14) of this RFP, the Vendor must be able to provide the following reports:
- 4.1.1 Summary number of accounts where updated information was provided back to the third party billing company. The type of information required needs to be broken out to include at least the following categories: Insurance Information, Contact Information, Additional Demographic Information, and Responsible Party Contact Information.
- 4.1.2 Detailed report by account of the information provided back to the third party biller and the categorization of the information as outlined above and date of data transmission.
- 5.0 **COMPLIANCE:**

SPECIFICATIONS / SCOPE OF WORK
SOLICITATION NO.: S46-T24329

- 5.1 The Vendor must describe the safeguards in place to maintain compliance with the following laws and regulations and maintain the confidentiality and integrity of patient's health information:
- 5.1.1 The Fair Debt Collection Practices Act (FDCPA)
 - 5.1.2 The Fair Credit Reporting Act (FCRA)
 - 5.1.3 The Federal Trade Commission Act (the FTC Act)
 - 5.1.4 The Gramm Leach Bliley Act (GLBA)
 - 5.1.5 The Texas Debt Collection Act
 - 5.1.6 The Health Insurance Portability and Accountability Act of 1996 and subsequent regulations promulgated by the US Department of Health and Human Services (HIPAA)The Vendor must show proof that they are appropriately licensed and bonded to perform the collections related activities.

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PROPOSAL OUTLINE AND MINIMUM CONTENT REQUIREMENTS

SOLICITATION NO.: S46-T24329

To simplify the review process and to obtain the maximum degree of comparability, the Proposal must follow the outline as set forth below and, at a minimum, contain the information as requested. Vendor(s) are encouraged to include additional relevant information.

1.0 TITLE PAGE:

1.1 The title page should include the title and number of the RFP, name and address of the Vendor(s), and the date of the Proposal.

2.0 OFFER & SUBMITTAL FORM:

2.1 PROPOSAL MUST BE SIGNED AND NOTORIZED BY AN AUTHORIZED REPRESENTATIVE(S) OF THE PROPOSER, WHICH MUST BE THE ACTUAL LEGAL ENTITY THAT WILL PERFORM THE CONTRACT IF AWARDED AND THE TOTAL FIXED PRICE CONTAINED THEREIN SHALL REMAIN FIRM FOR A PERIOD OF ONE-HUNDRED EIGHTY (180) DAYS.

3.0 LETTER OF TRANSMITTAL:

3.1 A letter of transmittal shall include the following:

- 3.1.1 The names, titles, addresses, and telephone numbers of the individuals who are authorized to make representation on behalf of the Vendor.
- 3.1.2 A statement that the per-unit proposed price and/or lump sum (if prices are proposed) is the total fixed price for the equipment and services enumerated.
- 3.1.3 A statement that the person signing the letter of transmittal is authorized to legally bind the Vendor; that the Proposal and the total fixed price contained therein shall remain firm for a period of one hundred-eighty (180) days, and that the Proposal will comply with the requirements and arrangements stated in the RFP.

4.0 EXPERTISE/EXPERIENCE/QUALIFICATION STATEMENT:

- 4.1 Provide a brief statement describing the Vendor's background information, history, resources and collections track record [first and second placement (previously assigned) debt] by type of debt. Please limit to five (5) pages.
- 4.2 Provide an organizational chart of proposed team or staff to be assigned to this account.
- 4.3 Provide resumes of key personnel whom will be responsible for the delivery of the services.
- 4.4 Provide copies of key personnel certifications and/or licenses, if any.
- 4.5 Provide five (5) current customer references preferably from the local government sector. At a minimum the following information must be included:
 - 4.5.1 Client name, address, contact person name, telephone and email
 - 4.5.2 Type of debt serviced
 - 4.5.3 Monthly case load (dollar value and count)
 - 4.5.4 Collection rate
 - 4.5.5 Contract term (start and expiration)
- 4.6 Provide an outline of your historical (no more than 2 years) collection rates (cash & recovery) by age for new delinquent accounts (accounts not previously assigned to another collection agency).
- 4.7 Provide an outline of your historical (no more than 2 years) collection rates (cash & recovery) by age for delinquent accounts that were previously assigned to another collection agency.
- 4.8 Identify and provide the level of experience of any subcontractors to be utilized for this contract, if awarded.

PROPOSAL OUTLINE AND MINIMUM CONTENT REQUIREMENTS

SOLICITATION NO.: S46-T24329

- 4.9 Outline any past experience with multi collection vendor contracts.
- 5.0 **PRICING, PAYMENT TERMS, AND COMPENSATION:**
- 5.1 The Vendor is requested to submit pricing that is based on performance and/or a fixed collection fee. Pricing must fall below statutory and ordinance requirements, where stipulated by law.
- 5.1.1 The Vendor must provide pricing based on meeting all of the requirements outlined above.
- 5.1.2 All False Fire Alarm accounts shall be limited to a thirty percent (30%) fine/penalty that shall be collected where the collection penalty is authorized by Art. 103.0031, Texas Code of Criminal Procedure.
- 5.1.3 The fixed fee pricing proposal can be based on the type (e.g. first placement or transferred delinquent accounts), value (e.g. lower fee for accounts higher in value) and/or age of the account (e.g. a lower commission for accounts younger in age), and the fixed fee may be either a fixed dollar value or fixed percentage payment by account.
- 5.1.4 The performance based proposal should outline a fee structure that pays the Vendor different collection fee percentages for hitting specific and actual collection recovery rates. Vendor must outline the bonus structure for hitting specified performance levels.
- 5.1.5 Performance guarantee: In either compensation proposal, the Vendor MUST guarantee a minimum performance level to be expected under which the Vendor's fees will be reduced to meet that guarantee if they fail to perform.
- 5.2 The Vendor, if it chooses, may submit a proposal that selectively bids on only certain revenue streams (e.g. only false fire alarms, only EMS transport fees, etc.). The Vendor should clearly outline the revenue stream it is submitting a proposal for and should outline their compensation proposal using the pricing suggestions outlined in Section 6.0 – Pricing, Payment Terms and Compensation, Subsection 6.1.
- 5.3 The Vendor, if it chooses, may submit a proposal that selectively bids on only certain services (e.g. providing only mailings, only skip tracing, only credit bureau reporting, etc.). The Vendor should clearly outline the service it is submitting a proposal for and should clearly outline their compensation model on a per-unit, flat fee basis, or sliding-scale basis.
- 5.4 The City will remit payment to the Vendor for collection service fee from the Collected Funds upon receipt and reconciliation of a monthly invoice.
- 6.0 **PROPOSED STRATEGY AND OPERATIONAL PLAN:**
- 6.1 Provide a detailed description and methodology of the proposed plan for Delinquent Collection Services, which should include, but not be limited to the following:
- 6.1.1 A brief statement of the Vendor's understanding of the work to be done
- 6.1.2 A detailed description that clearly defines the method of approach that will be utilized in the successful achievement of the RFP's intended Scope of Work.
- 6.1.2.1 The collection methods that will be used (i.e. collection letter, telephone contact, etc.)
- 6.1.2.2 The approach to be used for debt previously assigned to another collection agency and new delinquent accounts, if different
- 6.1.2.3 Approach to handling delinquent accounts beyond the first 75 days of mailings and telephone calls.
- 6.1.2.4 Method of documenting collection attempts
- 6.1.2.5 Electronic and manual skip tracing approach and strategy
- 6.1.2.6 Payment processing methods and high level procedures
- 6.1.2.7 Dispute/Complaint resolution process and method of documentation

PROPOSAL OUTLINE AND MINIMUM CONTENT REQUIREMENTS

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- 6.1.2.8 Credit Bureau reporting process
- 6.1.2.9 Detailed samples of reports provided to other government units which summarized monthly and yearly collection activity and results. If none, so indicate.
- 6.1.2.10 Process for legal action up to and including litigation

