

CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Tax Office

AGENDA DATE: October 4, 2016

CONTACT PERSON/PHONE: Maria O. Pasillas, Tax Assessor/Collector, 915-212-1737
Bruce D. Collins, Purchasing Director, 915-212-1181

DISTRICT(S) AFFECTED: All

STRATEGIC GOAL: NO. 6: Set the Standard for Sound Governance and Fiscal Management

SUBJECT:

That the City Manager be authorized to sign a legal services contract by and between the City of El Paso and Delgado Acosta, Spencer, Linebarger & Perez, LLP ("Law Firm"), a Texas partnership of attorneys licensed to practice in the State of Texas and Appraisal and Collection Technologies, LLC ("ACT"), a Texas limited liability company, for the collection of delinquent property taxes and municipal liens, appraisal and collection technologies hosting, software support and maintenance, for term beginning as of January 1, 2017 and end as of December 31, 2021 with an option to extend the contract by the City Manager for one five (5) year renewal term beginning January 1, 2022 and ending on December 31, 2026; and that the City shall compensate the Law Firm and ACT as follows:

1. The City will pay the following compensation amounts as and when the City Tax Assessor-Collector makes distributions to the participating taxing entities for the collection of delinquent property taxes:
 - a. Fifteen percent (15%) of all 2004 and prior year taxes, penalties, and interest relating to those taxes that are collected and paid to the City Tax Assessor-Collector during the term of this Contract.
 - b. Twenty percent (20%) of all City uncollected taxes relating to the years 2005 and subsequent years thereafter, and penalties and interest relating to those taxes, that are collected and paid to the City Tax Assessor-Collector during the term of this Contract.
 - c. Between Fifteen (15%) and Twenty percent (20%) of all Participating Entities' uncollected taxes relating to the years 2005 and subsequent years thereafter, and penalties and interest relating to those taxes that are collected and paid to the City Tax Assessor-Collector during the term of this Contract.
2. The Law Firm will be compensated twenty-five percent (25%) of the amount of all liens and interest for the years covered by this Contract actually collected and paid to the City during the term of the Contract as and when collected.
3. The City will compensate ACT the amount of \$120,000.00 for the first year and the annual amount \$160,000.00 for years two (2) through five (5) of the software hosting, support, and maintenance; And that the Law Firm will pay the City \$40,000 per month of the City Consolidated Tax Office costs that benefit or support the Law Firm's performance under this Agreement;

BACKGROUND / DISCUSSION:

In 1984 the City of El Paso contracted with the Linebarger firm to collect delinquent taxes. In 1998 the City of El Paso contracted with Appraisal and Collection Technologies for a tax collection software program. In 2009 the City exercised its second option to renew the two separate contracts. In 2015 the City amended both contracts to extend the term through December 31, 2016.

SELECTION SUMMARY:

Solicitation was advertised on May 3, 2016 and May 10, 2016. The solicitation was posted on City website on May 3, 2016. The email (Purmail) notification was sent out on May 5, 2016. Total of two (2) bidders were solicited; two (2) local vendors. Two (2) proposals were received; one (1) local vendor.

PROTEST

No protest received for this requirement.

Protest received.

COUNCIL REPRESENTATIVE BRIEFING:

Was a briefing provided? Yes or No

If yes, select the applicable districts.

- District 1
- District 2
- District 3
- District 4
- District 5
- District 6
- District 7
- District 8
- All Districts

PRIOR COUNCIL ACTION:

December 14, 2015

AMOUNT AND SOURCE OF FUNDING:

Data Process Services Contracts – 522020-206-3700-19030-P1901; 522020-206-3700-19040-P1910;
522020-206-3700-19040-P1920

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

Mania Q. Pasillas

**COUNCIL PROJECT FORM
(RFQ)**

*******POSTING LANGUAGE BELOW*******

Please place the following item on the REGULAR agenda for the Council Meeting of OCTOBER 4, 2016.

STRATEGIC GOAL: NO. 6: SET THE STANDARD FOR SOUND GOVERNANCE AND FISCAL MANAGEMENT

That the City Manager be authorized to sign a legal services contract by and between the **CITY OF EL PASO** and **DELGADO ACOSTA, SPENCER, LINEBARGER & PEREZ, LLP ("Law Firm")**, a Texas partnership of attorneys licensed to practice in the State of Texas and **APPRAISAL AND COLLECTION TECHNOLOGIES, LLC. ("ACT")**, a Texas limited liability company, for the collection of delinquent property taxes and municipal liens, appraisal and collection technologies hosting, software support and maintenance, for term beginning as of January 1, 2017 and end as of December 31, 2021 with an option to extend the contract by the City Manager for one five (5) year renewal term beginning January 1, 2022 and ending on December 31, 2026; and that the City shall compensate the Law Firm and ACT in accordance with Exhibit "A" of this Resolution.

Department: Tax Office
Reference No. 2016-891R

*******ADDITIONAL INFO BELOW*******

Committee Score Sheet
2016-891R Delinquent Tax Collection Services
Request for Qualifications

Evaluation Factors	Maximum Amount of Points	Delgado Acosta Spencer Linebarger & Perez, LLP El Paso, TX	Perdue Brandon Flelder Collins & Mott, LLP Houston, TX
A) Understanding of Project A. Thoroughness, completeness, understanding of project scope 15 Points B. Capability to perform or exceed the tax collection services required 15 Points	30	28.33	13.33
B) Experience & Qualifications A. Delinquent ad-valorem tax collections experience 15 Points B. Knowledge of federal, state and local regulations 15 Points	30	28.67	28.67
C) Response of References	20	13.17	12.84
D) Performance and Client History	20	13.32	13.32
Totals	100 Points	83.49	68.16

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a legal services contract by and between the **CITY OF EL PASO** and **DELGADO ACOSTA, SPENCER, LINEBARGER & PEREZ, LLP** (“**Law Firm**”), a Texas partnership of attorneys licensed to practice in the State of Texas and **APPRAISAL AND COLLECTION TECHNOLOGIES, LLC**. (“**ACT**”), a Texas limited liability company, for the collection of delinquent property taxes and municipal liens, appraisal and collection technologies hosting, software support and maintenance, for term beginning as of January 1, 2017 and end as of December 31, 2021 with an option to extend the contract by the City Manager for one five (5) year renewal term beginning January 1, 2022 and ending on December 31, 2026; and that the City shall compensate the Law Firm and ACT in accordance with Attachment “A” of this Resolution.

ADOPTED THIS _____ DAY OF _____ 2016.

CITY OF EL PASO:

Oscar Leeser, Mayor

ATTEST:

Richarda Duffy Momsen, City Clerk

APPROVED AS TO FORM:

Sol M. Cortez
Assistant City Attorney

APPROVED AS TO CONTENT

Maria O. Pasillas, Tax Assessor-Collector
Consolidated Tax Office

Attachment “A”

1. The City will pay the following compensation amounts as and when the City Tax Assessor-Collector makes distributions to the participating taxing entities for the collection of delinquent property taxes:

- (a) Fifteen percent (15%) of all 2004 and prior year taxes, penalties, and interest relating to those taxes that are collected and paid to the City Tax Assessor-Collector during the term of this Contract.
- (b) Twenty percent (20%) of all City uncollected taxes relating to the years 2005 and subsequent years thereafter, and penalties and interest relating to those taxes, that are collected and paid to the City Tax Assessor-Collector during the term of this Contract.
- (c) Between Fifteen (15%) and Twenty percent (20%) of all Participating Entities' uncollected taxes relating to the years 2005 and subsequent years thereafter, and penalties and interest relating to those taxes that are collected and paid to the City Tax Assessor-Collector during the term of this Contract.

2. The Law Firm will be compensated twenty five percent (25%) of the amount of all liens and interest for the years covered by this Contract actually collected and paid to the City during the term of the Contract as and when collected.

3. The City will compensate ACT the amount of \$120,000.00 for the first year and the annual amount \$160,000.00 for years two (2) through five (5) of the software hosting, support, and maintenance; And that the Law Firm will pay the City \$40,000 per month of the City Consolidated Tax Office costs that benefit or support the Law Firm's performance under this Agreement;



CITY OF EL PASO REQUEST FOR QUALIFICATIONS TABULATION FORM



Bid Opening Date: JUNE 8, 2016
Project Name: DELINQUENT TAX COLLECTION SERVICES

Solicitation #: 2016-891R
Department: TAX OFFICE

PERDUE BRANDON FIELDER COLLINS & MOTT, LLP	HOUSTON, TX
DELGADO ACOSTA SPENCER LINEBARGER & PEREZ, LLP	EL PASO, TX
RFQs SOLICITED: 2 LOCAL RFQs SOLICITED: 2 RFQs RECEIVED: 2 LOCAL RFQs RECEIVED: 1 NO BIDS: 0	

NOTE: The information contained in this RFQ tabulation is for information only and does not constitute actual award/execution of contract.

APPROVED: _____ /s/ _____

DATE: _____ 6/21/16 _____

The El Paso Group
C/O Carl H. Green, ESQ. or Clyde A. Pine., Jr
Mounce, Green, Myers, Safi & Galatzan, P.C.
100 N. Stanton, Suite 1700
El Paso, TX 79950-1977

Delgado, Acosta, Spencer, Linebarger & Perez,
LLP
Attn: Carmen Perez
221 N. Kansas, Ste 1400
El Paso, TX 79901

DEPARTMENT HEAD'S AGENDA ITEM CHECK LIST

Primary User Department:

Secondary User Department:

I have verified the following:

Posting Language

The accuracy of the agenda posting language, including addresses and the correct District number.

Documentation

All electronic and hard copy documents (resolutions, ordinance, contracts, leases, agreements) with all required signatures are attached to the agenda submittal and delivered to the City Clerk's Office. This includes the department head's signature, the City Attorney's signature (if required) and the other party's signature (if required).

City Management Leadership

I have cleared this item for placement through my supervisor in the City Manager's Office

Please select name

Contacted

By Phone

In Person

By E-Mail

Date

Time

Board / Commission Action

Not Applicable

Strategic Briefing Review

Date:

I presented the Power Point for this item at SBR on

Item was not required to be presented at SBR

Draft Agenda prepared 30 - 60 days in advance

The Power Point has been revised to reflect the feedback received at SBR.

Briefing Request

I or my staff member(s), have briefed the affected City Council members, specifically,

ALL	<input type="checkbox"/>	Date	<input type="text"/>	Time	<input type="text"/>
Mayor Leaser	<input checked="" type="checkbox"/>	Date	<input type="text" value="09/29/2016"/>	Time	<input type="text" value="9:00 AM"/>
District #1	<input checked="" type="checkbox"/>	Date	<input type="text" value="09/28/2016"/>	Time	<input type="text" value="3:30 PM"/>
District #2	<input checked="" type="checkbox"/>	Date	<input type="text" value="09/22/2016"/>	Time	<input type="text" value="1:00 PM"/>
District #3	<input checked="" type="checkbox"/>	Date	<input type="text" value="09/26/2016"/>	Time	<input type="text" value="2:00 PM"/>
District #4	<input checked="" type="checkbox"/>	Date	<input type="text" value="09/14/2016"/>	Time	<input type="text" value="1:00 PM"/>
District #5	<input checked="" type="checkbox"/>	Date	<input type="text" value="09/19/2016"/>	Time	<input type="text" value="8:00 AM"/>
District #6	<input checked="" type="checkbox"/>	Date	<input type="text" value="09/21/2016"/>	Time	<input type="text" value="1:00 PM"/>
District #7	<input checked="" type="checkbox"/>	Date	<input type="text" value="09/28/2016"/>	Time	<input type="text" value="11:00 AM"/>
District #8	<input type="checkbox"/>	Date	<input type="text" value="09/29/2016"/>	Time	<input type="text" value="1:00 PM"/>

Source of Funding

There is available funding for this item in the proper account. The amount of the item and the funding source are correct.

