



REQUEST FOR PROPOSALS
2019 Third Party Collection Services
Solicitation No.: R-19-001-FF
Addendum 2 | February 27, 2019

CHANGES TO THE RFP

- 1. Exhibits.** Insert Exhibits A - G to the Sample Contract attached to this Addendum.

END CHANGES TO THE RFP

QUESTIONS AND ANSWERS

- 1. Question – Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.**

Response – There is no incumbent.

- 2. Questions – What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?**

Response – There are no incumbents.

- 3. Questions – What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?**

Response – At the time of award, accounts at placement will be 2+ years closed. Going forward the delinquent age will be less than 1 year since the account was closed.

- 4. Questions – What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?**

Response – This information is unknown.

- 5. Questions – What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement?**

Response - There are no incumbents. The expectation is to collection the maximum amount on the delinquent accounts.

- 6. Questions – If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up?**

Response – There are no incumbents.

- 7. Questions – What is your case management/accounting software system of record?**

Response – SAWS utilizes Infor public sector.

- 8. Questions – Who is your electronic payment/credit card processing vendor?**

Response – SAWS utilizes Kubra.

- 9. Questions – How many paper copies and/or USB/electronic copies of proposals are vendors required to submit?**

Response – Vendors should submit one (1) hard copy clearly marked as “ORIGINAL” on the cover and signature sheet. Eight (8) additional hard copies and (1) CD or USB. The CD/USB, original and all copies should be submitted in a sealed package with the project information and deadline date and time clearly identified on the outside of the package. Please refer to section IV.B under Submissions.

- 10. Questions – Does SAWS have target liquidation rate for all tiers? If so, can you please provide.**

Response - The target will be maximum delinquent dollars.

- 11. Questions – Is Credit Reporting of assigned SAWS accounts outlined in the RFP by the OCA a firm requirement?**

Response – Credit Reporting is not a requirement but may be considered through the evaluation process.

- 12. Questions – Can the SAWS account inventory have OCA collection servicing executed near-shore (in Jamaica)?**

Response – No.

- 13. Questions – Will service and/or delinquency date be provided? If so, what percentage of accounts will have this information?**

Response - 100% of accounts will have the Release date (date in which the accounts were referred to the OCA). Closed date will also be provided.

14. Questions – What is the anticipated dollar amount and number of accounts that will be referred to the OCA on a monthly basis (after the backlog)?

Response – This information is unknown.

15. Questions – What percentage of accounts will have the data of birth?

Response – This information is unknown.

16. Questions – What percentage of payments are made by walk-in payments?

Response - The percentage of walk in payments is unnecessary for this contract.

17. Questions – What information on the accounts will be included in referral? E.g. Social Security, DOB, etc.

Response – SAWS will provide customer’s name, account number, mailing address, service address, phone number(s) and amount charged off. Please refer to section I.C.1 under Assignment of Delinquent Accounts.

18. Questions – Do you have a projected dollar amount for the forward flow after the initial upload?

Response – This information is unknown.

19. Questions – What improvements would the proposer like to see from the vendor on this contract? Are there any improvements that SAWS would like to see if they were to select a new vendor for this solicitation? (higher liquidation, communication, access to accounts, reporting, etc.)

Response - SAWS would expect maximum delinquent dollars collected.

20. Questions – Regarding Access into our System (pg. 3 of 59): (e) Can this access be given during Office Hours only to reduce concern of Security Threats if access is given 24/7?

Response - SAWS office hours are M-F from 07:30 am to 06:30 pm and Saturday from 08:00 am to 12:00pm. The proposer’s online system availability hours of operation may be considered in the evaluation process.

21. Questions – Identification of Respondents typical Rate of Return for Current/Previous Clients (pg. 7 of 59) • Asking is this for a specific length of time • Specific portfolio (s)

Response – There is no specific length of time. The proposer’s operational longevity in collections activity as well as the typical rate of returns for delinquent collection activities may be considered in the evaluation process

22. Questions – Revenue collected shall be gross amount and may not include interest charges or sales taxes. (pg. 2 #4) • Is SAWS Tax Exempt?

Response – Yes, SAWS is a tax exempt entity.

23. Questions – Sample Contract Exhibit “F”. • The list of Exhibits on page 59 do not Match Exhibits shown in RFP. Should there be Exhibits for the Contract? There are references shown for these exhibits throughout the contract.

Response – Please see the Changes to RFP section of this Addendum.

24. Questions – Do the answers to the questions need to be kept within the Response from Vendor boxes or can we supply within our own formatting? A. If the answers are to be supplied within the “Response from Vendor” boxes will you be providing an editable document?