- 6.2 City of Houston resources needed to complete the implementation.
- 6.3 Provide a detailed plan for HIPAA compliance if required by the revenue stream (e.g.EMS collections).
- 6.4 Provide the number, roles, and years of experience and commitment level of all resources (including Collectors) that would be assigned to this contract, if awarded.
- 6.5 Provide a description of the level of master data access and system performance that the City should expect.
- 6.6 Please provide a statement of acceptance related to all IT interface and reporting requirements – that your firm will be able to provide all services required
- 6.7 Whether litigation capability exists within the Vendor's company or whether litigation is to be handled by a subcontractor. The proposal shall provide information illustrating the procedures normally employed by the company's attorneys in the collection process. The litigation procedures presented shall include a plan of action for post-judgment collection. (Litigation procedures are subject to approval by the City of Houston's Legal Department and/or City Council Members.)
- 6.8 Samples of all reports, forms, and correspondence and telephone scripts to be used for collection. If bidding on EMS, sample of call scripts and notices used to collect patient information.
- 6.9 Describe the staff hiring process and background checks performed.
- 6.10 For EMS, process for handling patients with an inability to pay provided that the City provides you criteria and required paperwork.
- 6.11 For EMS, detail the proposed transition plan for assuming the accounts from the third party biller. At a minimum, include your standard approach to interfacing with other systems, your standard process approach, and your estimated timing.

7.0 FINANCIAL STATEMENTS:

- 7.1 Submit your company's audited annual financial statements, in accordance with and as defined in the Financial Accounting Standards Board (FASB) regulation(s) for the past two years. In addition, include your Dunn & Bradstreet Report or Federal Tax Forms Filed to the Internal Revenue Service (IRS) for the past two years.

8.0 ADDITIONAL QUESTIONS

8.1 PROPOSED TECHNICAL SYSTEM AND SPECIFICATION

- 8.1.1 Provide a complete description, design, functions and technical specifications of delinquent collection services that are being proposed for usage. Include in your discussion, answers to the following questions.
- 8.1.2 What system(s) will be used to host the City's data?
- 8.1.3 Will the City have the capability to access the data remotely? How will this be done?
- 8.1.4 Can the City perform remote audits or will they have to be site audits?
- 8.1.5 Do you use an IVR?

PROPOSAL OUTLINE AND MINIMUM CONTENT REQUIREMENTS

SOLICITATION NO.: S46-T24329

- 8.1.6 How many simultaneous inbound calls can you handle?
- 8.1.7 How many simultaneous outbound calls can you handle?
- 8.1.8 Are you able to handle real-time payment updates?
- 8.1.9 How many other Companies do you support today? Current average number of calls?
- 8.1.10 Will they all be supported through the same switch? Describe how would you handle a peak load of additional calls? Please quantify.
- 8.1.11 Will all calls placed by your employees be recorded? If so what length of time is the call stored?
- 8.1.12 If an account owner were to complain about a call handled by your company, what method of resolution would be used? How would the call be able to be reviewed by the City?
- 8.1.13 How many unplanned system outages has your Company experienced in the past 12 months?
- 8.1.14 What is the frequency of your planned outages? When do those normally occur? What performance measures of system availability do you propose?
- 8.1.15 Do you provide a self-service web portal for debtors to use to view account information, settle accounts, submit disputes or file complaints?

9.0 SECURITY ISSUES

- 9.1 Please describe all systems area security measures, and include a description that address the security of data (is it encrypted).
- 9.2 Is your office secured with security cameras, security entry system, visitors sign in?
- 9.3 Do you have a Disaster Recovery Plan? If yes, describe it.

10.0 CUSTOMER SERVICE REPRESENTATIVE (CSR) INFORMATION

- 10.1 Would your reps handle calls for multiple companies or would they be dedicated to City of Houston calls?
- 10.2 What is your ability to increase or decrease staff according to campaigns or regulations?
- 10.3 What languages can your call center support?
- 10.4 What is the average tenure of your employees?
- 10.5 What is your CSR turnover ratio?
- 10.6 Does your company perform background checks on all its agents?
- 10.7 Is there a minimum education level for your CSRs?
- 10.8 Please describe in general your associate compensation structure (i.e. Base Salary vs. Bonus/Commissions).
- 10.9 For the primary call center dedicated to the City of Houston, where is it located?
- 10.10 Do any of your CSRs work virtually (from home)? How many would you plan to have working virtually on this contract?

11.0 QUALITY ASSURANCE

PROPOSAL OUTLINE AND MINIMUM CONTENT REQUIREMENTS

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- 11.1 For Quality Control purposes, can you provide remote monitoring of your agents? Would our Company have access to that information?
- 11.2 How do you ensure consistency with all call center staff regarding critiquing and scoring CSR monitoring sessions?
- 11.3 How often are CSR's monitored?
- 11.4 How often are performance reviews done for each agent?
- 11.5 Please provide an overview of your customer escalation process.
- 11.6 Please provide an overview of your quality control process for updating account contact information and ensuring the appropriate person is contacted.
- 11.7 Please provide your Employee Code of Conduct.

12.0 TRAINING

- 12.1 What is the training process for new hires? Please provide process?
- 12.2 How do you ensure that all employees are in compliance with state and local collection laws?
- 12.3 Any continuous training? (Telephone techniques, dispute resolution, company policies, and skip tracking techniques)

13.0 REPORTING

- 13.1 Is your management information system capable of providing real-time reports?
- 13.2 Identify the reports in Section 3.0 - Collection Requirement Services, subsection 3.13 that you will not be able to produce.
- 13.3 Please list your capability to generate additional customized reports and submit relevant examples.
- 13.4 What are your report delivery standards?

14.0 COMPLIANCE

- 14.1 Would you permit a third party on behalf of City of Houston to audit your company's operations for compliance with City of Houston's policies and procedures?
- 14.2 Does every CSR sign a confidentiality agreement or non-disclosure statement?
- 14.3 Is your company involved in any lawsuits currently? If yes, how many?
- 14.4 Describe the safeguards in place to maintain compliance with the following laws and regulations and maintain the confidentiality and integrity of patient's health information:
 - 14.4.1 The Fair Debt Collection Practices Act (FDCPA)
 - 14.4.2 The Fair Credit Reporting Act (FCRA)
 - 14.4.3 The Federal Trade Commission Act (the FTC Act)
 - 14.4.4 The Gramm Leach Bliley Act (GLBA)
 - 14.4.5 The Texas Debt Collection Act
 - 14.4.6 The Health Insurance Portability and Accountability Act of 1996 and subsequent regulations promulgated by the US Department of Health and Human Services (HIPAA)

15.0 CONTENTS:

PROPOSAL OUTLINE AND MINIMUM CONTENT REQUIREMENTS

SOLICITATION NO.: S46-T24329

- 15.1 The contents should be identified by section, description, page number, and should include, at a minimum, the following sections:
- 15.2 Title Page
- 15.3 Signed and Notarized Offer and Submittal Form (Exhibit I)
- 15.4 Letter of Transmittal
- 15.5 Expertise/Experience/Reliability Statement
- 15.6 Insurance and bonding certificates
- 15.7 State licenses, registrations and credentialing
- 15.8 Organizational Chart, Resumes and Certifications/Licenses of Proposed Key Personnel
- 15.9 Proposed Strategy/Operational Plan
- 15.10 Response to Additional Questions (see Section 8, Proposal Outline and Minimum Content Requirements above)
- 15.11 Financial Statement and Dunn & Bradstreet Reports or Federal Tax Forms Filed for Past Two Years
- 15.12 Signed M/WBE Forms: Attachment "A" Schedule of M/WBE Participation, and Attachment "B" Letter of Intent (Exhibit II)
- 15.13 List of References and List of Proposed Subcontractors (Exhibit I)
- 15.14 Pricing Form/Fee Schedule (Exhibit III)
- 15.15 Fair Campaign Ordinance Form "A" (Exhibit V)
- 15.16 Affidavit of Ownership or Control (Exhibit VI)
- 15.17 Drug Compliance Agreement Attachment "A" and Vendor's Certification of No Safety Impact Positions Attachment "C" (Exhibit VII)
- 15.18 Anti-Collusion Statement (Exhibit VIII)
- 15.19 Conflict of Interest Questionnaire (Exhibit IX)
- 15.20 City Vendors' Pay or Play Acknowledgement Form (Exhibit X)
- 15.21 Hire Houston First Affidavit (Download Copy at <http://purchasing.houstontx.gov/index.shtml> and submit to MOBO via e-mail to HHF-MOBO@houstontx.gov or fax to 832.393.0952.
- 15.22 Requested Information Outlined in the Scope of Work and Other Additional Relevant/Supporting Information or Alternate Proposals.