Signature

Karen D. Paritas

Date:

9/27/16

STATE OF TEXAS) LEGAL SERVICES CONTRACT FOR THE
) COLLECTION OF DELINQUENT PROPERTY TAXES;
) APPRAISAL & COLLECTION TECHNOLOGIES
) HOSTING, SUPPORT & MAINTENANCE; AND
 COUNTY OF EL PASO) OTHER COLLECTIONS

This Legal Services Contract (this “*Contract*”) for the collection of delinquent property taxes, appraisal and collection technologies hosting, support and maintenance, and other collections is entered into by the CITY OF EL PASO, a Texas municipal corporation (the “*City*”), DELGADO ACOSTA, SPENCER, LINEBARGER & PEREZ, LLP, a Texas partnership of attorneys licensed to practice in the State of Texas (the “*Law Firm*”), and APPRAISAL AND COLLECTION TECHNOLOGIES, LLC (“*ACT, LLC*”), a Texas limited liability company wholly owned by Linebarger Goggan Blair & Sampson, LLP, a partner in the Law Firm, effective for all purposes as of the 1st day of January, 2017 (the “*Effective Date*”).

RECITALS:

WHEREAS the City and various other taxing entities (the “*Participating Entities*”) within El Paso County, Texas have entered into a contract for the consolidation of the assessment and collection of property taxes by the City on behalf of itself and the Participating Entities (the “*Interlocal Tax Agreement*”); and

WHEREAS pursuant to the Interlocal Tax Agreement and subject to Section 6.30(c) of the Texas Property Tax Code (the “*Code*”), the City reserves the right to contract with attorneys to collect delinquent property taxes; and

WHEREAS, the City issued a Request for Qualifications for the collection of delinquent property taxes through Solicitation No. 2016-891R; and

WHEREAS, the Law Firm is the most qualified proposer to provide the services for the collection of delinquent taxes and pursuant to Texas Local Government Code Section 252.022

(a) (4), the City is entering into this Contract with the Law Firm; and

WHEREAS the City purchased a perpetual license for property tax collection software from ACT, LLC (the “*ACT Software*”) in calendar year 1998, and ACT, LLC is the sole source for hosting, support and maintenance services for the ACT Software; and

WHEREAS the parties, for administrative convenience, have decided to contract for the subject legal services and the ACT Services in one agreement because the ACT Services functions are an integral part of the legal services; and

WHEREAS the City desires the Law Firm to collect other amounts due the City under this Contract.

A G R E E M E N T:

NOW THEREFORE, in consideration of the mutual promises set forth in this Contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**I.
APPLICABLE TAX COLLECTIONS**

The City agrees and does hereby employ the Law Firm, and the Law Firm agrees and hereby accepts employment to enforce, by suit or otherwise, the collection of all delinquent taxes, penalty and interest accrued on those taxes, late rendition penalties, and other fees as related to the collection of property taxes owing to the City and all other taxing entities whose taxes are collected by the City, as provided herein below.

Property taxes shall become subject to the terms of this Contract upon the following dates, whichever occurs first:

- (a) On February 1 of the year in which the taxes become delinquent if a previously filed tax suit is then pending against the property subject to the tax;
- (b) On the date any lawsuit is filed with respect to recovery of the tax if the tax is delinquent and is required to be included in the suit pursuant to Section 33.42(a) of the Code;
- (c) On the date of filing any application for tax warrant where recovery of the tax or estimated tax is sought and where the filing of an application for tax warrant by the Law Firm is at the request of the City's Tax Assessor-Collector;
- (d) On the date of filing any claim in bankruptcy where recovery of the tax is sought;
- (e) In the case of delinquent tangible personal property, on the 60th day after the February 1 delinquency date if the taxing entity to which the personal property tax is owed has taken official action under Section 33.11, of the Code; or
- (f) On July 1 of the year in which the taxes become delinquent.

In those instances where collection of taxes is enforced by suit, the City agrees to furnish to the Law Firm the name, identity, and location of necessary parties, together with legal descriptions of property on which the taxes are due. The Law Firm shall advance all charges and expenses on behalf of the City that are incurred in procuring such information. Any recovery of said expenses by the City pursuant to Section 33.48 of the Code shall be paid over to the Law Firm as and when collected.

II. TAX COLLECTIONS COMPENSATION

The City hereby agrees to pay to the Law Firm, as compensation for the services required under this Contract, the following amounts as and when the City Tax Assessor-Collector makes distributions to the Participating Entities:

- (a) Fifteen percent (15%) of all 2004 and prior year taxes, penalties, and interest relating to those taxes that are collected and paid to the City Tax Assessor-Collector during the term of this Contract.
- (b) Twenty percent (20%) of all City uncollected taxes relating to the years 2005 and subsequent years thereafter, and penalties and interest relating to those taxes, that are collected and paid to the City Tax Assessor-Collector during the term of this Contract.
- (c) Twenty percent (20%) of all Participating Entities' uncollected taxes relating to the years 2005 and subsequent years thereafter, and penalties and interest relating to those taxes that are collected and paid to the City Tax Assessor-Collector during the term of this Contract; provided that the governing bodies of the Participating Entities pass and adopt, pursuant to Sections 33.07 and 33.08 of the Code, a twenty percent (20%) additional penalty (the "*Additional Penalty*") for the years 2005 and thereafter. If a Participating Entity fails to pass and adopt the Additional Penalty, then the Law Firm's compensation as to that Participating Entity shall be limited to fifteen percent (15%) of all taxes, penalties and interest collected until said Participating Entity passes and adopts the Additional Penalty.

III. TAXATION DISCREPANCIES

The Law Firm shall inform the City of any errors, double assessments, or other discrepancies identified during the progress of the work, and shall intervene on behalf of the City and the Participating Entities in all suits for taxes hereafter filed by the City and/or the Participating Entities regarding property located within the corporate limits of the City and the Participating Entities.

IV. PAYMENT OF TAX COLLECTION COSTS

The Law Firm shall pay \$40,000.00 per month of the City Consolidated Tax Office costs that benefit or support the Law Firm's performance of its delinquent tax collections obligations under this Contract. The aggregate amount and value of these payments and the third party vendor payments is deemed by the Law Firm and the City to be the reasonable and fair value of City Consolidated Tax Office's in-house collections support of the Law Firm's delinquent tax collections obligations (the "***Support Payments***"). The Law Firm hereby authorizes the City to retain the monthly Support Payment from the Law Firm's respective monthly compensation payments. In addition to the Support Payments, the Law Firm will continue formatting and creating Code Section 31.01 tax bills and Section 33.04, 33.07, 33.08 and 33.11 delinquent notices in a form and style acceptable to the City Tax Collector-Assessor and that conform to all the requirements of the Code, and causing to be delivered a "print image tape" to the site where the actual printing of delinquent notices will occur. Sample delinquent notices must be submitted to the City Tax Assessor-Collector for final review and approval before mailing occurs. The Law Firm will deliver delinquent notices to the postal service for mailing and the City will pay postage for the mailing of delinquent notices.

In addition, the Law Firm shall be responsible for advancing all court costs, publication fees, and all other expenses incurred as a result of the Law Firm's collection activities. Any recovery of said expenses by the City under Section 33.48 of the Code shall be paid over to the Law Firm as and when collected.

**V.
TAX COLLECTION PROGRESS REPORTS**

The Law Firm shall prepare and submit on a monthly basis progress reports to the City Tax Assessor-Collector and shall advise the City Tax Assessor-Collector of all hardship cases where investigation easily reveals taxpayers to be hardship cases unable to pay their delinquent taxes. After reviewing said hardship cases, the City shall inform the Law Firm whether the Law Firm's collection efforts should be changed or suspended.

**VI.
TERMS OF ENGAGEMENT**

This Contract is subject to Terms of Engagement, which are attached hereto and incorporated herein as Addendum I as if included herein in their entirety, and along with such addendum constitutes the entire agreement between the parties and any prior understandings, or written or oral agreements between them are merged into this Contract.

**VII.
OTHER COLLECTIONS**

A. General. The Law Firm will also enforce, by suit or otherwise, the collection of other amounts due the City and agreed between the City and the Law Firm from time to time. Payment of amounts due the City and applicable interest, penalties and collection costs related thereto owing to the City may be made in full or pursuant to a payment schedule to be determined by the Law Firm, but subject to approval by the City. The City and the Law Firm will negotiate the terms and conditions pertinent to the particular other collections, on a case-by-case basis, and attach an addendum incorporating such terms and conditions.

B. Municipal Liens. The Law Firm will enforce, by suit or otherwise, the collection of all municipal liens and interest related thereto owing to the City. Payment of liens and interest related thereto owing to the City may be made in full or pursuant to a payment schedule to be determined by the Law Firm. The City agrees to pay to the Law Firm, as compensation for services required in this section, twenty-five percent (25%) of the amount of all liens and interest for the years covered by this Contract actually collected and paid to the City during the term of this Contract as and when collected. The City shall pay over said funds monthly by the method most convenient to the City. The collection services provided for in this Contract do not include services for the collection of civil penalties, if any, imposed by the City Council or a court of competent jurisdiction.

In performance of the Law Firm's duties outlined in this section, the Law Firm shall perform, at a minimum, those services outlined on Addendum II attached hereto and incorporated herein for all purposes.

VIII. ACT SERVICES SUPPORT AND MAINTENANCE

The Computer System Hosting and Maintenance Agreement is attached hereto as Addendum III, and the Service and Support Level Agreement for the ACT Services is attached hereto as Addendum IV, which are each hereby incorporated by reference into this Contract as if set forth herein in their entirety.

IX. TERM

The initial term of this Contract shall begin as of January 1, 2017 and end as of December 31, 2021 (the "*Initial Term*"), unless otherwise terminated in accordance with and pursuant to Section XI below. At the City's option, this Contract may be extended for one five (5) year renewal term beginning January 1, 2022 and ending on December 31, 2026.

X. TERMINATION

Either party may terminate this Contract by giving the other party thirty (30) days' advance written notice of termination. In addition, during the term of this Contract, the City shall have the right to immediately terminate this Contract following any finding by the City that the Law Firm's performance of its obligations under this Contract has been unsatisfactory in material respects; provided that the City grants the Law Firm thirty (30) days from the date of written notice of such violation to cure the violation. At the end of said thirty (30) day period, the City shall consider the reports of remedial activity undertaken by the Law Firm to determine whether the Law Firm has remedied the unsatisfactory performance. If the Law Firm has not remedied the unsatisfactory performance to the City's satisfaction, the City may terminate this Contract immediately.

In the case of termination of this Contract, the Law Firm shall be entitled to receive and retain all compensation owed to it at the date of termination. In addition, the Law Firm shall have an additional six (6) months from the date of termination to reduce to judgment all suits filed prior to termination (and receive the compensation related to such judgments), and the Law Firm shall handle to conclusion all suits in which trial court judgments are obtained during the term of this Contract and that are appealed by any party (and receive the compensation related to such judgments), unless otherwise agreed to in writing by the parties hereto.

Upon notice of termination, the Law Firm shall promptly export all data related to the City and publish such data in a manner easily processed by knowledgeable data processing professionals.

**XI.
INDEMNIFICATION AND LIABILITY INSURANCE**

THE LAW FIRM SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY CLAIMS, LIABILITY, DAMAGES, SUITS, CAUSES OF ACTION, AND JUDGMENTS ARISING OUT OF OR CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE, MALPRACTICE OR WILLFUL MISCONDUCT OF THE LAW FIRM OR ANY ATTORNEY ASSOCIATED WITH THE LAW FIRM IN THE RENDERING OF LEGAL SERVICES, OR ANY AUTHORIZED REPRESENTATIVE OF THE LAW FIRM WHO IS ACTING PURSUANT TO THIS CONTRACT.