Response - SAWS has posted the Software as a Service Questionnaire in a Word format on the SAWS website at the following link:

http://www.saws.org/business_center/ContractSol/Drill.cfm?id=3405&View=Yes. This is a required document and must be completed and submitted with Respondent’s proposal.

25. Questions – Will editable documents be available for all the Exhibits and forms which are required to be completed?

Response - No.

26. Questions – What is SAWS data retention policy? (Question 5.1 states the vendor must comply with SAWS policy)

Response - Current data retention policy is Fiscal end of year of date of receipt + 5 years.

27. Questions – There is no Exhibit G attached. Is acknowledgment in the box on page 19/ question 14, sufficient or will you be providing Exhibit G?

Response - Yes, acknowledging Exhibit G as part of the Respondent Questionnaire is sufficient.

28. Questions – On page 6, B-4 states: “The cover page, table of contents and tabs do not count towards the page limit”. Are tabs required?

Response - No, tabs are not required.

29. Questions – In order to meet the deadline for submission, we will need to send the prior day. On Page 6, B-8 states: “Respondents should check the SAWS website frequently, including the day of the SOQ Submittal deadline”. Will respondent be allowed to update should there be new information posted on the day it is due?

Response – Should an addendum be posted while a Respondent’s submittal is in transit, SAWS will contact Respondent to allow the Respondent and opportunity to remedy the deficiency.

30. Questions – On Page 54, Section (n) Default. States: The Water System shall be entitled to recover reasonable attorneys’ fees....” Would it be acceptable to change to: “Either Party”

Response – It is very unlikely that SAWS Legal Department would accept this change. However, the Respondent Questionnaire asks Respondent for any Exceptions they would like to have considered. As a reminder, any exceptions not identified with proposal will not be considered

31. Questions – Re: B. Internet-Based Project Management System. Effective June 1, 2015, SAWS shall administer its services through an Internet-Based Project Management System (hereafter referred to as “CPMS”). In such case, Consultant shall conduct communication through CPMS and perform all Project-related functions utilizing CPMS, with the exception of Sub-Consultant payment monitoring activities, which shall be through the S.P.U.R. system. This includes any and all correspondence, submittals, requests for information, vouchers, compensation requests and processing, amendment, change orders and other administrative activities as may be required in the Contract. SAWS shall administer the CPMS software, shall provide CPMS training to Project Team members and shall make

the software accessible via the Internet to all necessary Project Team members. All invoices shall be submitted through the CPMS. Is there any cost associated to work with this system?

Response – SAWS provides CPMS access at no additional cost to its contracted vendors. Vendors should also be aware, that this contract may or may not use CPMS for invoicing purposes and the contract will be modified to remove this language from the contract if it is not applicable.

END OF QUESTIONS AND ANSWERS

No other items, dates, or deadlines for this RFP are changed.

END ADDENDUM 2

This Addendum including attachments is twenty-three (23) pages in total.

Attachments:

- Exhibit A: Compensation for Consulting Agreement
- Exhibit B: Scope of Services
- Exhibit C: Standard Insurance Specifications
- Exhibit D: Term and Timeframe for Deliverables
- Exhibit E: Security Procedures
- Exhibit F: List of Sub-Consultants
- Exhibit G: No Boycotting Israel Verification

**EXHIBIT A
 COMPENSATION FOR CONSULTING AGREEMENT
 PERCENTAGE OF RECOVERY PAYMENT METHOD**

Section 1 - Basis of Compensation

1.1 Consultant understands and acknowledges that they have been selected as one of several collection companies to provide services to the Water System. THE WATER SYSTEM DOES NOT GUARANTEE, WARRANT, OR REPRESENT A SPECIFIC AMOUNT OF WORK THAT WILL BE ASSIGNED TO CONSULTANT, OR THAT THE CONSULTANT HAS ANY EXCLUSIVE RIGHT TO PERFORM THE SERVICES CONTEMPLATED PURSUANT TO THIS AGREEMENT.

1.2 Total Fee for all services defined by this contract is in an amount not to exceed \$.00 - dollars and no cents for year ending Month Date, Year (“Total Fee”) and it is agreed and understood that this amount, when earned, will constitute full compensation to the Consultant. This amount has been approved and appropriated by the San Antonio Water System for expenditure under this Agreement. There is no warranty, representation, or guarantee that the full Total Fee amount will be earned or spent. The amount paid to Consultant will be entirely dependent on the amount of work that the Water System assigns to Consultant and that Consultant subsequently may earn a fee as determined by the terms and conditions of this Agreement. The amount of work assigned to Consultant is solely at the Water System’s discretion.