EVALUATION AND SELECTION PROCESS
SOLICITATION NO.: S46-T24329

1.0 EVALUATION SUMMARY:

1.1 An evaluation committee will develop a short list of Offeror(s) based upon the initial review of each Proposal received. The short listed Offeror(s) may be scheduled for a structured oral presentation, demonstration and/or interview. Such presentations will be at no cost to the City of Houston. At the end of the oral presentation, demonstration and/or interview, the evaluation of the short listed Offeror(s) will be completed. However, the evaluation committee reserves the right to issue letter(s) of clarity when deemed necessary to any or all Offeror(s). The oral presentations, demonstrations and/or interview may be recorded and/or videotaped.

2.0 SELECTION PROCESS:

2.1 The award of this contract(s) will be made to the respondent(s) offering the response which best meets the needs of the City. The City may make investigations, as it deems necessary, to determine the capabilities of the Offeror(s) to create, modify and implement the required application modules. The Offeror(s) shall furnish to the City such data as the City may request for this purpose. The City reserves the right to reject any offer if the evidence submitted by or the investigation of the Offeror(s) fails to satisfy the City or the Offeror(s) is deemed unqualified to provide the services contemplated. Each Proposal will be evaluated on the basis of the following evaluation criteria that are listed in order of importance below:

2.1.1 Conformance to the Scope of this Request for Proposal document

2.1.2 Financial impact, incentives, or benefits as measured by increased revenues or decreased costs to the City

2.1.3 Experience, reputation and successful track record in performing delinquent government collections

2.1.4 Proposed strategy and operating plans in relation to the requirements outlined in this proposal

2.1.5 Financial strength of the prospective Proposer and subcontractors

2.1.6 M/WBE Participation

* Hire Houston First Preference Points (City Business = five (5) extra percentage points or Local Business = three (3) extra percentage points and Non-City and Non-Local Business will receive zero (0) extra percentage points).

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**EXHIBIT I – OFFER AND SUBMITTAL, REFERENCES,
PROPOSED SUBCONTRACTORS
SOLICITATION NO.: S46-T24329**

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EXHIBIT I – OFFER AND SUBMITTAL
SOLICITATION NO.: S46-T24329

NOTE: PROPOSAL MUST BE SIGNED AND NOTORIZED BY AN AUTHORIZED REPRESENTATIVE(S) OF THE PROPOSER, WHICH MUST BE THE ACTUAL LEGAL ENTITY THAT WILL PERFORM THE CONTRACT IF AWARDED AND THE TOTAL FIXED PRICE CONTAINED THEREIN SHALL REMAIN FIRM FOR A PERIOD OF ONE-HUNDRED EIGHTY (180) DAYS.

"THE RESPONDENT WARRANTS THAT NO PERSON OR SELLING AGENCY HAS BEEN EMPLOYED OR RETAINED TO SOLICIT OR SECURE THIS CONTRACT UPON AN AGREEMENT OR UNDERSTANDING FOR A COMMISSION, PERCENTAGE, BROKERAGE, OR CONTINGENT FEE, EXCEPTING BONA FIDE EMPLOYEES. FOR BREACH OR VIOLATION OF THIS WARRANTY, THE CITY SHALL HAVE THE RIGHT TO ANNUL THIS AGREEMENT WITHOUT LIABILITY OR, AT ITS DISCRETION, TO DEDUCT FROM THE CONTRACT PRICES OR CONSIDERATION, OR OTHERWISE RECOVER THE FULL AMOUNT OF SUCH COMMISSION, PERCENTAGE, BROKERAGE OR CONTINGENT FEE."

Respectfully Submitted:

(Print or Type Name of Contractor – Full Company Name)

City of Houston Vendor No. (If already doing business with City): _____

Federal Identification Number: _____

By: _____
(Signature of Authorized Officer or Agent)

Printed Name: _____

Title: _____

Date: _____

Address of Contractor: _____
Street Address or P.O. Box

City – State – Zip Code

Telephone No. of Contractor: (_____) _____

Signature, Name and title of Affiant: _____

(Notary Public in and for)

_____ County, Texas

My Commission Expires: _____ day of _____ 20_____

EXHIBIT I – REFERENCES
SOLICITATION NO.: S46-T24329

LIST OF PREVIOUS CUSTOMERS

1. Name: _____ Phone No.: _____
Address: _____
Contract Award Date: _____ Contract Completion Date: _____
Contract Name/Title: _____
System Description: _____

2. Name: _____ Phone No.: _____
Address: _____
Contract Award Date: _____ Contract Completion Date: _____
Contract Name/Title: _____
System Description: _____

3. Name: _____ Phone No.: _____
Address: _____
Contract Award Date: _____ Contract Completion Date: _____
Contract Name/Title: _____
System Description: _____

4. Name: _____ Phone No.: _____
Address: _____
Contract Award Date: _____ Contract Completion Date: _____
Contract Name/Title: _____
System Description: _____

**EXHIBIT II – MINORITY/WOMEN BUSINESS ENTERPRISES
CONTRACT REQUIREMENTS
SOLICITATION NO.: S46-T24329**

**EXHIBIT II – ATTACHMENT “A”: SCHEDULE OF M/WBE PARTICIPATION
SOLICITATION NO.: S46-T24329**

DATE OF REPORT: _____

BID NO.: _____

FORMAL BID TITLE: _____

NAME OF MINORITY/WOMEN SUBCONTRACTOR	OFFICE OF BUSINESS OPPORTUNITY CERTIFICATION NO.	STREET ADDRESS AND CITY, STATE, ZIP CODE	TELEPHONE NO.	SCOPE OF WORK	AGREE PRICE
TOTAL					\$ _____
M/WBE PARTICIPATION AMOUNT					\$ _____ %
TOTAL BID AMOUNT					\$ _____

**EXHIBIT II – ATTACHMENT “A” (CONTINUED): SCHEDULE OF M/WBE PARTICIPATION
SOLICITATION NO.: S46-T24329**

IF YOU HAVE USED YOUR BEST EFFORTS TO CARRY OUT THE CITY’S M/WBE POLICY BY SEEKING SUBCONTRACTS AND SUPPLY AGREEMENTS WITH MINORITY AND WOMEN BUSINESS ENTERPRISES, YET FAILED TO MEET THE STATED PERCENTAGE GOAL OF THIS BID DOCUMENT, LIST BELOW YOUR GOOD FAITH EFFORTS FOR COMPLIANCE (DEFINITION OF REQUIREMENTS CAN BE OBTAINED THROUGH THE OFFICE OF BUSINESS OPPORTUNITY AT (713) 837-9000).

THE UNDERSIGNED WILL ENTER INTO A FORMAL AGREEMENT WITH THE MINORITY AND/OR WOMEN SUBCONTRACTORS AND SUPPLIERS LISTED IN THIS SCHEDULE CONDITIONED UPON AWARD OF A CONTRACT FROM THE CITY.

NOTE:
ALL FIRMS LISTED ABOVE MUST BE CERTIFIED (OR ELIGIBLE FOR CERTIFICATION) BY THE OFFICE OF BUSINESS OPPORTUNITY.
THIS SCHEDULE OF M/WBE PARTICIPATION SHOULD BE RETURNED, IN DUPLICATE, WITH THE BID FORM.