The Law Firm shall carry professional liability insurance with minimum limits of One Million Dollars (\$1,000,000) per occurrence, and shall not permit such insurance to be canceled or lapse during the term of this Contract. Upon request, the Law Firm shall provide an insurance certificate or other proof of insurance to the City.

**XII.
SEVERABILITY**

If any or part of this Contract is held by a court of competent jurisdiction be illegal, such part shall be deemed severable and the remaining provisions of this Contract shall continue in full force and effect.

**XIII.
AUTHORITY; FACSIMILE SIGNATURES; COUNTERPARTS**

Each person executing this Contract represents that he/she is authorized to sign this Contract on behalf of the party represented. Facsimile or electronic copies of signatures are valid for purposes of evidencing this Contract. This Contract may be executed in multiple counterparts.

**XIV.
FILE RETENTION**

The following retention schedule is in accord with the published Retention Schedule for Records of Property Taxation published by the Texas State Library and Archives Commission. The Law Firm will follow its Document Shredding/Disposal policy, which provides that documents and records shall be shredded and recycled on-site or off-site by a National Association of Information Destruction (“NAID”) certified and bonded, independent business entity specializing in the destruction/shredding/disposal of confidential documents and records.

<u>Record Description</u>	<u>Discard After</u>
Paid Nonsuits and Dismissals -	Five Years
Paid Judgments -	Five Years
Abstract of Judgments on Personal Property -	Ten Years after AJ is filed
Tax Sale Foreclosure Records - A record listing property sold at tax sale and its purchaser or purchasers; or, if purchased by a taxing unit, at resale will be kept permanently.	

**XV.
ASSIGNMENT**

This Contract shall not be assignable without the express consent of the governing body of the City. If said consent is given, the person or corporation to whom this Contract is assigned (the “*Assignee*”) shall execute and deliver to the City an agreement in writing to be bound by all the Law Firm’s obligations, liabilities and undertakings under this Contract. The Assignee shall thereupon be deemed to be substituted for the Law Firm, and the Law Firm shall stand released from all obligations under this Contract, except such as have already accrued.

**XVI.
LAW GOVERNING CONTRACT**

For purposes of determining the place of this Contract and the law governing the same, it is agreed that this Contract is entered into in the City and County of El Paso, State of Texas, and shall be governed by the laws of the State of Texas. Venue shall be in the courts of El Paso County, Texas.

**XVII.
NOTICES**

Any notices required under this Contract shall be sufficient if sent by Certified Mail, Return Receipt Requested, postage prepaid, to the City or the Law Firm at the following addresses:

CITY: City of El Paso
 City Manager's Office
 Att'n: City Manager
 300 N. Campbell
 El Paso, Texas 79901

LAW FIRM: Carmen I. Perez
 Attorney at Law
 Delgado Acosta, Spencer, Linebarger & Perez, LLP
 221 N. Kansas, Suite 1400
 El Paso, Texas 79901

(Signature Page)

IN WITNESS WHEREOF, the parties hereto have executed and entered into the Contract at El Paso, Texas effective as of the date first above written.

CITY OF EL PASO

By: _____
Tómás González
City Manager

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Sol M. Cortez
Assistant City Attorney

Maria O. Pasillas
Tax Assessor Collector

**LAW FIRM:
DELGADO ACOSTA, SPENCER,
LINEBARGER & PEREZ, LLP**

By: _____
Carmen I. Perez, Partner

**ACT:
APPRAISAL AND COLLECTION
TECHNOLOGIES, LLC**

By: _____
Name: Adrian Garza
Title: President

ADDENDUM I
DELINQUENT TAX COLLECTION
TERMS OF ENGAGEMENT

I. Representation

The Law Firm will coordinate all aspects of representation with the City Attorney's Office. Any questions regarding policy decisions, including settlement actions, will be reviewed with this office prior to presentation to the El Paso City Council for formal action. The Tax Assessor/Collector will provide the Law Firm with necessary factual information, but no other contact with City Officials regarding the representation shall occur without prior notice to the City Attorney or his designee.

II. Audit Expenses

Should the Law Firm be asked, at any time, to provide information to the City or the City's representatives concerning representation in this matter, including, but not limited to, City auditors (be they City employees or professionals hired by the City to audit the City's records) or the City finance department, such information will be provided at no additional cost to the City, unless the City Attorney or his representative agrees in writing, in advance, to additional charges.

III. Consultant and Experts

If it becomes necessary to retain a consultant or expert witness in this matter, approval must be obtained from the City Attorney in advance and in writing. Fees for consultants and expert witnesses will not be invoiced separately unless the consultant or expert was hired directly by the City or another taxing entity.

IV. Right to Audit

The City shall have the right to inspect and audit all books, records and documents of Law Firm pertaining to this engagement at any reasonable time, at City expense, and to the extent necessary to verify the accuracy of any statement, charge or computation.

V. Conflict of Interest

The Law Firm may be asked to represent various clients whose interests may be adverse to those of the City or other entities for which the City collects taxes. By signing this Contract, the undersigned affirms that, at present, no such conflict exists. Furthermore, during the course of this representation, the Law Firm shall refrain from representing clients whose interests may conflict with those of the City or any other taxing entity for which the City collects taxes. Should such a conflict arise, the Law Firm will contact the City Attorney immediately to discuss the situation.

VI. Ethics

In providing legal services to the City, the law firm and each attorney providing services to the City shall fully comply with the Texas Disciplinary Rules of Professional Conduct. The Law Firm shall promptly notify the City if any disciplinary action or malpractice action is instituted against the Law Firm or an attorney providing services to the City.

VII. Assignment

The Law Firm may not assign this Contract in whole or in part or subcontract any legal services without the prior written consent of the City Attorney. The Law Firm will promptly notify the City Attorney of any change in the identity or status of attorneys representing the City in this matter.

VIII. Applicable Law

This Contract and all disputes concerning this Contract shall be governed by the laws of the State of Texas. Venue of any civil action between the parties regarding this Contract shall lie exclusively in El Paso County, Texas. All obligations of the parties shall be deemed performable in El Paso County, Texas.

IX. Monthly Report to Client Required

The Law Firm shall submit monthly reports to the Tax Assessor/Collector with copy to the City Attorney outlining:

1. Lawsuit activity, including number of lawsuits filed, judgments obtained, tax suits dismissed with an explanation for the dismissal;
2. Tax sale activity, including properties scheduled for sale, properties sold, properties struck off;
3. Bankruptcy activity, including bankruptcy claims filed, bankruptcy plans approved, bankruptcy cases closed, lawsuits filed on accounts with delinquent post-petition taxes;
4. Delinquent notices sent and the number of parcels affected;
5. Major impact report on any lawsuit involving more than \$50,000 in delinquent taxes; and
6. List of accounts with executed tax warrants and amount of delinquent taxes.

The reports will be kept confidential to the extent allowed by law.

ADDENDUM II
MUNICIPAL LIENS

SERVICES

Law Firm will:

1. Request on a monthly basis from the City's Comptroller's Office copies of all outstanding liens that have been filed of record with the El Paso County Clerk's Office and which remain unpaid at least sixty (60) days from the date the City Comptroller's Office mailed an invoice to the property owner.
2. Maintain a database of municipal liens that have been filed of record with the El Paso County Clerk's Office and update the database after receiving the monthly municipal lien documents from the City Comptroller's Office.
3. Contact property owners of delinquent accounts by mail and attempt to induce voluntary payment.
4. Conduct searches for unknown or absentee owners.
5. Enforce by delinquent tax suit the collection of delinquent assessment levied in connection with municipal liens with interest when applicable.
6. Enforce by delinquent tax suit the collection of delinquent assessment levied in connection with municipal liens with expenditures, interest, and add-on fees when applicable, including collection of excess proceeds from tax sales as it relates to municipal liens that were not included in a delinquent tax suit.
7. Obtain the City's approval on all settlement agreements of any claim, suit or proceeding involving the collection of municipal liens.
8. Represent the City in all bankruptcy proceedings. The Law Firm will file claims, monitor the bankruptcy process, and attend hearings to ensure the City's interests are protected with respect to assessments of municipal liens.
9. Receive and forward all full and partial payments to the City Comptroller, with a cover sheet showing the breakdown of the base amount, interest and attorney fees paid.

ADDENDUM III
COMPUTER SYSTEM HOSTING AND MAINTENANCE AGREEMENT

Computer System Hosting and Maintenance Agreement

This Computer System Hosting and Maintenance Agreement (the "***Hosting Agreement***") is incorporated by reference into the Legal Services Contract for the Collection of Delinquent Property Taxes, Appraisal & Collection Technologies Support & Maintenance, and Other Collections dated effective as of January 1, 2017 (the "***Contract***") among Delgado Acosta, Spencer, Linebarger & Perez LLP ("***Law Firm***"), The City of El Paso, as the customer ("***Customer***"), and Appraisal and Collection Technologies, LLC ("***ACT, LLC***") (each a "***Party***" and together, the "***Parties***"). By execution of the Contract, Law Firm, Customer and ACT, LLC agree to the terms of this Hosting Agreement.

TERMS AND CONDITIONS

1. Services.

1.1. Customer's Rights to Use the Services. ACT, LLC grants Customer a limited non-exclusive, non-transferable, worldwide right to access and use the Services for the duration of the Term (as defined herein) solely for the purposes of tax assessment and collection by or on behalf of Customer. The "***Services***" means the services provided by ACT, LLC that are described in the Service and Support Level Agreement (the "***Service and Support Level Agreement***") set forth as Addendum IV to the Contract.

1.2. Service Levels. In providing the Services, ACT, LLC shall use commercially reasonable efforts to comply in all material respects with any service levels set forth in the Service and Support Level Agreement. ACT, LLC shall not be responsible for failing to meet a service level to the extent the failure is caused by Customer, a third party or a force or cause beyond ACT, LLC's reasonable control.

1.3. Rights of ACT, LLC. ACT, LLC shall be free to provide Services for others on an unrestricted basis. ACT, LLC may subcontract any portion of the Services without notice, consent or any other restriction and has sole discretion in its use of subcontractors and consultants, including, but not limited to, using third party server hosting services.

2. Customer Restrictions; Proprietary and other Rights.

2.1. Restrictions. Customer shall not, and shall not permit any third party to: (i) sublicense, resell, lease, transfer or assign to any third party the Services or any associated software owned by ACT, LLC ("***ACT, LLC Software***") or associated software owned by a third party ("***Third Party Software***"); (ii) duplicate, modify or make derivative works of any ACT, LLC Software or Third Party Software; or (iii) reverse engineer, decompile, disassemble, or translate any ACT, LLC Software or Third Party Software. Customer has no rights to the source

code of the ACT, LLC Software or Third Party Software. Customer may not access the Services other than as expressly provided by ACT, LLC pursuant to this Hosting Agreement. Access to the Services shall be limited by Customer to employees, contractors, consultants, representative or agents of Customer that are authorized by Customer to access and use the Services on Customer's behalf ("**Authorized Users**"). Customer shall be solely responsible for any activities that occur under its account with ACT, LLC, including the activities of its Authorized Users. ACT, LLC grants Customer the right to authorize the El Paso County Tax Office to use those services whose use was permitted under the prior contract, namely the Offline Remittance Capture and Special Inventory Tax components.

