

SERVICE AGREEMENT NO. 3382

Collection Services for Utilities Business Office (UBO)

THIS **Collection Services for Utilities Business Office (UBO) Agreement** ("Agreement") is entered into by and between the City of Corpus Christi, a Texas home-rule municipal corporation ("City") and SHERLOQ Financial ("Contractor"), effective upon execution by the City Manager or the City Manager's designee ("City Manager").

WHEREAS, Contractor has bid to provide Collection Services for Utilities Business Office (UBO) in response to Request for Bid/Proposal No. 3382 ("RFB/RFP"), which RFB/RFP includes the required scope of work and all specifications and which RFB/RFP and the Contractor's bid or proposal response, as applicable, are incorporated by reference in this Agreement as Exhibits 1 and 2, respectively, as if each were fully set out here in its entirety.

NOW, THEREFORE, City and Contractor agree as follows:

- 1. Scope.** Contractor will provide Collection Services for Utilities Business Office (UBO) ("Services") in accordance with the attached Scope of Work, as shown in Attachment A, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety, and in accordance with Exhibit 2.
- 2. Term.** This Agreement is for five years, with performance commencing upon the date of issuance of a notice to proceed from the Contract Administrator or the Contracts and Procurement Department, or the performance date listed in the notice to proceed, whichever is later. The parties may mutually extend the term of this Agreement for up to zero additional zero-year periods ("Option Period(s)"), provided, the parties do so by written amendment prior to the expiration of the original term or the then-current Option Period. The City's extension authorization must be executed by the City Manager or designee.
- 3. Compensation and Payment.** This Agreement is for an estimated annual amount of \$52,250.00, for a total estimated amount of \$261,250.00, which represents 9.5% of the amount that is actually collected during the term. Payment will be made for Services completed and accepted by the City within 30 days of acceptance, subject to receipt of an acceptable invoice. Contractor shall invoice no more frequently than once per month. All pricing must be in accordance with the attached Bid/Pricing Schedule, as shown in Attachment B, which lays out the annual estimated amount, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety.

Invoices must be mailed to the following address with a copy provided to the Contract Administrator:

City of Corpus Christi
Attn: Accounts Payable
P.O. Box 9277
Corpus Christi, Texas 78469-9277

4. **Contract Administrator.** The Contract Administrator designated by the City is responsible for approval of all phases of performance and operations under this Agreement, including deductions for non-performance and authorizations for payment. The City's Contract Administrator for this Agreement is as follows:

Name: Diana Zertuche-Garza
Department: Utilities Department
Phone: (361) 826-1627
Email: DianaZ@cctexas.com

5. **Insurance; Bonds.**

(A) Before performance can begin under this Agreement, the Contractor must deliver a certificate of insurance ("COI"), as proof of the required insurance coverages, to the City's Risk Manager and the Contract Administrator. Additionally, the COI must state that the City will be given at least 30 days' advance written notice of cancellation, material change in coverage, or intent not to renew any of the policies. The City must be named as an additional insured. The City Attorney must be given copies of all insurance policies within 10 days of the City Manager's written request. Insurance requirements are as stated in Attachment C, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety.

(B) In the event that a payment bond, a performance bond, or both, are required of the Contractor to be provided to the City under this Agreement before performance can commence, the terms, conditions, and amounts required in the bonds and appropriate surety information are as included in the RFB/RFP or as may be added to Attachment C, and such content is incorporated here in this Agreement by reference as if each bond's terms, conditions, and amounts were fully set out here in its entirety.

6. **Purchase Release Order.** For multiple-release purchases of Services to be provided by the Contractor over a period of time, the City will exercise its right to specify time, place and quantity of Services to be delivered in the following manner: any City department or division may send to Contractor a purchase release order signed by an authorized agent of the department or division. The purchase release order must refer to this Agreement, and Services will not be rendered until the Contractor receives the signed purchase release order.

7. Inspection and Acceptance. City may inspect all Services and products supplied before acceptance. Any Services or products that are provided but not accepted by the City must be corrected or re-worked immediately at no charge to the City. If immediate correction or re-working at no charge cannot be made by the Contractor, a replacement service may be procured by the City on the open market and any costs incurred, including additional costs over the item's bid/proposal price, must be paid by the Contractor within 30 days of receipt of City's invoice.

8. Warranty.

(A) The Contractor warrants that all products supplied under this Agreement are new, quality items that are free from defects, fit for their intended purpose, and of good material and workmanship. The Contractor warrants that it has clear title to the products and that the products are free of liens or encumbrances.