BIDDER COMPANY NAME

SIGNATURE OF AUTHORIZED OFFICER OR AGENT OF BIDDER

NAME (TYPE OR PRINT)

TITLE

**EXHIBIT II – ATTACHMENT “B”: M/WBE LETTER OF INTENT
SOLICITATION NO.: S46-T24329**

THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT.

TO: **City of Houston**
City Purchasing Agent

MINORITY/WOMEN BUSINESS ENTERPRISE (M/WBE) AND SUPPLIER

LETTER OF INTENT

Contract Bid Number: _____

Bid Title: _____

Bid Amount: _____

M/WBE Participation Amount: \$ _____ **M/WBE GOAL** _____%

1. _____ agrees to perform work/supply goods and/or
(Name of Minority/Women Business Enterprise)
Services in connection with the above-named contract and _____ as:
Name of Prime Contractor

- (a) _____ An Individual
- (b) _____ A Partnership
- (c) _____ A Corporation
- (d) _____ A Joint Venture

2. _____ status is confirmed by M/WBE Directory made
(Name of Minority/Women Business Enterprise)
available through the City of Houston Office of Business Opportunity. Certificate No.: _____.

3. _____ and _____
(Name of Prime Contractor) **(Minority/Women Business Enterprise)**
intend to work on the above-named contract in accordance with the M/WBE Participation Section of the
City of Houston Contract Bid Provision.

The Terms & Conditions of Attachment “C” attached hereto are incorporated into this Letter of Intent for all purposes.

(Signed -- Prime Contractor)

(Signed -- Minority/Women Business Enterprise)

(Title)

(Title)

(Date)

(Date)

**EXHIBIT II – ATTACHMENT “C”: CERTIFIED M/WBE SUCONTRACT TERMS
SOLICITATION NO.: S46-T24329**

Contractor shall insure that all subcontracts with M/WBE subcontractors and suppliers are clearly labeled **“THIS CONTRACT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT”** and contain the following terms:

1. _____ (M/WBE subcontractor) shall not delegate or subcontract more than 50% of the work under this subcontract to any other subcontractor or supplier without the express written consent of the City of Houston’s Office of Business Opportunity (“the Director”).
2. _____ (M/WBE subcontractor) shall permit representatives of the City of Houston, at all reasonable times, to perform 1) audits of the books and records of the subcontractor, and 2) inspections of all places where work is to be undertaken in connection with this subcontract. Subcontractor shall keep such books and records available for such purpose for at least four (4) years after the end of its performance under this subcontract. Nothing in this provision shall affect the time for bringing a cause of action nor the applicable statute of limitations.
3. Within five (5) business days of execution of this subcontract, Contractor (prime contractor) and Subcontractor shall designate in writing to the Director an agent for receiving any notice required or permitted to be given pursuant to Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of such agent.
4. As conclude by the parties to this subcontract, and as evidenced by their signatures hereto, any controversy between the parties involving the construction or application of any of the terms, covenants or conditions of this subcontract shall, on the written request of one party served upon the other or upon notice by Director served on both parties, be submitted to binding arbitration, under the Texas General Arbitration Act (Tex. Civ. Prac. & Rem. Code Ann., Ch. 171 – “the Act”). Arbitration shall be conducted according to the following procedures:
 - a. Upon the decision of the Director or upon written notice to the Director from either party that a dispute has arisen, the Director shall notify all parties that they must resolve the dispute within thirty (30) days or the matter may be referred to arbitration.
 - b. If the dispute is not resolved within the time specified, any party or the Director may submit the matter to arbitration conducted by the American Arbitration Association under the rules of the American Arbitration Association, except as otherwise required by the City’s contract with American Arbitration Association on file in the Office of the City’s Office of Business Opportunity.
 - c. Each party shall pay all fees required by the American Arbitration Association and sign a form releasing the American Arbitration Association and its arbitrators from liability for decisions reached in the arbitration.
 - d. In the event the American Arbitration Association no longer administers Office of Business Opportunity arbitration for the City, the Director shall prescribe alternate procedures as necessary to provide arbitration by neutrals in accordance with the requirements of Chapter 15 of the Houston City Code of Ordinances.

These provisions apply to goal oriented contracts. A goal oriented contract means any contract for the supply of goods or non-personal or non-professional services in excess of \$100,000.00 for which competitive bids are required by law; not within the scope of the MBE/WBE program of the United States Environmental Protection Agency on the United States Department of Transportation; and ;, which the City Purchasing Agent has determined to have significant M/WBE subcontracting potential in fields which there are an adequate number on known MBE’s and/or WBE’s to compete for City contract.

The M/WBE policy of the City of Houston will discussed during the pre-bid. For information assistance, and/or to receive a copy of the City’s Affirmative action policy and/or ordinance contact the Office of Business Opportunity at (713) 837-9000, 611 Walker, 7th Floor, Houston, Texas 77002.

**EXHIBIT II – ATTACHMENT “D”: OFFICE OF BUSINESS OPPORTUNITY AND
 CONTRACT COMPLIANCE M/WBE UTILIZATION REPORT
 SOLICITATION NO.: S46-T24329**

Report Period: _____

PROJECT NAME & NUMBER: _____

AWARD DATE: _____

PRIME CONTRACTOR: _____

CONTRACT NO.: _____

ADDRESS: _____

CONTRACT AMOUNT: _____

LIAISON/PHONE NO.: _____

M/WBE GOAL: _____

M/WBE SUB/VENDOR NAME	DATE OF OBO CERTIFICATION	DATE OF SUBCONTRACT	SUBCONTRACT AMOUNT	% OF TOTAL CONTRACT	AMOUNT PAID TO DATE	% OF CONTRACT TO DATE

Use additional pages if needed. Submit by the 15th day of the following month.
 Provide support documentation on all revenues paid to end of the report period to:
 M/WBE's to reflect up/down variances on Contract amount.

Office of Business Opportunity
 ATTN: Carlecia Wright 713-837-9000
 611 Walker, 7th Floor
 Houston, Texas 77002

**EXHIBIT IV – INSURANCE REQUIREMENTS AND SAMPLE
INSURANCE CERTIFICATE
SOLICITATION NO.: S46-T24329**

To comply with the Terms & Conditions for insurance in a City of Houston Service Contract, the Contractor's Insurance Certificate must be prepared as follows and shall meet the requirements set forth in this Solicitation:

- A. The City of Houston must be listed as an **additional insured** on the face of the Certificate, except those for Worker's Compensation and Employer's Liability.
- B. Each Policy must contain an endorsement to the effect that **the issuer waives any claim or right in the nature of subrogation** to recover against the City, its officers, agents or employees.
- C. The City of Houston must be included in the Insurer's Notification Requirement, which may be accomplished in one of the following ways:
 - 1. By the Contractor's Insurance Agent revising the standard cancellation clause to read substantially as follows (all handwritten strike-outs, additions, and changes to the original text, must all be initialed by the Insurance Agent authorized to make such changes):

=====~~C A N C E L L A T I O N~~=====

J. D.

NON-RENEWED

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION

J. D.

DATE THEREOF, THE ISSUING COMPANY WILL ~~ENDEAVOR TO MAIL~~ 30 DAYS WRITTEN NOTICE OF SUCH CHANGE TO THE CERTIFICATE HOLDER NAMED (TO THE LEFT), ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND~~

J. D.

~~UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~

=====

AUTHORIZED REPRESENTATIVE OF INSURER John Doe

- O R -

- 2. By Attaching Endorsements in the form attached.
- D. Contractor shall require all subcontractors to carry insurance naming the City as an additional insured and meeting the all of the above requirements except as to amount. The amount shall be commensurate with the amount of the subcontract, but not in no case shall it be less than \$500,000 per occurrence.