2.2. Data Rights. Customer grants ACT, LLC a royalty-free, non-exclusive, non-transferable, worldwide right to access and use in any media the data, information, trademarks and content of Customer ("**Customer Data**") to the extent ACT, LLC needs the Customer Data to provide the Services, to configure the format and other technical or display requirements of the Services, and to manipulate and display the Customer Data for processing transactions on behalf of Customer. The Services may be designed to collect transaction, connection and/or performance information for use by ACT, LLC ("**Transaction Information**"). All Customer Data and Transaction Information: (i) is and shall remain the sole and exclusive property of Customer; (ii) shall not be used by ACT, LLC for any purpose other than the performance of its obligations and exercise of its rights under this Hosting Agreement; and (iii) shall remain subject to all present and future legal requirements, including but not limited to the Texas Public Information Act.

2.3. Privacy Policy. Customer agrees that ACT, LLC and its affiliates may use any information Customer provides to ACT, LLC, including but not limited to, the Customer Data and Transaction Information for the purposes of this Hosting Agreement and in a manner consistent with ACT, LLC's then-current Privacy Policy as set forth at www.acttax.com, which may be changed by ACT, LLC without notice. Customer agrees, however, that ACT, LLC is not responsible for any information Customer provides to third parties, and that the privacy policies, if any, of such third parties will govern the use and disclosure of such information.

2.4. Acceptable Use. Customer shall comply, and shall cause its Authorized Users to comply, with the then-current Acceptable Use Policy located at www.acttax.com, as it may be modified from time to time, at ACT, LLC's sole discretion without notice ("**Use Policy**"). ACT, LLC shall notify Customer in writing of any Use Policy violation by Customer and Customer shall cure the violation within one business day of receipt of written notice of the violation. If the violation is by an Authorized User and the violation is not cured within this timeframe, Customer shall terminate that user's access to the Service. If Customer fails to terminate the access of any Authorized User that continues to violate the Use Policy, ACT, LLC shall have the right to terminate this Hosting Agreement upon reasonable written notice to Customer. Customer shall comply with all written policies related to the Services that are published or reasonably communicated by ACT, LLC and all reasonable written directives provided by ACT, LLC with respect to use of the Services that are reasonably designed by ACT, LLC to ensure efficient operation of the Services.

2.5. Proprietary Rights of ACT, LLC. The Services, the ACT, LLC Software, the Third Party Software and any trade secrets, know-how, methodologies and processes, copyrights,

trademarks, patents, trade secrets, and any other proprietary and intellectual property rights associated with or inherent in the Services, the ACT, LLC Software or the Third Party Software are and shall remain the sole and exclusive property of ACT, LLC and its third party licensors and shall not be used by Customer for any purpose other than the performance of its obligations and exercise of its rights under this Hosting Agreement.

3. ACT Services Relationship Management. ACT, LLC and Customer shall each designate a representative (a “*ACT Relationship Manager*”) for this Hosting Agreement. Each Party shall have the right to change its ACT Relationship Manager or designate an alternate by providing written notice to the other Party.

4. Fees. The annual Contract fee of Three Hundred Sixty Thousand Dollars (\$360,000) (the “*Contract Fee*”) will be discounted provided the Law Firm continues providing delinquent property tax collection services for all Participating Entities (as defined in the Contract). The Contract Fee, whether or not discounted, includes other modules in addition to the ACT Tax Collection System (TCS) software. Those modules available at no additional cost include TaxLedge (entity remittance software), Permits (TABC beer and liquor fees), Special Inventory Tracking (SIT) and Liens (code compliance and miscellaneous fees). The annual Contract Fee shall be discounted to \$120,000 for the first year (January 1, 2017 through December 31, 2017) of this Hosting Agreement. The annual Contract fee for years two through five (January 1, 2018-December 31, 2021) of this Hosting Agreement shall be discounted to One Hundred Sixty Thousand Dollars (\$160,000). If Customer elects to extend the Contract and this incorporated Hosting Agreement for the five (5) year renewal term beginning January 1, 2022 and ending on December 31, 2026, the annual Contract Fee shall continue to be discounted to One Hundred Sixty Thousand Dollars (\$160,000).

4.1.1 In the event the Law Firm does not continue to provide delinquent tax collection services for all Participating Entities or in the event of termination of the Legal Services Contract by Customer, Customer will pay the Contract Fee without discount for the ACT Services.

4.1.2 The annual Contract Fee, discounted or not, as the case may be, will be invoiced during the preceeding month of December before the end of the month, and the Customer will pay the invoice on or before January 31 of the applicable contract year. Payment will be sent to:

Appraisal and Collection Technologies LLC
911 Central Parkway North, Suite 200
San Antonio, Texas 78232

4.1.3 All requests by Customer for modifications, enhancements, consolidations of tax jurisdictions requiring a data conversion of historical information from a third party vendor, or other changes to the ACT System (as defined in the Service and Support Level Agreement) shall be evaluated by ACT, LLC and processed in accordance with the Change Control Procedures set forth in Schedule C (“Change Control Procedures”) of Addendum IV, Service and Support Level Agreement. If Customer request is approved in accordance with such Change Control Procedures, ACT, LLC will determine if the request is billable. Customer acknowledges that any request determined to be billable will be charged at the following rates:

<u>Rate Classification</u>	<u>Hourly Rate</u>
Principal	\$195.00
Project Manager	\$150.00
Senior Analyst	\$115.00
Developer	\$ 95.00
Quality Assurance / Trainer	\$ 75.00
Mileage	IRS standard rate
Airfare	Actual Airfare
Per Diem	Actual Charge

5. Confidentiality.

5.1. Non-Disclosure Obligations. Except as is specifically required or permitted by this Hosting Agreement, no Party shall, without the express prior written consent of the other Party, redistribute, market, publish, disclose or divulge to any other person or entity, or use or modify for use, directly or indirectly in any way for any person or entity: (i) any of the other Party's Confidential Information during the Term and for so long as such information constitutes Confidential Information (before or after the end of the Term); and (ii) any of the other Party's Trade Secrets at any time during which such information shall constitute a Trade Secret (before or after the end of the Term). The Parties agree that, during the Term and thereafter, each Party will hold Confidential Information and Trade Secrets in a fiduciary capacity for the benefit of the other Party and shall not (a) directly or indirectly use, copy, reproduce, distribute, manufacture, duplicate, reveal, report, publish, disclose or cause to be disclosed, or otherwise transfer any Confidential Information or Trade Secrets of the other Party to any third party, or (b) utilize Confidential Information or Trade Secrets for any purpose, except as expressly contemplated by this Hosting Agreement or authorized in writing by the other Party. Each Party will limit the disclosure of the other Party's Confidential Information and Trade Secrets to employees, contractors or agents with a need-to-know, shall notify its employees, contractors and agents of their confidentiality obligations with respect to Confidential Information and Trade Secrets and shall require its respective employees, contractors and agents to comply with these obligations. Each Party shall be liable for any breach by any employee, contractor or agent of the confidentiality obligations contained herein.

5.2. Trade Secrets. For purposes of this Hosting Agreement the following terms shall have the following meanings: "*Trade Secrets*" shall mean information (including, but not limited to, confidential business information, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, lists of actual or potential customers or suppliers) that: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The Parties stipulate that the Services and the ACT, LLC Software and the Third Party Software and all intellectual property rights associated with those items shall constitute Trade Secrets of ACT, LLC and its licensors.

5.3. Confidential Information. “*Confidential Information*” shall mean, with respect to a Party, all valuable, proprietary and confidential information belonging to or pertaining to the Party that does not constitute a Trade Secret of the Party and that is not generally known by or available to the Party’s competitors but is generally known only to the Party and those of its employees, contractors, clients or agents to whom such information must be confided for internal business purposes. Confidential Information does not include information that: (a) was in the possession of, or was rightfully known by, the recipient thereof without an obligation to maintain its confidentiality prior to receipt from disclosing Party; (b) is or becomes generally known to the public without violation of this Hosting Agreement; or (c) is obtained by the recipient in good faith from a third Party having the right to disclose it without an obligation of confidentiality.

5.4. Required Disclosure. Notwithstanding the foregoing, either Party may disclose Confidential Information or Trade Secrets of the other Party in judicial or other government proceedings to the extent that the Party is legally compelled to do so, provided that the Party has notified the other Party in writing at least ten (10) days prior to disclosure, thereby making it the responsibility of the other party to obtain an appropriate protective or similar order providing for the confidential treatment of the Confidential Information or Trade Secrets required to be disclosed.

5.5. Injunctive Relief. Each Party acknowledges that any unauthorized disclosure or use of the other Party’s Trade Secrets or Confidential Information would be likely to injure the other Party irreparably. Each Party acknowledges that its misuse or unauthorized disclosure of the other Party’s Confidential Information or Trade Secrets shall entitle the other Party to injunctive or other equitable relief.

5.6. Public Information Act. Notwithstanding anything in this Section 5 or any other provision of this Support Agreement, ACT, LLC acknowledges that Customer is a governmental entity subject to the Public Information Act, Chapter 552, Texas Government Code (the “Act”). Customer will maintain the confidentiality of the proposed confidential and proprietary information to the extent permitted by law, and agrees that, as required by the Act, it will notify ACT, LLC if a request relating to such proprietary information is received. ACT, LLC represents that it understands that the Act excepts from disclosure trade secrets and confidential commercial information and that it will need to assert its own proprietary interest as a basis for nondisclosure.

6. Representations and Warranties.

6.1. ACT, LLC Representations and Warranties. ACT, LLC represents and warrants to Customer that: (i) it will provide the Services in a manner consistent with reasonably applicable general industry standards; (ii) in providing the Services, it shall comply with all applicable Federal, state and local laws and regulations (“**Laws**”) and shall obtain all required permits and licenses; and (iii) will update the ACT, LLC Software and the Service as necessary to comply with changes mandated by legislative changes to the State of Texas Property Tax Code and administrative directives issued by the Property Tax Division of the Comptroller’s Office for the State of Texas.

6.2. Customer Representations and Warranties. Customer represents and warrants to ACT, LLC that: (i) the Customer Data does not and shall not infringe on or violate any third party's intellectual property or other proprietary rights; (ii) Customer owns the Customer Data or otherwise has the right to place the Customer Data on the ACT, LLC's infrastructure in connection with the Services and to view and access the Customer Data through the Services; (iii) no further approval, authorization or consent of any governmental or regulatory authority is required to be obtained by it in order for it to enter into and perform its obligations under this Hosting Agreement; and (iv) in connection with its use of the Services, it shall comply with all Laws and shall obtain all applicable permits and licenses.

6.3. Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS HOSTING AGREEMENT, ACT, LLC MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR ANY WARRANTY OF NON-INFRINGEMENT. ACT, LLC DOES NOT WARRANT THAT: (a) THE SERVICES AND ANY RELATED SOFTWARE WILL OPERATE UNINTERRUPTED; (b) SERVICE OR SOFTWARE ERRORS CAN BE CORRECTED; OR (c) THE APPLICATIONS CONTAINED IN THE SERVICES OR SOFTWARE ARE DESIGNED TO MEET ALL OF CUSTOMER'S BUSINESS REQUIREMENTS.

6.4. Internet Delays. THE SERVICES MAY BE SUBJECT TO LIMITATIONS, DELAYS AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. ACT, LLC IS NOT RESPONSIBLE FOR, AND CUSTOMER RELEASES ACT, LLC FROM, ANY DELAYS, DELIVERY FAILURES OR DAMAGES RESULTING FROM SUCH PROBLEMS.

7. Indemnification.

7.1. ACT, LLC Indemnity. Subject to Section 8, ACT, LLC shall indemnify and hold harmless Customer and any affiliated entities and their respective officers, directors, partners, employees, shareholders and agents against any damages awarded against the Customer by a court of competent jurisdiction in connection with a final judgment or ruling that the Customer's use of, or access to, the Services infringes a United States patent, copyright or trademark of the third party that is registered as of the date ACT, LLC provides Customer with the Services, provided, that: (a) Customer gives ACT, LLC prompt notification in writing of any such infringement claim specifying in reasonable detail the nature and all material aspects of the claim and reasonable assistance, at ACT, LLC's expense, in the defense of such infringement claim; and (b) ACT, LLC has the sole authority to defend or settle such infringement claim.