1.3 The amount of the Total Fee for all work defined by this Agreement is to be the percentage, as set forth below, of any collection from accounts that SAWS has charged off and subsequently sent to the Consultant for collection of debt. It is agreed and understood that this amount when earned will constitute full compensation to the Consultant, for any work performed under this Agreement.

1.4 Fees shall be calculated strictly on a percentage basis of amounts actually recovered solely by the acts of Consultant pursuant to this Agreement.

1.4.1 Collection of debt owed by the debtor to SAWS for accounts in the initial file transmittal (“Initial Placement”): [] % of the Amount Recovered.

1.4.2 Collection of debt owed by the debtor to SAWS for accounts in the subsequent file transmittal(s) (“Subsequent Placement(s)”) pursuant to the age of an account based on the Referral Date:

Subsequent Placement Fee Schedule	
Accounts Aged 0-24 Months from Referral Date	Accounts Aged 24+ Months from Referral Date
[]% of the Amount Recovered	[]% of the Amount Recovered

- 1.5 As used in this Section 1, “recovery” or “Amount Recovered” shall mean revenue in the form of cash or account credit actually received by the Water System from the Consultant. Notwithstanding anything in this Agreement to the contrary, no payment will be made to Consultant unless and until collection and recovery from accounts that were charged off after being inactive for a period of one month or more with outside third party are actually realized by the Water System.
- 1.6 Any other provision contained herein notwithstanding, all efforts to collect on the Delinquent Accounts by the Consultant shall terminate and the Delinquent Account shall be and will be deemed to have been returned to SAWS if no collection or recovery has been received within four (4) years from the date the account is assigned to Consultant. No fee will be earned or paid to Consultant on a Delinquent Account that is returned pursuant to this provision.

Section 2 - Changes

The Consultant and the Water System acknowledge the fact that the Total Fee contained in paragraph 1.2 above has been established on the Scope of Services outlined in Exhibit B. For additional services beyond the Scope defined in Exhibit B or optional services set forth in section 1.2 above, compensation shall be subject to re-negotiation and/or Section 1.2 above respectively.

Section 3 - Method of Payments

- 3.1 Payment may be made to the Consultant upon the following:

Percentage of Recovery and as further described in Exhibit B herein.

Section 4 -Reimbursable Expenses

There are no reimbursable expenses allowed under this contract. All expenses are included in the fee set forth in section 1 above.

Section 5 - Payment for Services

- 5.1 No initial payment shall be paid to the Consultant prior to rendering services.
- 5.2 Invoices shall be submitted on a monthly basis identifying each assigned account on which recoveries were made.
- 5.3 For all services rendered, payment by the Water System is due within thirty (30) days after receipt of invoice. If payment of the amounts due, or any portion thereof, is not made as described above, interest on the unpaid balance thereof will accrue at the lesser rate of 6 percent per annum (0.5 percent per month) or the maximum lawful rate under Section 271.005 (c) of the Texas Local Government Code until such payment is made, unless delay in payment is due to improper invoicing procedures followed by the Consultant.
- 5.4 For all services rendered, Consultant's payment to sub-consultant is due within ten calendar days after receipt of payment from the Water System.

- 5.5 For all services rendered, the Consultant's invoice shall show the following details regarding each Delinquent Account: amount recovered from the accountholder, date of amounts recovered from accountholder, invoiced amount (based on the percentage of amount recovered),

Section 6 - Payments Withheld

The Water System may withhold, amend, or reject any request for payment by the Consultant under conditions that include those described below:

- 6.1 Consultant's failure to invoice as required in subparagraphs 5.2 through 5.5.
- 6.2 Errors or mistakes in the Consultant's invoice and/or defects, errors and omissions in the documents prepared by the Consultant/Contractor or Consultant's sub-consultants which are the basis for the payment request.
- 6.3 Water System's receipt of evidence that the Consultant's sub-consultants have not been duly paid for their services in connection with this project subsequent to the Water System having disbursed compensation to the Consultant in consideration of and stemming from the efforts extended by the sub-consultant.
- 6.4 Failure of the Consultant to render any service as stipulated by this Agreement.

If any of these conditions exist, then interest charges will not be applicable. The Water System shall provide the Consultant with written notice of its intention to withhold, amend, or reject any request for payment by the Consultant. Upon written request by the Consultant to the Water System made within ten (10) days after the date of notice sent by the Water System, representatives of the Water System will meet with representatives of the Consultant at a mutually agreed time to discuss the circumstances surrounding the determination to withhold, amend, or reject any request for payment by the Consultant.