**EXHIBIT IV – INSURANCE REQUIREMENTS AND SAMPLE
INSURANCE CERTIFICATE
SOLICITATION NO.: S46-T24329**

CERTIFICATE OF INSURANCE EXPLANATIONS

1. Certificate must not be more than 90 days old.
2. Name and Address of Producer writing coverage.
3. Name of each insurance company providing coverage (as listed in Best's Key Rating Guide or on company's Certificate of Authority on file with Texas Department of Insurance). Each company must have (1) a Certificate of Authority to transact insurance business in Texas or (2) be an eligible non-admitted insurer in the State of Texas and have a Best's rating of B+ or better and a Best's financial size category of class VI or better according to the most current edition Best's Key Rating Guide.
4. Name and address of Insured (as shown on policy)
5. Letter in the column must reference the insurer of the policy being described
6. Must be a policy number; no binders will be accepted
7. Date policy became effective
8. Expiration date must be at least **30** days from date of delivery of certificate
9. Name and file number of project
10. Name of project manager
11. Signature or facsimile signature of authorized representative of Producer (blue ink preferred)
12. All required endorsements must accompany the certificate

EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR CONTRACT AWARD (\$50K OR MORE) SOLICITATION NO.: S46-T24329

ACORD. CERTIFICATE OF INSURANCE Issue Date (MM/DD/YY)

PRODUCER

ISSUERS OF POLICIES. THE ISSUER SHALL HAVE A RATING OF AT LEAST B + AND FINANCIAL SIZE OF CLASS VI OR BETTER ACCORDING TO THE CURRENT YEAR'S BEST RATING.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

SAMPLE FORM

COMPANIES AFFORDING COVERAGE

- COMPANY A
- COMPANY B
- COMPANY C
- COMPANY D
- COMPANY E

COVERAGE'S

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR.	TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION (MM/DD/YY)	POLICY LIMITS
A.	General Liability <input checked="" type="checkbox"/> Commercial General Liability Claims Made <input checked="" type="checkbox"/> Occur. Owners & Contractors Prot.			General Aggregate Products-Comp/Op Agg. Personal & Adv. Injury Each Occurrence Fire Damage (Any one fire) Med. Expense (Any one person)	\$1,000,000 \$1,000,000 \$1,000,000 \$ 500,000 \$ 50,000 \$ 5,000
A.	Automobile Liability <input checked="" type="checkbox"/> Any Auto <input checked="" type="checkbox"/> All Owned Autos <input type="checkbox"/> Scheduled Autos <input type="checkbox"/> Hired Autos <input type="checkbox"/> Non-Owned Autos Garage Liability		Auto Liability Insurance for autos furnished or used in the course of performance of this Contract. Including Owned, Non-owned, and Hired Auto coverage. (Any Auto coverage may be substituted for Owned, Non-owned and Hired Auto Coverage.) If no autos are owned by Contractor, coverage may be limited to Non-owned and Hired Autos. If Owned Auto coverage cannot be purchased by Contractor, Scheduled Auto coverage may be substituted for Owned Auto coverage. EACH AUTO USED IN PERFORMANCE OF THIS CONTRACT SHALL BE COVERED IN THE LIMITS SPECIFIED.	Combined Single Limit Bodily Injury (Per person) Bodily Injury (Per Accident) Property Damage	\$1,000,000 \$ \$ \$
	Excess Liability			Each Occurrence Aggregate	\$ \$
	Worker's Compensation and Employee Liability	Statutory Limits	<input checked="" type="checkbox"/>	Statutory Limits Each Accident Disease - Policy Limit Disease - Each Employee	\$ 100,000 \$ 100,000 \$ 100,000
	Other				

DESCRIPTION OF OPERATION/LOCATIONS/VEHICLES/SPECIAL ITEMS

City of Houston is named as additional insured on Auto and General Liability policies, and Waiver of Subrogation on Auto, General Liability, and Worker's Compensation.
For (Project Name)

CERTIFICATE HOLDER

SHALL BE MODIFIED AS FOLLOWS: **CANCELLATION**
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED NON-RENEWED BEFORE THE EXPIRATION DATE THERE OF, THE ISSUING COMPANY WILL MAIL THIRTY (30) DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. CITY OF HOUSTON / FINANCE AND ADMINISTRATION

DEPARTMENT – STRATEGIC PURCHASING DIVISION

P.O. BOX 1562
HOUSTON, TEXAS 77251

AUTHORIZED REPRESENTATIVE

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

POLICY NUMBER:

COMMERCIAL AUTO
CA 04 44 03 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US (WAIVER OF SUBROGATION)**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:

Endorsement Effective Date:

SCHEDULE

Name(s) Of Person(s) Or Organization(s):

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** Condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR CONTRACT AWARD (\$50K OR MORE)

SOLICITATION NO.: S46-T24329

ENDORSEMENT

This endorsement, effective 12:01 AM

Forms a part of policy no.:

Issued to:

By:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED REQUIRED BY WRITTEN CONTRACT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY POLICY, COVERAGE APPLICABLE TO COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE (SECTION I - COVERAGES) ONLY

- A. Section II - Who Is An Insured** is amended to include any person or organization you are required to include as an additional insured on this policy by a written contract or written agreement in effect during this policy period and executed prior to the "occurrence" of the "bodily injury" or "property damage."
- B.** The insurance provided to the above described A additional insured under this endorsement is limited as follows:
1. COVERAGE A BODILY INJURY AND PROPERTY DAMAGE (Section I - Coverages) only.
 2. The person or organization is only an additional insured with respect to liability arising out of "your work" or "your product".
 3. In the event that the Limits of Insurance provided by this policy exceed the Limits of Insurance required by the written contract or written agreement, the insurance provided by this endorsement shall be limited to the Limits of Insurance required by the written contract or written agreement. This endorsement shall not increase the Limits of Insurance shown in the Declarations pertaining to the coverage provided herein.
 4. The insurance provided to such an additional insured does not apply to "bodily injury" or "property damage" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services, including, but not limited to:
 - i. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
 - ii. Supervisory, inspection, architectural, or engineering activities.
- 5.** This insurance does not apply to "bodily injury" or "property damage" arising out of "your work" or "your product" included in the "product-completed operations hazard" unless you are required to provide such coverage by written contract or written agreement and then only for the period of time required by the written contract or written agreement and in no event beyond the expiration date of the policy.
- 6.** Any coverage provided by this endorsement to an additional insured shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis.
- C.** In accordance with the terms and conditions of the policy and as more fully explained in the policy, as soon as practicable, each additional insured must give us prompt notice of any "occurrence" which may result in a claim, forward all legal papers to us, cooperate in the defense of any actions, and otherwise comply with all of the policy's terms and conditions. Failure to comply with this provision may, at our option, result in the claim or "suit" being denied.

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

ENDORSEMENT No.

This endorsement, effective 12:01 AM:

Forms a part of policy no:

Issued to:

By:

Commercial Umbrella Liability Policy with CrisisResponse®

Additional Insured Endorsement - Products-Completed Operations and Primary Non-Contributing

This policy is amended as follows:

Section VII. DEFINITIONS, Paragraph M. is amended to include the following additional provision:

Insured means:

Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization is an additional insured on your policy, but only if such person or organization is included under the coverage provided by **Scheduled Underlying Insurance**. Such person or organization is an additional insured only with respect to liability:

1. arising out of **Your Work** at the location designated; or
2. included within the **Products-Completed Operations Hazard**.

This provision does not apply to liability arising out of the sole negligence of such person or organization for its own acts or omissions or those of its employees or anyone else acting on its behalf.

Coverage afforded to these additional insured parties will be primary to, and non-contributory with, any other insurance available to that person or organization.

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

ISO | Commercial General Liability Forms | 07/01/04

POLICY NUMBER:

**COMMERCIAL GENERAL
LIABILITY
CG 20 10 07 04**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

CG 20 10 07 04

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**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

ISO | Commercial General Liability Forms | 07/01/04

POLICY NUMBER:

**COMMERCIAL GENERAL
LIABILITY
CG 20 37 07 04**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

CG 20 37 07 04

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**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

ISO | Commercial General Liability Forms | 01/01/96

POLICY NUMBER:

**COMMERCIAL GENERAL
LIABILITY
CG 20 11 01 96**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – MANAGERS OR LESSORS OF
PREMISES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

1. Designation of Premises (Part Leased to You):
2. Name of Person or Organization (Additional Insured):
3. Additional Premium:

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.