7.2. Indemnification Limitations. ACT, LLC shall have no obligation for any infringement claim arising out of or relating to: (a) use of the Services other than in accordance with the terms of this Hosting Agreement; (b) any Third-Party Software associated with the Services; or (c) use of the Services in combination with any other hardware, software or other materials where absent such combination, the Services would not be the subject of the infringement claim.

7.3. Effect of Infringement Claim. If an infringement claim is established, (a) ACT, LLC may require Customer to discontinue use of the Services within a reasonable time and Customer shall comply with such requirement; and (b) ACT, LLC will, at its sole option and cost, either (i) procure for Customer the right to use and exercise its rights with respect to the Services as provided in this Hosting Agreement; or (ii) replace the Services with other non-infringing services or modify the Services to make it not infringing while retaining substantially similar functionality.

7.4. Exclusive Remedy. THE PROVISIONS OF THIS SECTION STATE THE SOLE, EXCLUSIVE, AND ENTIRE LIABILITY OF ACT, LLC AND ITS LICENSORS TO CUSTOMER, AND IS CUSTOMER'S SOLE REMEDY WITH RESPECT TO, ANY CLAIM OF INFRINGEMENT OR MISAPPROPRIATION OR ALLEGED INFRINGEMENT OR MISAPPROPRIATION OF ANY THIRD-PARTY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT.

8. Limitation of Liability. EXCEPT FOR DAMAGES RESULTING FROM BREACHES OF SECTION 5, ACT, LLC SHALL NOT BE LIABLE TO CUSTOMER FOR ANY INDIRECT, INCIDENTAL, SPECIAL EXEMPLARY OR CONSEQUENTIAL DAMAGES, OR FOR ANY LOSS OF PROFITS OR LOSS OF REVENUE, OR COMPUTER FAILURE. ACT, LLC SHALL NOT BE LIABLE TO CUSTOMER FOR; (I) LOST DATA; OR (II) FAILURE TO REALIZE EXPECTED SAVINGS RESULTING FROM THE USE OF THE SERVICES, EVEN IF ACT, LLC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES. IN ANY CASE, ACT, LLC'S ENTIRE AGGREGATE LIABILITY UNDER ANY PROVISION OF THIS HOSTING AGREEMENT SHALL BE LIMITED TO THE FEES ACTUALLY PAID BY CUSTOMER UNDER THE HOSTING AGREEMENT DURING THE IMMEDIATELY PRECEDING TWELVE (12) MONTHS. NOTWITHSTANDING ANYTHING IN THIS HOSTING AGREEMENT TO THE CONTRARY, THIS SECTION SETS FORTH CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OF WARRANTY.

9. Injunctive Relief. A material breach of Sections 2.1, 2.4 or 2.5 by Customer would irreparably harm ACT, LLC and, accordingly, Customer agrees that in the event of such a breach ACT, LLC shall be entitled to apply to a court of appropriate jurisdiction for injunctive relief, specific performance and/or, as the case may be, other interim measures, without the posting of any bond, to prevent or stop harm, including, but not limited to, harm relating to, trademarks, copyrights, patent rights, know-how, trade secrets or other intellectual property rights. These rights to injunctive relief are in addition to those rights specified in Section 5.5.

10. Term and Termination.

10.1. Term. The "Term" of this Hosting Agreement shall be the same as the term of the Contract between the Customer and the Law Firm and this Hosting Agreement shall run concurrently with such Contract.

10.2. Termination by Customer. Customer may terminate this Hosting Agreement at any time with sixty (60) days written notice. Upon the expiration or termination of the Contract, the hosted Services granted herein shall continue in effect and Customer may continue to use the Services, as described in Addendum IV, Service and Support Level

Agreement (together with any upgrades, modifications or subsequent versions) for up to three (3) years by paying a monthly hosting and maintenance fee to the ACT, LLC of \$30,000, during which time the ACT, LLC shall implement changes into the Services to meet state mandated requirements as contained in the Tax Code. It is understood that Customer has made no funds available to pay this monthly hosting and maintenance charge, and any such payments shall be at the option and discretion of Customer. Should the Customer opt not to make such a payment, the ACT, LLC's only remedy shall be to terminate the hosted Services if Customer fails to make any payment within thirty (30) days after notice by the ACT, LLC that Customer has not made the payment and that the ACT, LLC intends to cancel the hosted Services. Under no circumstances shall Customer have any liability to the ACT, LLC for failure to pay hosted Services fees.

10.3 Termination by ACT, LLC. ACT, LLC may terminate its duty to support the Services under the terms of this Hosting Agreement and the Contract only if: (1) ACT, LLC has terminated the support of the Services for itself and all other persons, (2) ACT, LLC has provided Customer with two (2) years notice of such termination, and (3) ACT, LLC has provided the source code for the underlying software to Customer, which shall then, at no cost to Customer, have full ownership of the Services for all purposes without any restriction or obligation provided for elsewhere in this Hosting Agreement, and Customer shall have such ownership in whole or in part and the right to grant permission to use the Services to any person. Customer shall have the sole responsibility of any System update or support thereafter.

10.4 Survival. Termination or expiration of the Term does not terminate other provisions of this Hosting Agreement that by their terms do not expire on termination or expiration of the Term.

11. Miscellaneous.

11.1. Independent Contractors. Nothing in this Hosting Agreement or in the course of dealing between ACT, LLC and Customer shall be deemed to create between ACT, LLC and Customer (including their respective directors, officers, employees and agents) a partnership, joint venture, association, employment relationship or any other relationship other than an independent contractor relationship.

11.2. Use of Customer Name. ACT, LLC shall have the right to identify Customer as a Client of ACT, LLC as part of ACT, LLC's and its partners' marketing efforts, including Customer lists and naming Customer in press releases with prior written approval by the Customer.

11.3. Audit Rights. ACT, LLC shall have the right during customary business hours, upon reasonable written notice and at ACT, LLC's expense, to examine Customer's books and records and use of the Services in order to audit Customer's compliance with this Hosting Agreement, solely as it relates to the Services and the use of the System by the ACT, LLC.

11.4. Waiver; Non-Waiver; Amendment. Failure by either Party to enforce any of the provisions of this Hosting Agreement or any rights with respect to it or the failure to exercise any option provided under this Hosting Agreement shall in no way be considered to be a waiver of

that provision, right or option, or in any way affect the validity of this Hosting Agreement. No waiver of any rights under this Hosting Agreement, nor any modification or amendment of this Hosting Agreement, shall be effective or enforceable, unless it is in writing and signed by each Party.

11.5. Force Majeure. No Party to this Hosting Agreement, other than for payments due and payable, will be liable to the other for any failure or delay in performance under this Hosting Agreement due to circumstances beyond its reasonable control including, without limitation, acts of God, labor disruption, strikes, lockouts, riots, acts of war, terrorist threat, epidemics, communication line failures, power failures or government action.

11.6. Governing Law. This Hosting Agreement shall be governed by the laws of the State of Texas without giving effect to any choice of law principles. The Parties hereby acknowledge and agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Hosting Agreement. Venue shall be in the courts of El Paso County, Texas.

11.7. Assignment. Except as provided in this Hosting Agreement, Customer may not assign or transfer any of its rights, duties or obligations under this Hosting Agreement (whether by assignment, merger, transfer of assets, sale of stock, operation of law or otherwise) without the prior written consent of ACT, LLC and any assignment not in compliance with this Section shall be deemed void. ACT, LLC may only assign or transfer its rights, duties or obligations under this Hosting Agreement with the prior written consent of Customer and consent will not be unreasonably withheld.

11.8. Notices. All notices or other communications under this Hosting Agreement shall be given in accordance with the notice provisions of the Contract.

11.9. Severability. If any provision of this Hosting Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the provision shall be deemed modified only to the extent necessary to render it valid or eliminated from this Hosting Agreement, as the situation may require, and this Hosting Agreement shall be enforced and construed as if the provision had been included in this Hosting Agreement as modified in scope or applicability or not been included, as the case may be.

11.10. No Third Party Beneficiaries. This Hosting Agreement inures to the benefit of ACT, LLC and Customer only, and no third party shall enjoy the benefits of this Hosting Agreement or shall have any rights under it except as is expressly provided in this Hosting Agreement.

11.11. Headings. The headings preceding the text of the paragraphs of this Hosting Agreement have been inserted solely for convenience of reference and neither constitute a part of this Hosting Agreement nor affect its meaning, interpretation or effect.

11.12. Export Controls. Customer agrees to comply fully with all relevant U.S. export laws and regulations, including but not limited to the U.S. Export Administration Regulations.

11.13. Conflicting Agreements. In the event of any conflict between this Hosting Agreement and the Contract with respect to software and software maintenance, the terms of this Hosting Agreement shall prevail.

ADDENDUM IV
Service and Support Level Agreement

El Paso Consolidated Tax Office

This Service and Support Level Agreement (the "**Support Agreement**") is incorporated by reference into the Legal Services Contract for the Collection of Delinquent Property Taxes, Appraisal & Collection Technologies Hosting, Support & Maintenance, and Other Collections dated effective as of January 1, 2017 (the "**Contract**") among Delgado Acosta, Spencer, Linebarger & Perez LLP ("**Law Firm**"), The City of El Paso, as the customer ("**Customer**"), and Appraisal and Collection Technologies, LLC ("**ACT, LLC**") (each a "**Party**" and together, the "**Parties**"). By execution of the Contract, Law Firm, Customer and ACT, LLC agree to the terms of this Support Agreement.

1. INTRODUCTION

1.1. Purpose and Objectives

The purpose of the Support Agreement is to identify current and projected levels and qualifications of support staff, hardware and software components, systems support service levels including the roles, responsibilities and response times between ACT and the El Paso Consolidated Tax Office ("**EPCTO**") for change management, version control, security, problem source identification and resolution, back-up/recovery and disaster recovery, help-desk, user training, system enhancement development, system configuration and operations and upgrades.

1.2. Definitions

"**ACT**" means Appraisal and Collection Technologies LLC, a wholly owned entity of Linebarger Goggan Blair & Sampson, LLP. All references to ACT herein include ACT personnel and ACT management.

"**ACT Software**" or "**Software**" means the property tax collection software owned by ACT, LLC.

"**ACT System**" or "**System**" means the Appraisal and Collection Technologies Tax Collection System, developed by ACT for use by a current tax office (software and hardware) including all upgrades and modifications. The ACT System Service Components are listed in Section L.

"**ACT System Source Code**" means the programs and database objects that make up the ACT System.

"**ACTEVAL**" means that particular portion of the ACT System where EPCTO testing data resides and is manipulated

“ACTPROD” means that particular portion of the ACT System where the EPCTO live data resides and is manipulated.

“ACT User Manual” means a set of instructions designed to teach persons to use the ACT System and as used herein refers to those instructions embedded within the ACT System contained help functionality.

“CAD” means the County Appraisal District.

“Change Control Procedures” means the process to be followed when software or hardware changes are required to the ACT System.

“Client Manager” means the ACT resource responsible for managing the relationship between the client and ACT.

“Client Preferences” means those settings within the ACT System which can be managed by EPCTO and serve to alter the ACT System's behavior.