EXHIBIT B
SCOPE OF SERVICE

The Consultant shall provide the following services in accordance with the terms and conditions of the Agreement:

A. Placement of Delinquent Accounts with Consultant for Collections

1. SAWS will provide delinquent account information electronically to Consultant regarding accounts on which amounts are owed to SAWS that SAWS intends for Initial Placement with Consultant for collections (“Delinquent Accounts”) on or before the 5th of each month.
 - a. Such information will include the Delinquent Account holder’s name, account number, mailing address, service address, phone number(s) and amount charged off.
 - b. From time to time, information such as driver’s license and date of birth of the Delinquent Account holder may (but will not always) be available and included.
 - c. Additional information, such as memos and notes on the Delinquent Account, will not be included in the Initial Placement, but may be provided by calling the pre-designated SAWS Collections Department agent(s).
2. Consultant shall acknowledge receipt of data transmission, and thereby primary placement of such Delinquent Accounts (subject to SAWS’s right to withdraw the Delinquent Accounts from Consultant), within three (3) business days of receipt from SAWS (the “Acknowledge Date”).
3. Consultant shall receive Delinquent Accounts for collection outside of the batch sent from the Initial Placement.
4. SAWS will provide Consultant with login and password secured access to the account information via file batch in either comma delimited (*.csv) or Microsoft Excel format.

B. Settlement of Delinquent Accounts

1. **Initial Placement** is defined as the first batch file of delinquent accounts SAWS transmits to Consultant.
2. Consultant may negotiate a settlement with the delinquent account holder for the reduction of up to 50% of the amount charged off by SAWS, but payment must be a one-time lump sum payment.
3. **Subsequent Placement** is defined as any account file containing Delinquent Account(s) transmitted by SAWS to Consultant after the Initial Placement.
4. After a Delinquent Account has had substantial collection services performed by the Consultant for a period of not less than twelve (12) months following the Acknowledge Date, the Consultant may negotiate a settlement; provided, however, that the terms of such settlement shall be subject to SAWS’s prior written consent. Substantial collection services shall be defined as not less than twelve (12) contacts (mail or phone conversation) to the Delinquent Account holder. Such settlement may not be for less than the allowable amount indicated in the table below and the settlement shall be from the amount charged off by SAWS, and any settlement for less than 100% of the amount charged off must be received in one lump sum payment.

Subsequent Placement Settlement Table

Age from Acknowledge Date	Reduction Settlement % Allowed Based on Charged Off Amount
0-12 Months	No allowed Settlement
12-24 Months	Allowed to reduce amount to 80%
24+	Allowed to reduce amount to 50%

C. Payment Arrangement of Delinquent Accounts

Consultant may make monthly payment installment arrangements with the Delinquent Account holders for a period not to exceed 6 months in duration and such payment arrangements shall not be for the collection of less than 100% of the amount charged off by SAWS.

D. Payment of Revenue Collected

1. Consultant shall remit revenue collected on Delinquent Accounts by the agency directly to SAWS in the form of a check issued by the 15th of each month for amounts collected in the prior month, accompanied by a remittance advice. Such revenue collected by the agency shall be the gross amount and may not include any interest charges or sales taxes.
2. Consultant shall ensure that the remittance advice includes a list of the Delinquent Account holder's name, account number, amount collected, account balance, date collected.
3. Agreed upon fees to be charged by an agency for collection services will be billed to SAWS directly at the beginning of each month for the amounts collected in the prior month. These fees will not be deducted or "netted" from revenue collected by the agency and remitted to SAWS.
4. If a Delinquent Account holder returns to SAWS for the purpose of reestablishing services, the outside collections agency will not be entitled to a collection fee on Delinquent Account(s) of such holder, unless the Consultant can prove that substantial collection services have been performed on the Delinquent Account(s) and the Consultant has had the Delinquent Account(s) for seven (7) or more days. SAWS is entitled to withdraw any Delinquent Account for any reason at any time.

E. Deliverables: OR Performance Standards

1. Consultant shall commence collection efforts upon the Acknowledge Date and shall continue such efforts for the entire period such Delinquent Accounts are held by the Consultant.
2. Consultant shall supervise and direct all collection work, devoting enough attention and applying the necessary skill and expertise to perform the work competently, efficiently, and in full compliance with all applicable laws. Consultant shall be solely responsible for the means, methods, techniques, sequences, and procedures of the collections.
3. By approximately the 10th of each month, Consultant shall provide a report listing the current status of all Delinquent Accounts placed with Consultant in order of Acknowledge Date, with most recent placements listed first. This report shall include the Delinquent Account holder's name, account number, the Acknowledge Date,

originally assigned balance, current balance, amount of any payments made, and the date of the last payment.