CG 20 11 01 96

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**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

ISO | Commercial General Liability Forms | 07/01/04

POLICY NUMBER:

**COMMERCIAL GENERAL
LIABILITY
CG 20 15 07 04**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – VENDORS

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s) (Vendor)	Your Products
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured any person(s) or organization(s) (referred to below as vendor) shown in the Schedule, but only with respect to "bodily injury" or "property damage" arising out of "your products" shown in the Schedule which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:
 - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - b. Any express warranty unauthorized by you;
 - c. Any physical or chemical change in the product made intentionally by the vendor;
 - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
 - h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (1) The exceptions contained in Sub-paragraphs d. or f.; or
 - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

CG 20 15 07 04

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**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 26 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – DESIGNATED
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. In the performance of your ongoing operations; or
- B. In connection with your premises owned by or rented to you.

SAMPLE ISO FORM

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

ISO | Commercial General Liability Forms | 05/01/09
POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 24 04 05 09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – **Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TEXAS WAIVER OF OUR RIGHT TO
RECOVER FROM OTHERS ENDORSEMENT**

Policy Number:
Effective Date:
Named Insured and Address:

Endorsement Number:
Effective hour is the same as stated on the Information Page of the policy.

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to

bodily injury arising out of the operations described in the Schedule where you are required by a written contract to obtain this waiver from us.

This endorsement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

The premium for this endorsement is shown in the Schedule.

SCHEDULE

1. () Special Waiver
Name of person or organization
2. () Blanket Waiver
Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.
3. Premium:
The premium charge for this endorsement shall be _____ percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.
4. Advance Premium:

Countersigned by _____
Authorized Representative

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 42 03 04 A

(Ed. 1-00)

TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item _____ of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule where you are required by a written contract to obtain this waiver from us.

This endorsement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

The premium for this endorsement is shown in the Schedule.

Schedule

1. Specific Waiver

Name of person or organization

Blanket Waiver

Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

2. Operations:

ALL TEXAS OPERATIONS

3. Premium:

The premium charge for this endorsement shall be _____ percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.

4. Advance Premium:

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective
Insured

Endorsement No.
Premium \$

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR
CONTRACT AWARD (\$50K OR MORE)
SOLICITATION NO.: S46-T24329**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITED WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US ENDORSEMENT**

.....This endorsement modifies insurance provided under the following:.....

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
COMMERCIAL GENERAL LIABILITY SELF-INSURED RETENTION COVERAGE FORM

Schedule

Name of Person or Organization: Where required by written contract.

Under **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Condition **8. Transfer Of Rights Of Recovery Against Others To Us** is amended by the addition of the following provision:

We waive any right of recovery we may have against the person or organization shown in the **Schedule** above because of payments we make for injury or damage arising out of your ongoing operations done under a contract with that person or organization.

All other terms and conditions of this Policy remain unchanged.

EXHIBIT V – FAIR CAMPAIGN ORDINANCE
SOLICITATION NO.: S46-T24329

The City of Houston Fair Campaign Ordinance makes it unlawful for a Contractor to offer any contribution to a candidate for City elective office (including elected officers and officers-elect). All respondents to this invitation to bid must comply with Houston Code of Ordinances Chapter 18 as amended relating to the contribution and solicitation of funds for election campaigns. Provisions of this ordinance are provided in part in the paragraphs that follow. Complete copies may be obtained from the office of the City Secretary.

Candidates for city office may neither solicit nor receive contributions except during a period commencing 270 calendar days prior to an election date for which a person is a candidate for such office and ending 90 calendar days after the election date, including run off elections if such candidate is on the ballot.

Further, it shall be unlawful either for any person who submits a Bid or Proposal to contribute or offer any contribution to a candidate or for any candidate to solicit or accept any contribution from such person for a period commencing at the time of posting of the City Council Meeting Agenda including an item for the award of the Contract and ending upon the 30th day after the award of the Contract by City Council.

For the purposes of this Ordinance, a **Contract** is defined as each Contract having a value in excess of \$30,000 that is let by the City for professional services, personal services, or other goods or services of any other nature whether the Contract is awarded on a negotiated basis, request for Proposal basis, competitive Proposal basis or formal sealed competitive Bids. The term **Contractor** includes proprietors of proprietorships, partners having an equity interest of 10% or more of partnerships, (including limited liability partnerships and companies), all officers and directors of corporations (including limited liability corporations), and all holders of 10% or more of the outstanding shares of corporations.

A STATEMENT DISCLOSING THE NAMES AND BUSINESS ADDRESSES EACH OF THOSE PERSONS WILL BE REQUIRED TO BE SUBMITTED WITH EACH BID OR PROPOSAL FOR A CITY CONTRACT. Completion of the attached form entitled "**Contractor Submission List**" will satisfy this requirement. Failure to provide this information may be just cause for rejection of your Bid or Proposal.

**EXHIBIT VI: CONTRACTOR OWNERSHIP
DISCLOSURE ORDINANCE
SOLICITATION NO.: S46-T24329**

City Council requires knowledge of the identities of the owners of entities seeking to Contract with the City in order to review their indebtedness to the City prior to entering Contracts. Therefore, all respondents to this Invitation to Bid must comply with Houston Code of Ordinances Chapter 15, as amended (Sections 15-122 through 15-126) relating to the disclosure of owners of entities bidding on, proposing for or receiving City contracts. Provisions of this ordinance are provided in part in the paragraphs that follow. Complete copies may be obtained from the office of the City Secretary.

Contracting entity means a sole proprietorship, corporation, non-profit corporation, partnership, joint venture, limited liability company, or other entity that seeks to enter into a contract requiring approval by the Council but excluding governmental entities.

A contracting entity must submit at the time of its Bid or Proposal, an affidavit listing the full names and the business and residence addresses of all persons owning five percent or more of a contracting entity or, where a contracting entity is a non-profit corporation, the full names and the business and residence addresses of all officers of the non-profit corporation.

Completion of the "**Affidavit of Ownership or Control**," included herein, and submitted with the Official Bid or Proposal Form will satisfy this requirement. Failure to provide this information may be just cause for rejection of your Bid or Proposal.

EXHIBIT VI: AFFIDAVIT OF OWNERSHIP OR CONTROL
SOLICITATION NO.: S46-T24329

ORIG. DEPT.: _____

FILE/I.D. NO.: _____

INSTRUCTION: ENTITIES USING AN ASSUMED NAME SHOULD DISCLOSE SUCH FACT TO AVOID REJECTION OF THE AFFIDAVIT. THE FOLLOWING FORMAT IS RECOMMENDED: CORPORATE/LEGAL NAME DBA ASSUMED NAME.

STATE OF _____

§
§
§

AFFIDAVIT OF OWNERSHIP OR CONTROL

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared _____ [FULL NAME] (hereafter "Affiant"),
 _____ [STATE TITLE/CAPACITY WITH CONTRACTING ENTITY] of _____
 [CONTRACTING ENTITY'S CORPORATE/LEGAL NAME] ("Contracting Entity"), who being by me duly sworn on oath stated as follows:

1. Affiant is authorized to give this affidavit and has personal knowledge of the facts and matters herein stated.
2. Contracting Entity seeks to do business with the City in connection with _____
 [DESCRIBE PROJECT OR MATTER] which is expected to be in an amount that exceeds \$50,000.
3. The following information is submitted in connection with the proposal, submission or bid of Contracting Entity in connection with the above described project or matter.
4. Contracting Entity is organized as a business entity as noted below (check box as applicable).