(B) In addition, the products purchased under this Agreement shall be warranted by the Contractor or, if indicated in Attachment D by the manufacturer, for the period stated in Attachment D. Attachment D is attached to this Agreement and is incorporated by reference into this Agreement as if fully set out here in its entirety.

(C) Contractor warrants that all Services will be performed in accordance with the standard of care used by similarly situated contractors performing similar services.

9. Quality/Quantity Adjustments. Any Service quantities indicated on the Bid/Pricing Schedule are estimates only and do not obligate the City to order or accept more than the City's actual requirements nor do the estimates restrict the City from ordering less than its actual needs during the term of the Agreement and including any Option Period. Substitutions and deviations from the City's product requirements or specifications are prohibited without the prior written approval of the Contract Administrator.

10. Non-Appropriation. The continuation of this Agreement after the close of any fiscal year of the City, which fiscal year ends on September 30th annually, is subject to appropriations and budget approval specifically covering this Agreement as an expenditure in said budget, and it is within the sole discretion of the City's City Council to determine whether or not to fund this Agreement. The City does not represent that this budget item will be adopted, as said determination is within the City Council's sole discretion when adopting each budget.

11. Independent Contractor. Contractor will perform the work required by this Agreement as an independent contractor and will furnish such Services in its own

manner and method, and under no circumstances or conditions will any agent, servant or employee of the Contractor be considered an employee of the City.

12. **Subcontractors.** In performing the Services, the Contractor will not enter into subcontracts or utilize the services of subcontractors.
13. **Amendments.** This Agreement may be amended or modified only in writing executed by authorized representatives of both parties.
14. **Waiver.** No waiver by either party of any breach of any term or condition of this Agreement waives any subsequent breach of the same.
15. **Taxes.** The Contractor covenants to pay payroll taxes, Medicare taxes, FICA taxes, unemployment taxes and all other applicable taxes. Upon request, the City Manager shall be provided proof of payment of these taxes within 15 days of such request.
16. **Notice.** Any notice required under this Agreement must be given by fax, hand delivery, or certified mail, postage prepaid, and is deemed received on the day faxed or hand-delivered or on the third day after postmark if sent by certified mail. Notice must be sent as follows:

IF TO CITY:

City of Corpus Christi
Attn: Diana Zertuche-Garza
Title: Contracts/Funds Administrator
Address: 2726 Holly Road, Corpus Christi, Texas 78415
Phone: (361) 826-1627
Fax: (361) 826-4495

IF TO CONTRACTOR:

SHERLOO Financial
Attn: Collin Wydo, CRCR
Title: Regional Sales Manager
Address: 134 South Tampa Street, Tampa, Florida 33602
Phone: (734) 626-4389
Fax: N/A

17. ***CONTRACTOR SHALL FULLY INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY OF CORPUS CHRISTI AND ITS OFFICERS, EMPLOYEES AND AGENTS ("INDEMNITEES") FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, CLAIMS, DEMANDS, SUITS, AND CAUSES OF ACTION OF WHATEVER NATURE, CHARACTER, OR DESCRIPTION ON ACCOUNT OF PERSONAL INJURIES, PROPERTY LOSS, OR DAMAGE, OR ANY OTHER KIND***

OF INJURY, LOSS, OR DAMAGE, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, ATTORNEYS' FEES AND EXPERT WITNESS FEES, WHICH ARISE OR ARE CLAIMED TO ARISE OUT OF OR IN CONNECTION WITH A BREACH OF THIS AGREEMENT OR THE PERFORMANCE OF THIS AGREEMENT BY THE CONTRACTOR OR RESULTS FROM THE NEGLIGENT ACT, OMISSION, MISCONDUCT, OR FAULT OF THE CONTRACTOR OR ITS EMPLOYEES OR AGENTS. CONTRACTOR MUST, AT ITS OWN EXPENSE, INVESTIGATE ALL CLAIMS AND DEMANDS, ATTEND TO THEIR SETTLEMENT OR OTHER DISPOSITION, DEFEND ALL ACTIONS BASED THEREON WITH COUNSEL SATISFACTORY TO THE CITY ATTORNEY, AND PAY ALL CHARGES OF ATTORNEYS AND ALL OTHER COSTS AND EXPENSES OF ANY KIND ARISING OR RESULTING FROM ANY SAID LIABILITY, DAMAGE, LOSS, CLAIMS, DEMANDS, SUITS, OR ACTIONS. THE INDEMNIFICATION OBLIGATIONS OF CONTRACTOR UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

18. Termination.

(A) The City may terminate this Agreement for Contractor's failure to comply with any of the terms of this Agreement. The City must give the Contractor written notice of the breach and set out a reasonable opportunity to cure. If the Contractor has not cured within the cure period, the City may terminate this Agreement immediately thereafter.