4. Consultant shall provide the Water System with monthly reports via its online web-based system, to be accessed by SAWS personnel.
5. Consultant shall provide the Water System with access to its online system and toll free telephone number to obtain real-time account status information during business hours.

SAMPLE

EXHIBIT C
SAWS STANDARD INSURANCE SPECIFICATIONS

1. Commercial Insurance Specifications (“Specifications”):

a. Commencing on the date of this Contract, the CONSULTANT shall, at his own expense, purchase, maintain and keep in force such lines of insurance coverage as will protect him and the San Antonio Water System (“SAWS”) and the City of San Antonio (“the City”) and their employees and agents from claims, which may arise out of or result from his operations under this Contract, whether such operations are by himself, by any sub-consultant, supplier or by anyone directly or indirectly employed by any of them or by anyone for whose acts any of them may be liable, including, without limitation, the following lines of insurance coverage:

- 1) **Workers' Compensation (WC)** insurance that will protect the CONSULTANT, SAWS and the City from claims under statutory Workers' Compensation laws, disability laws or such other employee benefit laws and that will fulfill the requirements of the jurisdiction in which the work is to be performed.

The minimum policy limits of liability for this line of insurance coverage shall be statutory limits.

This **line of insurance coverage** shall be endorsed to provide a **Waiver of Subrogation** in favor of SAWS and the City with respect to both this insurance coverage and the **Employers' Liability (EL)** insurance (as specified immediately below in section 1.a.2)).

- 2) **Employers' Liability (EL)** insurance (**Part 2** under the standard Workers' Compensation insurance policy) that will protect the CONSULTANT, SAWS and the City for damages because of bodily injury, sickness, disease of vendor's employees apart from that imposed by Workers' Compensation laws.

The **EL** line of insurance coverage shall have minimum policy limits of liability of not less than:

\$ 1,000,000.00	Bodily Injury by Accident
1,000,000.00	Bodily Injury by Disease - Each Employee
1,000,000.00	Bodily Injury by Disease - Policy Limit

- 3) **Commercial General Liability (CGL)** insurance that will protect the CONSULTANT, SAWS and the City from claims for damages because of bodily injury, personal injury, sickness, disease or death and insurance that will protect the CONSULTANT, SAWS and the City from claims for damages to or destruction of tangible property of others, including loss of use thereof.

This line of insurance coverage shall:

- Cover independent contractors;
- Not include any exclusions relating to blasting, explosion, collapse of buildings or damage to underground property;

- Afford coverage for Products Liability and/or Completed Operations and, Contractual Liability.

The minimum policy limits of liability for this line of insurance coverage shall be:

\$ 1,000,000.00	Occurrence Limit
2,000,000.00	General Aggregate
2,000,000.00	Products/Completed Operations Aggregate
1,000,000.00	Personal and Advertising Injury
1,000,000.00	Contractual Liability

This line of insurance coverage shall be endorsed:

- Naming SAWS, and the City as an **Additional Insured** for both ongoing and completed operations; and
 - To provide a **Waiver of Subrogation** in favor of SAWS and the City.
- 4) **Commercial/Business Automobile Liability (AL)** insurance that will protect the CONSULTANT, SAWS and the City from claims for damages arising out of the maintenance, operation, or use of any owned, non-owned or hired vehicles.

Minimum policy limits of liability for this line of insurance coverage for bodily injury and property damage **combined** shall be not less than \$1,000,000.00 per each occurrence.

This line of insurance coverage shall be endorsed:

- Naming SAWS, and the City as an **Additional Insured**; and
 - To provide a **Waiver of Subrogation** in favor of SAWS and the City.
- 5) **Fidelity or Crime Insurance** - insurance covering employee dishonesty, including but not limited to dishonest acts of CONSULTANT, its employees, agents, subcontractors and anyone under CONSULTANT'S supervision or control. The CONSULTANT shall be liable for money, securities or other property of SAWS. CONSULTANT shall include a client coverage endorsement written for limits of at least \$1,000,000 and shall include SAWS as Loss Payee.

- b. CONSULTANT shall require all Sub-consultants to carry lines of insurance coverage appropriate to their scope of work and submit copies of Sub-consultants' Certificates of Liability Insurance upon request by SAWS.
- c. CONSULTANT agrees that with respect to the above required lines of insurance, all insurance policies are to contain or be endorsed to the extent, not inconsistent with the requirements of the issuing insurance carrier, to provide for an endorsement that the "other insurance" clause shall not apply where SAWS and the CITY are an Additional Insured shown on the policy if such endorsement is permitted by law and regulations.