FOR PROFIT ENTITY:

NON-PROFIT ENTITY:

- SOLE PROPRIETORSHIP
- CORPORATION
- PARTNERSHIP
- LIMITED PARTNERSHIP
- JOINT VENTURE
- LIMITED LIABILITY COMPANY
- OTHER (Specify type in space below)

- NON-PROFIT CORPORATION
- UNINCORPORATED ASSOCIATION

EXHIBIT VI: AFFIDAVIT OF OWNERSHIP OR CONTROL
SOLICITATION NO.: S46-T24329

5. The information shown below is true and correct for the Contracting Entity and all owners of 5% or more of the Contracting Entity and, where the Contracting Entity is a non-profit entity, the required information has been shown for each officer, *i.e.*, president, vice-president, secretary, treasurer, etc. **[NOTE: IN ALL CASES, USE FULL NAMES, LOCAL BUSINESS AND RESIDENCE ADDRESSES AND TELEPHONE NUMBERS. DO NOT USE POST OFFICE BOXES FOR ANY ADDRESS. INCLUSION OF E-MAIL ADDRESSES IS OPTIONAL, BUT RECOMMENDED. ATTACH ADDITIONAL SHEETS AS NEEDED.]**

Contracting Entity

Name: _____

Business Address **[No./STREET]** _____

[CITY/STATE/ZIP CODE] _____

Telephone Number (_____) _____

Email Address **[OPTIONAL]** _____

Residence Address **[No./STREET]** _____

[CITY/STATE/ZIP CODE] _____

Telephone Number (_____) _____

Email Address **[OPTIONAL]** _____

5% Owner(s) or More (IF NONE, STATE "NONE.")

Name: _____

Business Address **[No./STREET]** _____

[CITY/STATE/ZIP CODE] _____

Telephone Number (_____) _____

Email Address **[OPTIONAL]** _____

Residence Address **[No./STREET]** _____

[CITY/STATE/ZIP CODE] _____

Telephone Number (_____) _____

Email Address **[OPTIONAL]** _____

EXHIBIT VI: AFFIDAVIT OF OWNERSHIP OR CONTROL
SOLICITATION NO.: S46-T24329

6. Optional Information

Contracting Entity and/or _____ [**NAME OF OWNER OR NON-PROFIT OFFICER**] is actively protesting, challenging or appealing the accuracy and/or amount of taxes levied against _____ [**CONTRACTING ENTITY, OWNER OR NON-PROFIT OFFICER**] as follows:

Name of Debtor: _____
Tax Account Nos. _____
Case or File Nos. _____
Attorney/Agent Name _____
Attorney/Agent Phone No. (_____) _____
Tax Years _____

Status of Appeal [**DESCRIBE**] _____

Affiant certifies that he or she is duly authorized to submit the above information on behalf of the Contracting Entity, that Affiant is associated with the Contracting Entity in the capacity noted above and has personal knowledge of the accuracy of the information provided herein, and that the information provided herein is true and correct to the best of Affiant's knowledge and belief.

Affiant

SWORN TO AND SUBSCRIBED before me this _____ day of _____, 20_____.

(Seal)

Notary Public

NOTE:
This affidavit constitutes a **government record** as defined by Section 37.01 of the Texas Penal Code. Submission of a false government record is punishable as provided in Section 37.10 of the Texas Penal Code. Attach additional pages if needed to supply the required names and addresses.

**EXHIBIT VII: DRUG DETECTION AND DETERRENCE
PROCEDURES FOR CONTRACTORS
SOLICITATION NO.: S46-T24329**

- (a) It is the policy of the City to achieve a drug-free workforce and to provide a workplace that is free from the use of illegal drugs and alcohol. It is also the policy of the City that the manufacture, distribution, dispensation, possession, sale or use of illegal drugs or alcohol by contractors while on City premises is prohibited. By executing this Contract, Contractor represents and certifies that it meets and shall comply with all the requirements and procedures set forth in the Mayor's Policy on Drug Detection and Deterrence, City Council Motion No. 92-1971 ("Mayor's Policy") and the Mayor's Drug Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), both of which are on file in the Office of the City Secretary.
- (b) Confirming its compliance with the Mayor's Policy and Executive Order, Contractor, as a condition precedent to City's obligations under this Contract, will have filed with the Contract Compliance Officer for Drug Testing ("CCODT"), prior to execution of this Contract by the City, (i) a copy of its drug-free workplace policy, (ii) the Drug Policy Compliance Agreement substantially in the format set forth in Attachment "A" to the Executive Order, together with a written designation of all safety impact positions, and (iii) if applicable (e.g. no safety impact positions), the Certification of No Safety Impact Positions, substantially in the format set forth in Attachment "C" to the Executive Order. If Contractor files written designation of safety impact positions with its Drug Policy Compliance Agreement, it also shall file every six (6) months during the performance of this Contract or upon the completion of this Contract if performance is less than six (6) months, a Drug Policy Compliance Declaration in a form substantially similar to Attachment "B" to the Executive Order. The Drug Policy Compliance Declaration shall be submitted to the CCODT within thirty days of completion of this Contract. The first six (6) month period shall begin to run on the date City issues its notice to proceed hereunder or if no notice to proceed is issued, on the first day Contractor begins work under this Contract.
- (c) Contractor shall have the continuing obligation to file with the CCODT written designations of safety impact positions and Drug Policy Compliance Declarations at anytime during the performance of this Contract that safety impact positions are added if initially no safety impact positions were designated. Contractor also shall have the continuing obligation to file updated designations of safety impact positions with the CCODT when additional safety impact positions are added to Contractor's employee work force.
- (d) The failure of Contractor to comply with the above Sections shall be a breach of this Contract entitling City to terminate in accordance with Article IV.

EXHIBIT VII – ATTACHMENT “A”
DRUG POLICY COMPLIANCE AGREEMENT
SOLICITATION NO.: S46-T24329

I, _____ as an owner or officer of
(Name) (Print/Type) (Title)

(Name of Company) (Contractor)

have authority to bind Contractor with respect to its bid, offer or performance of any and all contracts it may enter into with the City of Houston; and that by making this Agreement, I affirm that the Contractor is aware of and by the time the Contract is awarded will be bound by and agree to designate appropriate safety impact positions for company employee positions, and to comply with the following requirements before the City issues a notice to proceed.

1. Develop and implement a written Drug Free Workplace Policy and related drug testing procedures for the Contractor that meet the criteria and requirements established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Drug Policy) and the Mayor's Drug Detection and Deterrence Procedures for Contractors (Executive Order No. 1-31).
2. Obtain a facility to collect urine samples consistent with Health and Human Services (HHS) guidelines and a HHS certified drug testing laboratory to perform the drug tests.
3. Monitor and keep records of drug tests given and the results; and upon request from the City of Houston, provide confirmation of such testing and results.
4. Submit semi-annual Drug Policy Compliance Declarations.

I affirm on behalf of the Contractor that full compliance with the Mayor's Drug Policy and Executive Order No. 1-31 is a material condition of the contract with the City of Houston.

I further acknowledge that falsification, failure to comply with or failure to timely submit declarations and/or documentation in compliance with the Mayor's Drug Policy and/or Executive Order No. 1-31 will be considered a breach of the contract with the City and may result in non-award or termination of the Contract by the City of Houston.

Date

Contractor Name

Signature

Title

**EXHIBIT VII – ATTACHMENT “B”
 DRUG POLICY COMPLIANCE DECLARATION
 SOLICITATION NO.: S46-T24329**

I, _____ as an owner or officer of
 (Name) (Print/Type) (Title)

_____ (Contractor)
 (Name of Company)

have personal knowledge and full authority to make the following declarations:

This reporting period covers the preceding six months from _____ to _____, 19_____.

_____ A written Drug Free Workplace Policy has been implemented and employees notified. The policy **Initials** meets the criteria established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Policy).

_____ Written drug testing procedures have been implemented in conformity with the Mayor's Drug **Initials** Detection and Deterrence Procedures for Contractors, Executive Order 1-31. Employees have been notified of such procedures.

_____ Collection/testing has been conducted in compliance with federal Health and Human Services **Initials** (HHS) guidelines.