(B) Alternatively, the City may terminate this Agreement for convenience upon 30 days advance written notice to the Contractor. The City may also terminate this Agreement upon 24 hours written notice to the Contractor for failure to pay or provide proof of payment of taxes as set out in this Agreement.

19. Owner's Manual and Preventative Maintenance. Contractor agrees to provide a copy of the owner's manual and/or preventative maintenance guidelines or instructions if available for any equipment purchased by the City pursuant to this Agreement. Contractor must provide such documentation upon delivery of such equipment and prior to receipt of the final payment by the City.

20. Limitation of Liability. The City's maximum liability under this Agreement is limited to the total amount of compensation listed in Section 3 of this Agreement. In no event shall the City be liable for incidental, consequential or special damages.

21. Assignment. No assignment of this Agreement by the Contractor, or of any right or interest contained herein, is effective unless the City Manager first gives written consent to such assignment. The performance of this Agreement by the Contractor is of the essence of this Agreement, and the City Manager's right to

withhold consent to such assignment is within the sole discretion of the City Manager on any ground whatsoever.

22. **Severability.** Each provision of this Agreement is considered to be severable and, if, for any reason, any provision or part of this Agreement is determined to be invalid and contrary to applicable law, such invalidity shall not impair the operation of nor affect those portions of this Agreement that are valid, but this Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision or part had been omitted.
23. **Order of Precedence.** In the event of any conflicts or inconsistencies between this Agreement, its attachments, and exhibits, such conflicts and inconsistencies will be resolved by reference to the documents in the following order of priority:
 - A. this Agreement (excluding attachments and exhibits);
 - B. its attachments;
 - C. the bid solicitation document including any addenda (Exhibit 1); then,
 - D. the Contractor's bid response (Exhibit 2).
24. **Certificate of Interested Parties.** Contractor agrees to comply with Texas Government Code Section 2252.908, as it may be amended, and to complete Form 1295 "Certificate of Interested Parties" as part of this Agreement if required by said statute.
25. **Governing Law.** Contractor agrees to comply with all federal, Texas, and City laws in the performance of this Agreement. The applicable law for any legal disputes arising out of this Agreement is the law of the State of Texas, and such form and venue for such disputes is the appropriate district, county, or justice court in and for Nueces County, Texas.
26. **Public Information Act Requirements.** This paragraph applies only to agreements that have a stated expenditure of at least \$1,000,000 or that result in the expenditure of at least \$1,000,000 by the City. The requirements of Subchapter J, Chapter 552, Government Code, may apply to this contract and the Contractor agrees that the contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.
27. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties concerning the subject matter of this Agreement and supersedes all prior negotiations, arrangements, agreements and understandings, either oral or written, between the parties.

CONTRACTOR

DocuSigned by:

Signature: Chris Wydo
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Printed Name: Chris wydo

Title: President & COO

Date: 4/8/2021

CITY OF CORPUS CHRISTI

Josh Chronley
Interim Assistant Director of Contracts and Procurement

Date: _____

APPROVED AS TO LEGAL FORM:

Assistant City Attorney Date

Attached and Incorporated by Reference:

- Attachment A: Scope of Work
- Attachment B: Bid/Pricing Schedule
- Attachment C: Insurance and Bond Requirements
- Attachment D: Warranty Requirements

Incorporated by Reference Only:

- Exhibit 1: RFB/RFP No. 3382
- Exhibit 2: Contractor's Bid/Proposal Response

Attachment A - Scope of Work

1.1. General Requirements

The Contractor shall collect past due or delinquent accounts and non-sufficient fund checks. These accounts are limited to Utilities accounts and associated fees.