- d. CONSULTANT shall, upon request of SAWS, provide copies of all insurance policies and endorsements required under Contract.
- e. CONSULTANT is responsible for the deductibles under all lines of insurance coverage required by these Specifications.
- f. The stated policy limits of each line of insurance coverage required by these Specifications are MINIMUM ONLY and it shall be the CONSULTANT's responsibility to determine what policy limits are adequate and the length of time each line of insurance coverage shall be maintained; insurance policy limits are not a limit of the CONSULTANT's liability.
- g. These minimum limits required of each line of insurance coverage may be either basic policy limits of the WC, EL, CGL and AL or any combination of basic limits or umbrella (Umbrella form) or excess (Other Than Umbrella form) limits.
- h. SAWS acceptance of Certificate(s) that in any respect, do not comply with these Specifications, does not release the CONSULTANT from compliance herewith.
- i. Each line of insurance coverage that is specified under these Requirements shall be so written so as to provide SAWS and the City thirty (30) calendar days advance written notice directly of cancellation or non-renewal of coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.
- j. Within five (5) calendar days of cancellation or non-renewal of any required line of insurance coverage, the CONSULTANT shall provide SAWS a replacement Certificate with all applicable endorsements included. SAWS shall have the option to suspend the CONSULTANT's performance should there be a lapse in coverage at any time during this Contract.
- k. Failure to provide and to maintain the required lines of insurance coverage shall constitute a material breach of this contract.
- l. In addition to any other remedies, SAWS may have, upon the CONSULTANT's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, SAWS shall have the right to order the CONSULTANT to stop performing services hereunder and/or withhold any payment(s) which become due to the CONSULTANT hereunder until the CONSULTANT demonstrates compliance with the Specifications hereof.
- m. Nothing herein contained shall be construed as limiting, in any way, the extent to which the CONSULTANT may be held responsible for payments for damages to persons or property resulting from the CONSULTANT 's or its sub-consultant's performance of the services covered under this Contract.
- n. It is agreed that the CONSULTANT's insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by SAWS, the City and their employees and agents for liability arising out of operations under this Contract.

- o. CONSULTANT agrees that all lines of insurance coverage required by these Specifications shall be with insurance companies, firms or entities that have an **A.M. Best** rating of "**A-** ("**A**"- **minus**)" and a **Financial Size Category** of a "**VII**" or better. All lines of insurance coverage shall be of an "Occurrence" type except for the Professional Liability line of insurance coverage.

SAWS will accept worker's compensation insurance coverage written by the Texas Workers Compensation Insurance Fund.

- p. SAWS reserves the right to review the above stated insurance specifications during the effective period of this Contract and any extension or renewal hereof and to request modification of lines of insurance coverage and their respective liability limits when deemed necessary and prudent by SAWS' Risk Manager and Legal Department based upon changes in statutory law, court decisions, or circumstances surrounding this Contract.

In no instance will SAWS and the City allow modification whereupon SAWS and the City may incur increased risk exposure.

2. **Certificate(s) of Liability Insurance ("Certificate") Requirements**

Prior to the commencement of any Services under this Contract and once notified by SAWS Contracting Official that your Company has been selected as the apparent successful CONSULTANT pursuant to a Request for Proposal selection process, pending Board final approval, and, a request is made for you to submit your Company's Certificate of Liability Insurance, that Certificate must meet all of the following requirements:

- a. The CONSULTANT shall have completed by its insurance agent(s), and submitted to SAWS Contracting Department within 5 business days, a **Certificate(s) of Liability Insurance** ("Certificate(s)") providing evidence of the lines of insurance coverage pursuant to Section 1.a.1) through 1.a.5) above.
- b. The original Certificate(s) or form must include the agent's original signature, including the signer's company affiliation, mailing address, Office and FAX phone numbers, email address, and contact person's name; and, be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative in strictly compliance with sections 2.g. (**Certificate Holder**) and 2.h. (**Distribution of Completed Certificates**) below.
- c. The Texas Legislature passed and Governor Perry signed Senate Bill 425 to become effective January 1, 2012. This law will require all certificates of insurance forms to be filed with and approved by the Texas Department of Insurance before they can be used after the effective date of the law. In addition, the law codifies current Texas Department of Insurance rules that a certificate of insurance must not obscure or misrepresent the coverage provided by the insurance policies.
- d. SAWS will not accept Memorandum of Insurance or Binders as proof of insurance.
- e. SAWS shall have no duty to pay or perform under Consulting Services Agreement until such certificate(s) and applicable endorsements have been received, reviewed and deemed 100% compliant with the Insurance Specifications contained herein by SAWS' Risk Management/Contract Services Department. No one other than SAWS Risk Manager shall have authority to waive any part of these

requirements.

f. **Additional Insured:**

SAWS requires that the Automobile Liability (“AL”) and the Commercial General Liability (“CGL”) policies must be endorsed naming Certificate Holder (as per item 2. i. below) as an **Additional Insured** and, so noted in the **DESCRIPTION OF OPERATIONS** section of the Certificate;

Suggested wording to be placed on the Certificate is as follows:

EITHER use,

The AL and CGL policies include a blanket automatic Additional Insured endorsement that provides additional insured status to the Certificate Holder only when there is a written contract between the named Insured and the Certificate Holder that requires such status.