“Contract” means the Legal Services Contract for the Collection of Delinquent Property Taxes, Appraisal & Collection Technologies Hosting, Support & Maintenance, and Other Collections dated effective as of January 1, 2017~~6~~ among Delgado Acosta, Spencer, Linebarger & Perez LLP, The City of El Paso, and Appraisal and Collection Technologies, LLC, of which this Addendum IV~~4~~ forms a part.

“Data Fix” means the insertion or correction of data directly in the Primary System via specialized tools. A Data Fix bypasses all ACT System controls, audits, and edits.

“Entitlements” means security settings within the ACT System that serve to enable a user to perform specific operations.

“Global Code Preferences” means those settings which are configurable within the ACT System, but are intended to be managed by ACT and not EPCTO.

“Hardware” means any and all computer components installed by ACT at EPCTO facilities to operate the System.

“Help Desk Services” mean the specified support services provided by ACT to EPCTO to facilitate understanding in operating and executing the delivered Services.

“Hosting Agreement” means the Computer System Hosting and Maintenance Agreement, which is attached to the Contract as Addendum II~~1~~ and forming a part thereof.

“Metrics” means the numeric criteria against which performance under this Agreement are to be measured.

"Normal Business Hours" means 7:00 AM to 6:30 PM CST Monday through Thursday and 7:00 AM to 6:00 PM CST Friday, except published holidays.

"Object Fix" means computer code changes to the ACT System Source Code designed to create or alter the ACT System functionality.

"Peak Business Periods" means end of tax year processing periods, end of fiscal year processing periods, month end close processing periods, certified tax billing processing periods and any other time designated as critical by EPCTO.

"Primary System" means the ACTPROD portion of the ACT System.

"PRC" means the internal ACT Problem, Request and Control System utilized to manage the software development life cycle. All Software Problems and Software Change Requests are entered into this system for resolution control.

"Problem Escalation" means the procedure for alerting and notifying increasingly senior members of ACT of the non-resolution of problems.

"Problem Management" means the procedures for providing support and problem resolution services to EPCTO.

"Problem Priority" means the method used to define the urgency of a reported issue or change.

"Services" mean the work that ACT performs for EPCTO.

"Service Availability" means the times and periods that ACT will make their Services available to EPCTO.

"Service Component" means a divisible and identifiable part of the overall Services to be delivered.

"Service review meetings" mean meetings that are held between ACT and EPCTO specifically to discuss issues arising from the delivery of the Services including the performance of the Service delivery.

"Software Change Request" means new system design to support business requirements not currently supported by ACT System functionality.

"Software Problem" means existing ACT System functionality not working as it was originally intended to function as documented in the ACT User Manual.

"Standby System" means the copy of ACTPROD that is replicated at the ACT Disaster Recovery Site.

“System Availability” means the ability of EPCTO to process transactions and access data.

“Test System” means an environment where user testing can occur without impact to the Primary System. The main component of the Test System is ACTEVAL.

2. SCOPE OF WORK

2.1. Services

Services to be delivered under this Agreement are set forth in Schedule A.

2.2. Services Availability

The availability, operational reliability, and response times of the Services to be delivered and disaster recovery procedures are set forth in Schedule B.

2.3. Changes to Services

Change Control Procedures are described in Schedule C.

3. PERFORMANCE, TRACKING AND REPORTING

3.1. Key Personnel Changes

ACT will notify EPCTO within (3) days of changes to any ACT Resources that could potentially affect the delivery of Services to EPCTO.

3.2. Services Availability Monitoring

The methodology to be used to monitor Services Availability is set forth in Schedule D.

3.3. Services Level Reporting

The content and schedule of Services Level reports are set forth in Schedule E.

3.4. Services Review Meetings

Services review meetings to discuss such items as Services performance levels, Software Problems, proposed Software Change Requests and administrative issues will be held on an as-needed basis with ACT at EPCTO.

4. PROBLEM MANAGEMENT

4.1. Help Desk Services

Schedule F provides information on ACT's Help Desk Services and support procedures.

4.2. Problem Escalation & Priority Resolution

Schedule G details the Problem Escalation procedure. Schedule H details Software Problem definitions and resolution time frames. Schedule J contains a sample of ACT's Software Problem resolution request form.

4.3. Data Backup & Retention

Schedule I details ACT's System backup and retention policy for EPCTO data.

4.4. Contact Information

Schedule K contains ACT production support contact information.

4.5. ACT System Service Components

Schedule L itemizes the ACT System Service Components.

5. EPCTO DUTIES AND RESPONSIBILITIES

5.1. EPCTO will ensure that ACT has timely access to appropriate EPCTO personnel and will arrange for ACT to have suitable and safe access to the EPCTO facilities and systems.

5.2. EPCTO will ensure that ACT has timely access to any areas where ACT equipment (including peripheral hardware or connections) is housed to ensure agreed upon levels of service.

6. SCHEDULES

The Schedules attached hereto are incorporated herein by reference for all purposes as if set forth in their entirety herein, as follows:

SCHEDULE A	Services
SCHEDULE B	Services Availability
SCHEDULE C	Change Control Procedure
SCHEDULE D	Services Monitoring and Performance Measurement
SCHEDULE E	Service Level Reporting
SCHEDULE F	Support and Help Desk Services
SCHEDULE G	Problem Escalation
SCHEDULE H	Software Problem Priority Resolution Matrix
SCHEDULE I	System Backup
SCHEDULE J	Problem Report and Correction Form

SCHEDULE K
SCHEDULE L

ACT Production Support Contact Information
ACT System Service Components

7. MISCELLANEOUS

7.1 Independent Contractors. Nothing in this Support Agreement or in the course of dealing between ACT, LLC and Customer shall be deemed to create between ACT, LLC and Customer (including their respective directors, officers, employees and agents) a partnership, joint venture, association, employment relationship or any other relationship other than an independent contractor relationship.

7.2. Use of Customer Name. ACT, LLC shall have the right to identify Customer as a Client of ACT, LLC as part of ACT, LLC's and its partners' marketing efforts, including Customer lists and naming Customer in press releases.

7.3. Audit Rights. ACT, LLC shall have the right during customary business hours, upon reasonable written notice and at ACT, LLC's expense, to examine Customer's books and records and use of the Services in order to audit Customer's compliance with this Support Agreement, solely as it relates to the Services and the use of the System by the Customer.

7.4. Waiver; Non-Waiver; Amendment. Failure by either Party to enforce any of the provisions of this Support Agreement or any rights with respect to it or the failure to exercise any option provided under this Support Agreement shall in no way be considered to be a waiver of that provision, right or option, or in any way affect the validity of this Support Agreement. No waiver of any rights under this Support Agreement, nor any modification or amendment of this Support Agreement, shall be effective or enforceable, unless it is in writing and signed by each Party.

7.5. Force Majeure. No Party to this Support Agreement, other than for payments due and payable, will be liable to the other for any failure or delay in performance under this Support Agreement due to circumstances beyond its reasonable control including, without limitation, acts of God, labor disruption, strikes, lockouts, riots, acts of war, terrorist threat, epidemics, communication line failures, power failures or government action.

7.6. Governing Law. This Support Agreement shall be governed by the laws of the State of Texas without giving effect to any choice of law principles. The Parties hereby acknowledge and agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Support Agreement.

7.7. Assignment. Except as provided in this Support Agreement, Customer may not assign or transfer any of its rights, duties or obligations under this Support Agreement (whether by assignment, merger, transfer of assets, sale of stock, operation of law or otherwise) without the prior written consent of ACT, LLC and any assignment

not in compliance with this Section shall be deemed void. ACT, LLC may assign or transfer its rights, duties or obligations under this Support Agreement by giving the Customer reasonable prior written notice.

7.8. Notices. All notices or other communications under this Support Agreement shall be given in accordance with the notice provisions of the Contract.

7.9. Severability. If any provision of this Support Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the provision shall be deemed modified only to the extent necessary to render it valid or eliminated from this Support Agreement, as the situation may require, and this Support Agreement shall be enforced and construed as if the provision had been included in this Support Agreement as modified in scope or applicability or not been included, as the case may be.

7.10. No Third Party Beneficiaries. This Support Agreement inures to the benefit of ACT, LLC and Customer only, and no third party shall enjoy the benefits of this Support Agreement or shall have any rights under it except as is expressly provided in this Support Agreement.

7.11. Headings. The headings preceding the text of the paragraphs of this Support Agreement have been inserted solely for convenience of reference and neither constitute a part of this Support Agreement nor affect its meaning, interpretation or effect.

7.12. Export Controls. Customer agrees to comply fully with all relevant U.S. export laws and regulations, including but not limited to the U.S. Export Administration Regulations.

7.13. Conflicting Agreements. In the event of any conflict between this Support Agreement and the Contract with respect to software and software maintenance, the terms of this Support Agreement shall prevail.

SCHEDULE A
to
Support Agreement

SERVICES

Schedule A provides a detailed list of the Services that are to be delivered to EPCTO and identifies EPCTO's responsibilities to receive these Services.

EPCTO owns and shall maintain exclusive control of all of its records stored in the ACT System including data imported from external sources. ACT has no rights to EPCTO data but may gain access by complying with established Open Record Request procedures directed to the EPCTO Public Information Officer. ACT may utilize the EPCTO data stored within the ACT System as necessary to perform the services.

EPCTO will provide access to necessary resources and information in a timely manner to support ACT in delivering these Services.

1. ACT Responsibilities

ACT shall provide technical and analytical support for processing and reporting performed in any ACT System Service Component installed at EPCTO during the term of the Contract.

Current Business Areas include:

- a) Assessment & Freeze Processing
- b) Current and Delinquent Billing
- c) Electronic Batch & Online Payments
- d) Special Transaction Processing (such as reversals, returned items, agricultural-rollback, pro-rations & transfers)
- e) Batch & Online Receipting
- f) Refund Processing & Check Generation
- g) Collection & Monthly Reporting
- h) Jurisdictional Disbursement Processing
- i) Litigation Status Management
- j) Certified Tax Year and Annual Fiscal Rollover
- k) Hotel and Dealer Sales Filings
- l) In-bound and Outbound Data Exchange
- m) Master Data & Client Preference Maintenance
- n) User Security Management
- o) And any other processes or functions performed in ACT not itemized above

2. ACT Supplied Hardware and Third Party Software

- (a) ACT will be responsible for maintaining all Oracle components including product upgrades.

(b) ACT will manage, acquire and administer all licenses and maintenance agreements related to the Oracle software toolset and ACT related hardware.

(c) ACT will maintain the current level of hardware infrastructure and backup equipment to minimize downtime to EPCTO.

(d) ACT will maintain hardware infrastructure for that hardware provided by ACT and the broadband connection between the hardware and the ACT facilities. EPCTO will be responsible for the maintenance of all other hardware owned by EPCTO and peripheral devices used by the ACT System throughout EPCTO operations. The management and maintenance of the EPCTO network and servers will be the responsibility of EPCTO.

(e) A SOC 1, Type II examination will be performed by an independent consulting firm annually.

3. ACT Help Desk

ACT shall maintain and manage a Help Desk to support users at EPCTO.

4. Consolidation of New Jurisdictions

ACT will provide the necessary software and hardware (System) modifications to support the collection of ad valorem taxes for new jurisdictions consolidating into the EPCTO. ACT will perform data conversion activities in conjunction with EPCTO resources. ACT agrees to perform all necessary data conversion at a cost to be negotiated prior to any work being performed and conforming to the rate schedule in Section 4.1.2. of Addendum III, Computer System Hosting and Maintenance Agreement

5. System Modifications

EPCTO will make any request for System modifications in writing with sufficient specificity to identify the exact change being requested and the reason the change is necessary or desirable. EPCTO shall complete the ACT supplied template (see Schedule J) as well as other documents to complete the specification for the enhancement.

As requested by EPCTO, ACT shall work with EPCTO to implement other ACT System Service Components offered by ACT not currently installed at EPCTO.