1.2. Scope of Work

- A. The Contractor shall be responsible for Federal and State regulations regarding fair debt collection practices. Collection shall be conducted through ethical and lawful means with the highest level of customer service.
- B. The Contractor must file a \$10,000 surety bond with the Texas Secretary of State.
- C. The Contractor shall pay all costs involved in the collection of the assigned accounts, including but not limited to litigation and transportation.
- D. The Contractor shall maintain confidentiality on all accounts assigned by the City and identify how that confidentiality will be maintained.
- E. The Contractor shall maintain separate files for each account for audit purposes. Audit of any and all assigned accounts are left to the discretion of the City at any time.
- F. The Contractor shall take over all assigned delinquent accounts and initiate standard accepted collection procedures within 20 days from the date of the assignment.
- G. The Contractor shall accept and process credit card payments via telephone for Visa and MasterCard as a minimum requirement. The Contractor shall be responsible for all costs associated with credit card payments, including but not limited to payment of the merchant's discount fee.
- H. The Contractor must have the ability to collect monies 24 hours per day, seven days a week and send an ACH to the City of Corpus Christi on a weekly basis. Remittance should include a breakdown by collection category. The cost of this service is the responsibility of the Contractor. The Contractor must have a toll-

free number for Customer Service and a Point of Contact (POC) for UBO. The is POC for UBO for ACH is Judy Villalon, JudyAV@cctexas.com, 361-826-3651.

- I. The Contractor shall provide a monthly report, providing debtor's name, account number(s) and the total amount received with payment to the City's bank of choice by electronic means. Bank information will be provided to the Contractor.
- J. The Contractor shall report, correct and/or delete credit bureau reporting and provide evidentiary documentation to the Utilities Department, Utilities Business Office (UBO) that reflects the correction.
- K. The Contractor shall provide the Utilities Department, Utilities Business Office (UBO) with monthly detailed reports reflecting collections, legal actions, adjustments, updated addresses and corrections.
- L. The Contractor shall have adequate personnel and equipment to process all customer accounts presented.
- M. The Contractor shall be well versed with the Consumer Credit Protection Act, Texas Debt Collection Act, Federal Fair Debt Collection Practices Act (FDCPA), and all other laws applicable to this type of service.
- N. Violations of the FDCPA and/or unsatisfactory or unsavory business practices by the successful Contractor will be grounds for immediate dismissal from consideration and/or cancellation of the contract.
- O. The Contractor shall make citizen satisfaction a priority in providing services.
- P. The Contractor's employees shall be trained to be customer service oriented and to positively and politely interact with citizens when performing services with the highest degree of service to the public.

- Q. If the Contractor requests a copy of any back-up documentation, the Contractor will bear cost of a secure document repository the City will upload documents into.

- R. The Contractor must retain records for four years following the final payment.

- S. The City shall have the right, at any time during regular business hours, to inspect the records relating to the City's account kept by the Contractor at the Contractor's place of business.

- T. The Contractor shall refrain from selling, publishing or providing other information for any purposes other than that which is necessary for the collection process.

- U. The City retains the right to recall from the Contractor, without charge or penalty, any accounts assigned to the Contractor. Upon recall by the City, no further collection efforts on recalled accounts will be undertaken by the Contractor. If the account being recalled has been reported to any credit bureau, the Contractor shall clear the customer's credit report and provide written confirmation upon request.

- V. The Contractor shall maintain a Disaster Recovery Plan to protect the City's receivables and the confidentiality of the information contained therein.

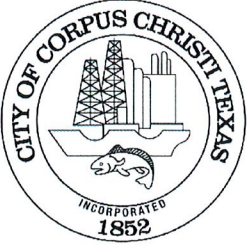
- W. The Contractor shall immediately notify the City and individuals of any breach in security of the City's customer information.

- X. The Contractor shall return all accounts still pending immediately upon termination of contract.

1.3. Special Instructions

Past Due Accounts will be assigned by means of electronic transmission, electronic file, hard copy, or in writing. The assignment will include the following information, if available, and any other relevant information in the City's possession at the time of referral as deemed appropriate.

- A. Name(s)
- B. Address
- C. Account Number
- D. Debtor Phone
- E. Debtor Mailing Address
- F. Debtor ID (Social Security #, License # DOB Commercial EIN)
- G. Balance Assessed
- H. Balance Paid
- I. Balance outstanding



CITY OF CORPUS CHRISTI
Pricing Form
CONTRACTS AND PROCUREMENT DEPARTMENT

RFP No. 3382
Collection Services for Utilities Business Office
(UBO)

PAGE 1 OF 1

DATE: 1/5/2021

Collin Wydo

PROPOSER

AUTHORIZED SIGNATURE

1. Refer to "Instructions to Proposers" and Contract Terms and Conditions before completing proposal.
2. Provide your best price for each item.
3. In submitting this proposal, Proposer certifies that:
 - a. the prices in this proposal have been arrived at independently, without consultation, communication, or agreement with any other Proposer or competitor, for the purpose of restricting competition with regard to prices;
 - b. Proposer is an Equal Opportunity Employer; and the Disclosure of Interest information on file with City's Contracts and Procurement office, pursuant to the Code of Ordinances, is current and true.
 - c. Proposer has incorporated any changes issue through Addenda to the RFP in this pricing.
 - d. The extended price will be the percentage per dollars collected. The rates provided shall include all profit, taxes, benefits, travel, shipping, legal fees, and all other overhead items. Actual quantities are estimates. The percentage rate will remain unchanged for the duration of the contract.