OR use,

The AL and CGL policies are endorsed naming the Certificate Holder as an **Additional Insured**.

NOTE: If the above wording cannot be placed in the **DESCRIPTION OF OPERATIONS** section of the Certificate, please provide SAWS with the completed Certificate, a copy of the specific AL and CGL Additional Insured endorsement documents or the policy wording from both the AL and CGL policies.

g. **Waiver of Subrogation:**

SAWS requires that the AL, CGL and Workers’ Compensation/Employer’s Liability (“WC/EL”) policies must be endorsed with the **Waiver of Subrogation** in favor of Certificate Holder (as per item 2. i. below) and, so noted in the **DESCRIPTION OF OPERATIONS** section of the Certificate;

Suggested wording to be placed on the Certificate is as follows:

EITHER use,

The AL, CGL and WC/EL policies include a blanket, automatic **Waiver of Subrogation** endorsement that provides this feature only when there is a written contract between the named Insured, the Certificate Holder that requires such status.

OR use,

The AL, CGL and WC/EL policies are endorsed with the **Waiver of Subrogation** in favor of the Certificate Holder.

NOTE: If the above wording cannot be placed in the **DESCRIPTION OF OPERATIONS** section of the Certificate, please provide SAWS with the completed Certificate, a copy of the specific AL,

CGL and WC/EL Waiver of Subrogation endorsements documents or the policy wording from each of the AL, CGL and WC/EL policies.

- h. The SAWS Project/Contract number(s) along with its Descriptor Caption **must be included** in the Description of Operations section located in the bottom half of the standard ACORD Certificate forms.
- i. **Certificate Holder** - SAWS shall be shown as the Certificate Holder in the Certificate Holder section located in the bottom half of the standard ACORD Certificate forms and formatted as follows:

San Antonio Water System

c/o Ebix BPO

PO Box 100085-ZD

Ref. # 107-(Lawson Acct's Payable Vendor #)-(SAWS Contract/Project #)*

Duluth, GA 30096

**SAWS Contracting Official will include in the above address, the correct, complete Ref# in the written confirmation of your selection as a CONSULTANT pending final Board approval.*

DO NOT BEGIN THE DISTRIBUTION OF ANY CERTIFICATE(S) BEFORE RECEIVING AND INSERTING THE COMPLETE REFERENCE NUMBER INTO THE CERTIFICATE HOLDER ADDRESS SHOWN ABOVE.

- j. **Distribution of Completed Certificates** - Completed **Certificates** shall be distributed by the Consultant as follows:

1) Send Original:

a) By **E-Mail:** saws@ebix.com

b) By **Fax:** 1-770-325-6502

2) Send Copy to the following:

San Antonio Water System
Attention: Contract Administration
P.O. Box 2449
San Antonio, TX 78298-2449

- k. CONSULTANT shall be responsible for obtaining Certificates of Insurance from the first tier Sub-consultant, and upon request furnish copies to SAWS.

3. SURVIVAL

Any and all representations, conditions and warranties made by Consultant under this Contract including, without limitation, the provisions of Section 1.a.2), 1.a.3) and 1.a.4) of these **Commercial Insurance Specifications and Certificates of Liability Insurance Requirements** are of the essence of this Contract and shall survive the execution and delivery of it, and all statements contained in any

document required by SAWS whether delivered at the time of the execution, or at a later date, shall constitute representations and warranties hereunder.

SAMPLE

EXHIBIT D
TIME FRAME FOR DELIVERABLES

Except as may be further conditioned by this Agreement the term and time frame for deliverables shall be as follows:

- I. The term of this Agreement shall commence on April 8, 2019, and end April 7, 2021, (Base Term) with two (2) options to extend the term of the Agreement under the same terms and conditions as provided for herein.
- II. SAWS at its sole discretion will have the option to extend the term of the Agreement through the first option year by providing Consultant a contract extension letter 30 days prior to the termination of the Base Term .If exercised by SAWS the First Option Year shall begin April 8, 2022 and end April 7, 2022 (the “First Extended Term”).
- III. At the end of the First Extended term, SAWS at its sole discretion will also have the option to extend the term for a second option year by providing 30 days written notice to the Consultant prior to the expiration of the First Extended Term through a contract extension letter. The second option year, if exercised by SAWS, shall begin April 8, 2023 and end April 7, 2023 (the “Second Extended Term”).