ACT will maintain core development of application fixes and enhancements to the ACT System Source Code.

Reports used across clients developed within the ACT System will remain the responsibility of ACT.

EPCTO will develop and maintain user requested reports using an ad hoc reporting tool provided and licensed by ACT. ACT will be available to aid in this effort as needed. However, joint EPCTO and ACT report development using an ad hoc reporting tool will be mutually agreed upon in advance by both parties.

ACT System Object Fix(es) will follow the procedures outlined in Schedule C.

6. System Configuration Management

ACT shall manage Global Code Preferences used throughout the ACT System.

EPCTO will maintain the EPCTO client Preferences code set. ACT shall support EPCTO in this activity as requested by EPCTO.

ACT will provide support to aid EPCTO in performing business requirements analysis and assisting in the specifications documentation of Software Change Requests.

ACT shall manage on-line system change request documentation. EPCTO approved requested updates shall be provided to ACT in writing (See Section J). While ACT cannot guarantee incorporation of all requested changes into the ACT System, each written request will be addressed in writing within a timely manner. (See Section H for response time.)

7. Security Administration

ACT shall add and maintain any EPCTO required security roles based on specifications supplied by EPCTO for the ACT System.

EPCTO shall setup and maintain User IDs for the ACT System. EPCTO, or ACT upon direction from EPCTO, shall assign users to roles.

EPCTO shall assign Entitlements to users for the ACT System.

As ACT enhances front-end security functionality to allow for EPCTO personnel to assume more security related responsibilities, EPCTO shall assume these responsibilities, with ACT training and / or assistance as needed.

8. Training

ACT shall provide continuing product training as requested by EPCTO. ACT System training will be performed via Webinar. To ensure effective training, coordination of dates and class size will be agreed upon in advance by ACT and EPCTO. For any training to be provided on-site, EPCTO will provide facilities and required equipment to support the training.

Unless otherwise agreed between the parties, third party vendor training for EPCTO is the responsibility of EPCTO.

9. Current Year Tax Statements

ACT, working in cooperation with EPCTO personnel, will:

Load and balance the current year certified tax file from El Paso Central Appraisal District.

Compute the tax levy by assessing the property presented on the roll to determine a tax levy according to the State Property Tax Code and the partial exemption amounts and tax rates adopted by each taxing entity served by the EPCTO.

Format and create a tax bill for each account on the roll in a form and style acceptable to the EPCTO's Tax Collector and conforming with all the requirements of the Texas Property Tax Code.

Deliver or cause to be delivered a "print image file" to the site where the actual printing will occur. Sample tax bills must be submitted to the EPCTO for final review and approval before the mailing occurs.

Print, fold, and insert the statements into #10 window envelope with enclosed #9 return envelope, the #10 envelope bearing the return address of the EPCTO and the #9 envelope bearing the remittance address of the lock box bank servicing the EPCTO. Multiple accounts having the same payee name and address will be grouped together as necessary for purposes of mailing.

Deliver and cause to be accepted these tax statements to the print vendor in a time period not to exceed seven (7) days from the date the last tax rate is adopted or the appraisal roll is balanced, whichever occurs later.

Postage for these bills will be paid by EPCTO.

**Schedule B
To
Support Agreement**

SERVICES AVAILABILITY

Schedule B provides a list of the times and periods when the ACT System will be available to EPCTO.

Access to the ACT System should be available at all times except when essential maintenance to hardware or software is required. If it becomes necessary to interrupt service during Normal Business Hours, ACT will attempt prior notification to EPCTO unless the situation is critical in nature and could cause more damage if not handled immediately. As much as possible, interruptions will be scheduled to minimize any impact on users.

1. System Availability

ACT commits to 99% ACT System Availability during Normal Business Hours. ACT shall also provide this level of System Availability during Peak Business Periods. Upon request, ACT shall provide monthly reports summarizing System Availability and downtime using ACT provided system utilities. ACT will notify EPCTO of any unscheduled outage and resolve the issue as quickly as possible.

2. ACT Personnel Availability

EPCTO will provide ACT reasonable notice when ACT support is required outside Normal Business Hours. ACT will provide support as required under these situations.

3. Scheduled System Downtime

Scheduled downtime will be conducted outside Normal Business Hours and Peak Business Periods.

Scheduled downtime will occur on a weekly basis on Mondays from 5:00 AM – 5:30 AM CST. This scheduled downtime is required to conduct a weekly cold backup.

Planned downtime outside the Scheduled System Downtime may be necessary. ACT shall provide two (2) days advance written notice to EPCTO, unless the maintenance is deemed critical to system stability.

If EPCTO requires System Availability during ACT Scheduled System Downtime, EPCTO shall provide ACT with advance written notice. ACT shall strive to fulfill these requests.

4. Unplanned System Downtime

Upon identification or notification by EPCTO of an unscheduled event that reduces System Availability, ACT shall begin problem source identification and troubleshooting the problem within a 15-minute timeframe. ACT shall use all means at its disposal to keep EPCTO updated as to the status of the problem and the estimated time of the return of System Availability.

5. Back-Up Procedures

Backup procedures are performed as defined in Schedule I.

6. Disaster Recovery / Hardware Failure

Physical Redundancy: EPCTO's Primary System is replicated at the ACT Disaster Recovery Site (Standby System).

Power Redundancy: EPCTO is responsible for providing power to the EPCTO facilities and all equipment housed within it. The ACT Primary System is housed in a facility in San Antonio, Texas. This facility is equipped with a stand-by generator with sufficient capacity to continue to operate in the event of a power grid outage.

A fail-over to the Standby System will be initiated and managed by ACT. ACT will work to re-route EPCTO to the Standby System. EPCTO will provide technical assistance as needed.

Once the defect is cured on the Primary System, ACT will have 5 business days to restore Services on the Primary System by reloading its data from the Standby System

7. Disaster Types

Level 1 Disasters are defined as having low data impact, possibly high operations impact, but no continuity issues. These disasters do not put data that is on the database at risk. Level 1 disasters include:

Failure of the Router: ACT will troubleshoot and if it is determined that a new router is necessary, one of ACT's backup routers will be dispatched with an appropriately trained technician to install the new equipment.

Level 2 Disasters are defined as having medium to high data impact, possibly high operations impact, and potential continuity issues. ACT will focus to minimize data loss. Level 2 disasters include:

Failure of the main EPCTO Primary System: Should a failure of the Primary System occur, the un-posted Data Guard logs would be posted to the Standby System that would become the Primary System. EPCTO would begin to receive Services from the Standby System.

Failure of an application server: There are multiple application server instances that facilitate EPCTO access to the Primary System. If one instance fails, the user would be required to restart the application which would redirect the user to the other application server instance.

Level 3 Disasters are defined as having high data impact, high operations impact and business continuity issues. Level 3 Disasters include: Major damage/loss of building and infrastructure, chemical or biological incident that makes the building inhospitable to employees, and a meteorological event that makes access to the building impossible for employees.

Whenever EPCTO cannot obtain Services from the Primary System and ACT determines that continued attempts to cure the cause of the Service interruption is not timely, ACT will utilize the Standby System to continue Services to EPCTO.

SCHEDULE C
To
Support Agreement

CHANGE CONTROL PROCEDURES

Schedule C provides information on the change control procedures to be followed for Software Problem or EPCTO requested changes to the ACT System.

1: Software Design Change Requests

EPCTO Software Change Requests shall be delivered to ACT in writing for consideration. (See Section J)

EPCTO shall provide a written specification identifying details of the requested change and reason for the change. EPCTO shall make key personnel available to discuss the requested change.

ACT shall evaluate the Software Change Request and perform a cost benefit impact analysis considering the EPCTO requirements as well as the impact on other ACT clients. ACT may share Software Change Request information with other clients.

If impact analysis yields a potential conflict with other clients, ACT will work with EPCTO (and all clients) to resolve in a mutually beneficial manner.

After EPCTO and ACT approve a Software Change Request, a target availability date will be scheduled that is agreed upon by parties and takes into consideration development and internal test timeframes.

After ACT develops and internally tests an Object Fix as necessary to meet the objectives of the Software Change Request, ACT will migrate the Object Fix(es) to the Test System on a weekly basis, unless a EPCTO emergency requires sooner action. In this environment, EPCTO will have the opportunity to test the Object Fix.

If an Object Fix involves a EPCTO specific object, for example, a tax statement, testing is limited to EPCTO.

EPCTO has the right to test any Object Fix and provide written test results to ACT in three (3) business days.

If EPCTO identifies a Software Problem, ACT will remediate the Object Fix and re-test before re-migrating it to the Test System.

If Software Change Request functionality or Software Problem(s) are identified during testing that were not in the original request scope, a new Software Change Request will

be required and a new schedule of development will need to be discussed and agreed upon.

Once EPCTO verifies that the Software Change Request performs as expected, including successful execution of relevant transactions in the Test System to ensure no corruption of non-related functions, ACT shall migrate the Object Fix to the Primary System.

EPCTO will have the option to test all Object Fix(es) before migration to the Primary System.

ACT will not be obligated to approve any change request that ACT reasonably believes (i) does not conform to generally accepted industry standards or best practices, (ii) could adversely impact or materially degrade the performance of the ACT System, (iii) could adversely impact ACT's ability to meet its service level commitments or other obligations under this agreement, or (iv) could adversely impact other clients that use the ACT System. If ACT declines to approve a change request for any of these reasons, it will work with EPCTO in an effort to revise the change request in a mutually acceptable manner.

The ACT System warranty shall extend to all additions and modifications to the ACT System by ACT unless the modification has been requested by EPCTO and ACT has advised against the modification because of associated risks in so doing.

2. Software Problems

EPCTO shall provide ACT detailed information when reporting a Software Problem. Examples of relevant information include the date and time the problem occurred, a detailed description of the issue in terms of impact on business processing, the process that was being performed within the ACT System when the error occurred, system error message received and the user ID operating the system. This information will be captured using the PRC form or a document template of similar nature which must be approved by EPCTO. (See Schedule J.)

Software Problems will be assigned a priority and resolved within the timeframe outlined in Schedule H.

Once ACT develops and internally tests the Object Fix for a Software Problem, ACT will migrate the Object Fix to the Test System. This migration will occur weekly on Monday nights outside Normal Business Hours.

Within three (3) days of the migration, EPCTO shall verify that the Object Fix is operating as needed. Unless a written notice of exception is received from EPCTO, ACT shall migrate the Object Fix to the Primary System on Thursday nights after Normal Business Hours, following EPCTO's three day review period.

If continued Software Problem(s) are identified with a particular Object Fix, ACT will correct and re-test before migrating the Object Fix back to the Primary System.

If a Software Change Request or Object Fix is rejected by EPCTO, the application code will be placed on hold or removed from the Test System and not migrated further to the Primary System. A PRC will be initiated on behalf of EPCTO in ACT's PRC system to track an Object Fix that will meet EPCTO needs and minimize code deviations across EPCTO and other client environments.

3. EPCTO Testing Timeframe

Time is of the essence in resolving Software Problems. EPCTO will test an Object Fix in the Test System according to the EPCTO test plan in accordance to the timeframes listed below:

Software Problem: three (3) working business days (generally Tuesday through Thursday).

Software Change Request: three (3) working business days, unless otherwise agreed upon by EPCTO and ACT (generally Tuesday through Thursday).

ACT shall migrate Object Fix or Data Fix to the Primary System unless a written exception is received from EPCTO.

ACT shall migrate Object Fix(es) to the Test System weekly. Exceptions to this practice would occur if a EPCTO generated high priority Object Fix is ready for EPCTO review.