Item	Description	Quantity: Dollars Collected over 5 years	Collection Fee Percentage Rate	Extended Price = Dollars Collected x Collection Fee Percentage Rate
1	Professional Services Billing and Collection Services	\$550,000.00	9.5%	\$52,250

Attachment C -Insurance Requirements

I. PROPOSER'S LIABILITY INSURANCE

- A. Proposer must not commence work under this agreement until all insurance required has been obtained and such insurance has been approved by the City. Proposer must not allow any subcontractor Agency to commence work until all similar insurance required of any subcontractor Agency has been obtained.
- B. Proposer must furnish to the City's Risk Manager and Director Human Resources, 2 copies of Certificates of Insurance (COI) with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the City's Risk Manager. The City must be listed as an additional insured on the General liability and Auto Liability policies **by endorsement**, and a waiver of subrogation is required on all applicable policies. **Endorsements** must be provided with COI. Project name and or number must be listed in Description Box of COI.

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
30-written day notice of cancellation, required on all certificates or by applicable policy endorsements	Bodily Injury and Property Damage Per occurrence - aggregate
Commercial General Liability including: 1. Commercial Broad Form 2. Premises – Operations 3. Products/ Completed Operations 4. Contractual Liability 5. Independent Contractors 6. Personal Injury- Advertising Injury	\$1,000,000 Per Occurrence
PROFESSIONAL LIABILITY (Errors and Omissions)	\$1,000,000 Per Claim (Defense costs not included in face value of the policy) If claims made policy, retro date must be prior to inception of agreement, have extended reporting period provisions and identify any limitations regarding who is insured.
CRIME/EMPLOYEE DISHONESTY Contractor shall name the City of Corpus Christi, Texas as Loss Payee	\$1,000,000 Per Occurrence

CYBER LIABILITY	\$1,000,000 Per Occurrence \$1,000,000 Aggregate
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C. In the event of accidents of any kind related to this agreement, Proposer must furnish the Risk Manager with copies of all reports of any accidents within 10 days of the accident.

II. ADDITIONAL REQUIREMENTS

A. Applicable for paid employees, Proposer must obtain workers' compensation coverage through a licensed insurance company. The coverage must be written on a policy and endorsements approved by the Texas Department of Insurance. The workers' compensation coverage provided must be in an amount sufficient to assure that all workers' compensation obligations incurred by the Proposer will be promptly met.

B. Proposer shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Proposer's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- VII.

C. Proposer shall be required to submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Proposer shall pay any costs incurred resulting from said changes. All notices under this Article shall be given to City at the following address:

City of Corpus Christi
Attn: Risk Manager
P.O. Box 9277
Corpus Christi, TX 78469-9277

D. **Proposer agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:**

- List the City and its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations, completed operation and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation policy;
- Provide for an endorsement that the "other insurance" clause shall not apply to the City of Corpus Christi where the City is an additional insured shown on the policy;
- Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City; and

- Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.
- E. Within five (5) calendar days of a suspension, cancellation, or non-renewal of coverage, Proposer shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Proposer's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this contract.
- F. In addition to any other remedies the City may have upon Proposer's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Proposer to remove the exhibit hereunder, and/or withhold any payment(s) if any, which become due to Proposer hereunder until Proposer demonstrates compliance with the requirements hereof.
- G. Nothing herein contained shall be construed as limiting in any way the extent to which Proposer may be held responsible for payments of damages to persons or property resulting from Proposer's or its subcontractor's performance of the work covered under this agreement.
- H. It is agreed that Proposer's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of Corpus Christi for liability arising out of operations under this agreement.
- I. It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this agreement.

2020 Insurance Requirements
Ins. Req. Exhibit
Collection Services for Delinquent Utility Bills
10/22/2020 Risk Management – Legal Dept.

ATTACHMENT D: WARRANTY REQUIREMENTS

Contractor warrants that all Services will be performed in accordance with the standard of care used by similarly situated Contractors performing similar services.