_____ Appropriate safety impact positions have been designated for employee positions performing on **Initials** the City of Houston contract. The number of employees on safety impact positions during this reporting period is _____.

From _____ to _____ the following testing has occurred.
Initials (start date) (end date)

	<u>Random</u>	<u>Reasonable Suspicion</u>	<u>Post Accident</u>	<u>Total</u>
Number of Employees Tested	_____	_____	_____	_____
Number of Employees Positive	_____	_____	_____	_____
Percent Employees Positive	_____	_____	_____	_____

_____ Any employee who tested positive was immediately removed from the City worksite consistent with the **(Initials)** Mayor's Policy and Executive Order No. 1-31.

_____ I affirm that falsification or failure to submit this declaration timely in accordance with established guidelines **(Initials)** will be considered a breach of Contract.

I declare under penalty of perjury that the affirmations made herein and all information contained in this declaration are within my personal knowledge and are true and correct.

Date

Contractor Name

Signature

Title

EXHIBIT VIII – ANTI-COLLUSION STATEMENT
SOLICITATION NO.: S46-T24329

Anti-Collusion Statement

The undersigned, as Proposer, certifies that the only person or parties interested in this Proposal as principals are those named herein; that the Proposer has not, either directly or indirectly entered into any Agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the award of this Contract.

Date

Proposer Signature

EXHIBIT IX – CONFLICT OF INTEREST QUESTIONNAIRE
SOLICITATION NO.: S46-T24329

Chapter 176 of the Local Government Code requires every Vendor or Contractor with the City of Houston (“City”) to file a Conflict of Interest Questionnaire with the City Secretary of the City of Houston by the **seventh** business day after:

- (1) any contract discussions or negotiations begin, or
- (2) submitting an application, responses to requests for proposals, bids, correspondence, or any writing related to a potential Agreement with the City.

The Conflict of Interest Questionnaire is available for downloading from the Texas Ethics Commission’s website at <http://www.ethics.state.tx.us/forms/CIQ.pdf>. The completed Conflict of Interest Questionnaires will be posted on the City Secretary’s website. There will also be a list of the City’s Local Government Officers on the City of Houston’s website.

Additionally, each Vendor or Contractor must file updated questionnaires no later than **September 1st** of each year that the Vendor or Contractor seeks to contract with the City, or the **seventh** business day after the date of an event that would render the questionnaire incomplete or inaccurate.

However, a Vendor or Contractor is not required to file a new questionnaire in any year if the vendor has completed a questionnaire between June 1st and September 1st of that year, unless the previous questionnaire is incomplete or inaccurate.

Original Conflict of Interest Questionnaire shall be filed with Houston’s Records Administrator (Ms. Anna Russell, City Secretary, 900 Bagby, First Floor, Houston, Texas 77002). Vendors and Contractors shall include a copy of the form that was submitted to the City Secretary as part of the Bid Package. Any questions about filling out this form should be directed to your attorney

Failure of any Vendor or Contractor to comply with this law is a Class-C misdemeanor.

EXHIBIT IX – CONFLICT OF INTEREST QUESTIONNAIRE

SOLICITATION NO.: S46-T24329

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.
 This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).
 By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.
 A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of person who has a business relationship with local governmental entity.

2 Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3 Name of local government officer with whom filer has employment or business relationship.

_____ Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

Yes No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

Yes No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes No

D. Describe each employment or business relationship with the local government officer named in this section.

4

Signature of person doing business with the governmental entity

Date

EXHIBIT X – PAY OR PLAY PROGRAM REQUIREMENTS

SOLICITATION NO.: S46-T24329

I. Pay or Play Program Elements

A. Purpose

Authorized by Ordinance 2007-534 and Executive Order 1-7, the purpose of the Pay or Play Program is (1) to create a more level playing field among competing contractors so that those who provide health benefits to their employees are not disadvantaged in the bidding process; and 2) to recognize and account for the fact that there are costs associated with the health care of the uninsured.

B. Program Elements

1. Covered Contracts: Contracts covered by the program are those that are advertised after July 1, 2007, which are valued at or above \$100,000 and are not primarily for the procurement of property, goods, supplies or equipment.
2. Covered employees: This program applies to employees of a covered Contractor or Subcontractor, including Contract labor, who are over age 18, work at least 30 hours per week and work any amount of time under a covered city Contract or Subcontract.
3. Compliance with the program means that the Contractor either:
 - “Pays” by contributing \$1.00 per covered employee per hour for work performed under the Contract with the City; or
 - “Plays” by offering health benefits to covered employees. Health benefits must meet or exceed the following standards:
 - The employer will contribute no less than \$150 per covered employee per month toward the total premium cost.
 - The employee contribution, if any amount, will be no greater than 50% of the total monthly premium cost.
4. Subcontracts: The Prime Contractor is responsible for compliance on behalf of covered employees, including Contract labor, of subcontractors with subcontracts valued at or greater than \$200,000, if the Subcontract is not primarily for the procurement of property, goods, supplies or equipment. Subcontractor compliance includes submission of applicable reports and/or payments to the Prime, as well as maintenance of records.
5. Exemptions/Waivers: The City of Houston will award a Contract to a Contractor that neither Pays nor Plays only if the Contractor has received an approved waiver.
6. Administration: Contractor performance in meeting Pay or Play program requirements will be managed by the contracting department. The Office of Affirmative Action and Contract Compliance will have administrative oversight of the program, including audit responsibilities. Questions about the program should be referred to the department POP Liaison or the Office of Affirmative Action and Contract Compliance.

EXHIBIT X – PAY OR PLAY PROGRAM REQUIREMENTS

SOLICITATION NO.: S46-T24329

II. Documentation and Reporting Requirements

A. Document that must be signed and returned to administering department with the Bid/Proposal.

1. Notice to Prospective City Contractors (Form POP-1A) acknowledges Bidder/Proposers' knowledge of the program and its requirements, and the intention to comply.

B. Documents that must be signed and returned to administering department within a period designated by the department's Contract Administrator, upon notification of low Bidder or successful Proposer status:

1. Certification of Contractor's Intent to Comply with Pay or Play Program (Form POP-2). Note Contractors that opt to "play" must provide proof of coverage, including documentation from insurance provider, and names of covered employees.
2. List of Participating Subcontractors (Form POP-3).

C. The Contractor will comply with the following reporting requirements:

1. Contractors that opt to Play
Provide periodic reports to the Contract administrator showing proof of coverage. Reporting schedule will be determined by administering department based on length of Contract. (Form POP-7.)
2. Contractors that opt to Pay
Provide monthly reports to administering department, detailing names of employees, hours worked, exemptions (if any) and amount owed. (Form POP-5.)

Contractors shall submit an initial report with the second invoice to the department. Payments based on monthly reports are due to the contracting department with submission of the following month's invoice. Payments may be made via wire transfer, provided that proof of transaction is submitted to administering department.

III. Compliance and Enforcement

The Office of Business Opportunity (OBO) and Contract Compliance Office will audit program compliance. Contractors willfully violating or misrepresenting POP program compliance will be subject to corrective and/or punitive action, including but not limited to the assessment of fines and penalties and/or debarment.

The Pay or Play Program Requirements Form (POP-1) and all other POP Forms are available for downloading from the City of Houston's Website at <http://www.houstontx.gov/aacc/popforms.html>

EXHIBIT X – FORM “1A”
PAY OR PLAY PROGRAM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: S46-T24329



What this form does. This form acknowledges your awareness of the Pay or Play program. Your signature affirms that you will comply with the requirements of the program if you are the successful Bidder/Proposer, and ensure the same on behalf of subcontracts subject to the Pay or Play Program.

If you cannot make this assurance now, do not return this form.

For more information, contact the Contract Administrator.

Routing. Return this form with your Bid or Proposal.

I declare under penalty of perjury under the laws of the State of Texas that if awarded a contract, I will comply with the requirements of the Pay or Play Program.

Signature

Date

Print Name

City Vendor ID

Company Name

Phone Number

E-Mail Address