EXHIBIT E SECURITY PROCEDURES

If work will be conducted on SAWS property, on a SAWS customer's property, involve any SAWS networks or any SAWS facility the Consultant shall ensure a Prime Contractor Data Form (PCDF) and a Background Screening Letter (provided by SAWS Security) is properly completed for all employees performing work under this Agreement and is on file with SAWS Security prior to work commencement. Any person found to have an unacceptable background check will not be allowed to perform work under this Agreement (A waiver may be given by SAWS Security for an unacceptable finding but must be signed off by the Director of SAWS Security). Sub- Consultants performing work must be listed on the PCDF and the Background Screening Letter. Consultant shall be responsible for the accuracy of information on the PCDF and the Background Screening Letter, and for obtaining any and all required items (badges and parking tags) necessary to fulfilling the work under this Agreement. The PCDF and Background Screening Letter must be sent electronically to securitygroup@saws.org. Consultant shall advise the SAWS Project Manager/Inspector of any employee terminations or changes to personnel performing work under this Agreement and the Consultant shall immediately turn in any and all badges and/or parking tags of employees who are terminated or no longer performing work under this Agreement. If there are any changes in the information contained in the PCDF or the Background Screening Letters, Consultant shall immediately notify the SAWS Project Manager/Inspector and provide updated PCDF and Background Screening Letters, with copies to securitygroup@saws.org.

Consultant, its employees, and agents shall obtain a SAWS photo identification badge (Consultant's Badge) and parking tag, prior to any work on SAWS property, which shall be used only for purposes necessary to perform the work under this Agreement. SAWS Badge Office hours are Monday, Wednesday and Friday 8:00am to 12:00pm excluding SAWS holidays (hours are subject to change). Security staff can be contacted at (210) 233-3177 or (210) 233-3338. A replacement fee may be charged for lost or damaged badges or parking tags. As a condition of final payment, Consultant shall return all badges and parking tags to the Security Office. In the event Consultant fails to return all security badges and parking tags, in addition to any other rights or remedies to which SAWS may be entitled at law or in equity, SAWS may withhold from payment to the Consultant the sum of \$500.00 dollars per badge or parking tag as liquidated damages. Consultant agrees that the actual amount of damages for failure to return the badges and/or parking tags are difficult to determine, and the liquidated damages herein are not a penalty, but are a reasonable estimate of the costs and expenses that may be incurred by SAWS for failure to return the badges or parking tags.

SAWS facilities require a SAWS employee to physically escort Consultant at all times. SAWS may, in its sole discretion, waive the escort requirements if the PCDF and a "clean" Background Screening Letter, signed by an authorized representative of Consultant are approved by SAWS Security.

Sub-Consultants must always be under escort of the Consultant while performing work on any SAWS property. Sub-Consultants must display either a company photo badge, with name, or a valid driver's license at all times while working on any SAWS property. Consultant is solely responsible for the actions of its employees, agents, Sub-Consultants and Consultants.

Consultant MUST be prepared for additional security requirements at its expense if violations of SAWS Security procedures are noted. Some examples of additional requirements include hiring of SAWS approved security guards, temporary fencing, mobile Closed Circuit Television Monitoring trailer(s), or extra lighting. Notwithstanding anything herein to the contrary, any provisions in these Security Procedures that may appear to give SAWS the right to direct Consultant as to details of doing any work under this Agreement or to exercise a measure of control over any security measures or such work shall be deemed to mean that Consultant shall follow the desires of SAWS in the **results** of the work or security measures only.

Advance coordination by Consultant with SAWS Security for these security requirements is necessary to ensure no delays with timely performance of the work. In the event Consultant fails to comply with SAWS Security requirements, SAWS may, with no penalty or claim against SAWS:

- Issue a Work Stoppage Order until the security violation (s) are remedied

- Ask any unidentified or improperly identified person or equipment to leave SAWS site immediately and not return until items are remedied.

SAMPLE

EXHIBIT F
LIST OF SUB-CONSULTANTS

SAMPLE

EXHIBIT G

NO BOYCOTTING ISRAEL VERIFICATION

Consultant agrees that it does not boycott Israel and will not do so during the term of this Contract. This provision is in compliance with §2270.001 of the Texas Government Code. SAWS agrees to comply with the United States and Texas Constitutions in consideration of whether to enforce this provision.

SAMPLE