ACT shall migrate Object Fix(es) weekly on Monday nights, as needed. EPCTO shall be provided three (3) days to test, i.e. Tuesday through end- of-day Thursday. EPCTO shall notify ACT in writing of a defect in any PRC by 4 PM Thursday. Unless EPCTO has notified ACT of a defect, ACT shall migrate these Object Fix(es) into the Primary System, also on a weekly basis, on Thursdays after Normal Business Hours.

**SCHEDULE D
To
Support Agreement**

SERVICE MONITORING AND PERFORMANCE MEASUREMENT

Schedule D provides detailed information on the monitoring of Services delivered to EPCTO and the Metrics and other means to be applied to measure the performance of the Services delivered.

1. Performance Monitoring

ACT shall have tools in place to be used to analyze performance issues.

EPCTO users who experience ACT System performance issues shall report such issues to EPCTO and ACT. ACT shall investigate reported performance issues. If the problem is identified as an ACT issue, performance tuning results and targets will be reviewed and approved and Object Fix(es) made as necessary.

If, after ACT investigation, ACT believes the underlying cause of the issue originates with EPCTO, the issue shall be turned over to EPCTO for further review or jointly reviewed by ACT and EPCTO.

Parties will review any non-compliance with performance expectations.

2. Software Problems

ACT commits to deliver within the specified timeframes. Schedule H outlines the delivery timeframe for Software Problem resolution. Processes covered under each Problem Priority level are outlined in Schedule H.

EPCTO will provide appropriate and timely turnaround to support ACT problem resolution efforts and timeframes listed in Schedule H.

3. Software Enhancements

ACT commits to deliver within the negotiated target dates associated with Software Change Requests.

4. Hardware Failure

Timeframes for recovery in the event of hardware failures are specified in Schedule B.

5. Remote Access to System

ACT cannot guarantee performance or response times on network links for which ACT has no control. As such, ACT does not guarantee response time

performance Metrics for remote users, i.e. those defined as users accessing the System outside the EPCTO network.

SCHEDULE E
To
Support Agreement

SERVICE LEVEL REPORTING

Schedule E provides information on the service level reporting provided by ACT.

1. Reporting

Within five (5) days of the receipt of a request from EPCTO, ACT shall provide EPCTO a summary listing of all open work orders (PRCs) including Software Problems, Software Change Requests and performance or hardware issues.

The report shall identify:

1. PRC identification number
2. PRC reported date
3. Original and current problem target completion date
4. Problem description
5. Current PRC status
6. Completion date

2. PRC System

ACT and EPCTO shall use ACT'S PRC system to manage and report Software Problems, Software Change Requests and Data Fix(es). PRC reports shall be updated and enhanced periodically by agreement of the parties.

3. Other Reports

ACT and EPCTO shall agree to other reporting requirements as needed.

SCHEDULE F
to
Support Agreement

SUPPORT & HELP DESK SERVICES

Schedule F provides information on the Support & Help Desk Services available from ACT. EPCTO shall have completed the EPCTO annual authorized personnel form which lists those individuals from EPCTO who are authorized to communicate work request to ACT.

1. Help Desk Operation

ACT will staff a help desk with knowledgeable Tax System personnel and be available for assisting EPCTO from 7:00 AM through 6:30 PM CST Monday through Thursday and 7:00 AM through 6:00 PM CST Fridays, excepting holidays.

2. Problem Reporting

EPCTO shall communicate ACT System issues pursuant to internal EPCTO procedures. At the option of EPCTO, these issues will be presented to ACT via the ACT supplied Problem Report and Correction Form (see schedule J) or through the use of an internally developed EPCTO document that supplies the same information. The form will contain the problem description, who reported the issue and contact information, resolution priority, requested target date and backup documentation. ACT will review the form for completeness and assess the target date for feasibility. Once this process is complete, the unit of work will be assigned a PRC identification number, discussed in ACT's daily operational meeting, and sourced to an ACT resource for further review.

If a Data Fix is requested, EPCTO shall submit a work order to ACT with a proactive request for the Data Fix or if this is not the case, and a Data Fix is deemed necessary, ACT must have written approval from EPCTO before a Data Fix will be made to the Primary System.

For smaller (fewer than 10 minutes), non-critical type requests, such as cancelling a scheduled production job, EPCTO may submit an oral request to ACT. This type of request does not require backup documentation, a work order, or a PRC.

Critical priority items (i.e. AAA as defined in Section H) that affect System Availability or cause processing delays shall be directly communicated (verbally) by EPCTO to ACT. A PRC will be generated by ACT to track the issue.

3. Service Delivery

ACT can be available outside Normal Business Hours to perform emergency production support services. Contact information for ACT will be provided to EPCTO.

SCHEDULE G
to
Support Agreement

PROBLEM ESCALATION

Schedule G provides information on the Problem Escalation procedure to be applied to the Services.

1. Notification

ACT shall be notified of all Software Problems, no matter the level of priority via submission of a problem report (see schedule J).

2. Status Reporting and Escalation

ACT shall contact EPCTO on a regular basis (at minimum every four (4) hours) during periods when System Availability is reduced to provide information related to the actions being taken to resolve the issue as timely as possible. In the event that an incident is not being resolved within the agreed timeframes, escalation procedures are outlined below.

ACT's Problem Escalation process assigns timeframes to contact varying management levels within ACT based on the severity of the problem and the amount of time the issue remains unresolved.

The Position levels 2, 3 and 4 configuration of timeframes outlined below shall apply when ACT exceeds the expected delivery timeframe (See Schedule H).

Resolution timeframes below are measured in hours and business days.

Problem Level	Position 1 (ACT Support / Help Desk)	Position 2 (Client Manager)	Position 3 (ACT Director)	Position 4 (Chief Executive Officer)
Priority AAA	15 minutes	1 hour	4 hours	1 day
Priority AA	1 hour	2 days	3 days	4 days
Priority A	4 hours	5 days	10 days	20 days
Priority B / Enhancements	8 hours	5 days	15 days	30 days

For example, ACT shall resolve a AAA (commonly known as "triple A") development/hardware issue within 15 minutes of the occurrence or missed deadline. If the item remains unresolved, the Client Manager shall be contacted. If, after one additional hour, the item remains unresolved or open, the Director of ACT shall be

contacted and they must resolve the issue within four (4) hours. If the item still remains open, ACT's Chief Executive Officer shall be contacted for final resolution within one day.

**SCHEDULE H
To
Support Agreement**

PROBLEM PRIORITY RESOLUTION MATRIX

Schedule H provides information on the Problem Description and Issue Resolution to be applied to the Services.

Resolution timeframes below are measured in hours and business days unless otherwise noted.

Priority	Resolution Timeframe (or as noted above)	Business Process Scope / Impact	Resolution Timeframe Calculation
Priority AAA Critical – Hardware	48 hours	a) Hardware/database/NetApp failure. -A work-around does not exist. -Process delays are not acceptable.	Start Time: Within 15 minutes of notification to ACT on-site Support/Help Desk. End Time: Introduction of fix to the production environment.
Priority AAA Critical - Software	72 hours	a) Posting of payments. b) Generating receipts. c) Generation of bills. d) Disbursement of funds. -A work-around does not exist. -Process delays are not acceptable.	Start Time: Within 1 hour of notification to ACT on-site Support/Help Desk. End Time: Introduction of fix to the test bed environment.
Priority AA High	10 days	a) Generation of refunds. b) Processing of CAD data. c) Posting of transfers & returned items. d) Monthly closeout. -A work-around may be available, but it is time intensive, or no work-around exists. -Process delays likely.	Start Time: Within 3 days of notification to ACT on-site Support/Help Desk. End Time: Introduction of problem to the test bed environment.
Priority A Medium	30 days	a) Cosmetic change to external reports or documents. b) Other items not listed above will be jointly defined by the EPCTO and ACT. -A feasible work-around is available to be performed on a limited basis. -Minimal process delays when work-arounds are in place.	Start Time: Case by case basis - dependent on complexity of issue. End Time: Introduction of problem to the test bed environment.
Priority B Low	60 days	a) Cosmetic change to reports or documents. b) Other items not listed above will be jointly defined by EPCTO Management and ACT Group.	Start Time: Case by case basis - dependent on complexity of issue. End Time: Introduction of fix to the test bed environment.

		-A feasible work-around is available. -No process delays.	
Enhancements	Case by Case Basis	-EPCTO and ACT will mutually agree upon enhancement priority and delivery dates.	Start Time: Case by case basis - dependent on complexity of change request. End Time: Introduction of change to the test bed environment.

**SCHEDULE I
To
Support Agreement**

BACKUP

All data shall be kept on the Primary System and shall be available on-line. When backup copies are made, they serve as a snapshot of the entire database. Each additional backup contains the previous history in addition to any changes to data since the prior backup. This procedure is in compliance with the State Comptroller's "Retention Section For Records Common to All Local Governments", Part 5: Electronic Data Processing Records. Should the Comptroller's requirements change, record retention schedule will be modified to remain in compliance with the State Comptroller's guidelines.

The schedule outlined below may be modified upon agreement between the parties.

1. Daily backups

Server: Oracle DB Storage Server (Primary System)
Type: Full backup
Schedule: Monday: 5:00 am (cold backup snapshot)
Tuesday – Saturday: 5:00 a.m. (hot backup snapshot)
Monday – Saturday: 9:00 p.m. (snapshot backup to tape)
Contents: Production Environment for TCS, Tax Ledge, SIT and Hotel:
All Data, Archive Logs, and Bin Directories (programs and
software on database server)
Media: Disk & Tape (copying snapshots to tape media)
Retention: 30 days

Server: Oracle DB Server; Oracle APP Servers
Type: Full & Incremental Backup
Schedule: Full Backup – Friday – 9:00 p.m.
Incremental Backup – Monday – Thursday – 9:00 p.m.
Contents: Operating System, Program files, Scripts, etc.
Media: Disk
Retention: 30 days

2. Monthly Backups

Server: Oracle DB Storage Server (Primary System)
Type: Full Backup
Schedule: Morning of the first business day of the new month prior to
EPCTO business hours. Monthly backups shall occur at
1:00 am. Should this conflict with another backup scheduled

for that day, the monthly backup shall begin after the first backup is complete.

Contents: 1) Production Environment for TCS, Tax Ledge, SIT and Hotel on Oracle DB Storage Server
2) SPOOL (USR2SPOOL) & IMAGES (USER2HCTAX) volumes on Oracle DB Storage Server
Media: Tape
Retention: 12 months

3. Standby System

Server: Oracle DB Storage Server
Type: Full Backup
Schedule: Monday: Weekly 1:00 a.m. (cold backup snapshot)
Contents: EPCTO Production Environment data for TCS, Tax Ledge, SIT and Hotel
Media: Disk
Retention: 30 days

**SCHEDULE J
To
Support Agreement**

PROBLEM REPORT AND CORRECTION FORM

Schedule J contains ACT's standard form to report problems and request fixes.

Create a PRC

PRCs are used to report system bugs or enhancement requests. To submit a new PRC to ACT, please fill in the fields below, then click the **Submit** button.

> indicates a required field

ACT Version: ACT 7.0	Date Reported: <input type="text"/>
* Client Name: <input type="text" value="Make a selection"/>	Person Reporting: <input type="text"/>
Affected Account Number: <input type="text"/>	* Type: <input type="text" value="Make a selection"/>
Date Needed(MM/DD/YYYY): <input type="text"/>	Priority: B <input type="text"/>
Additional Documentation Follows? <input type="checkbox"/>	Screen Name: <input type="text"/>
* E-Mail Address of Person Reporting: <input type="text"/>	
Supervisor E-Mail Address: <input type="text"/>	

* Brief Description of Requested Change Characters: 0 / 1000

The change description is limited to 1,000 characters. characters beyond this limit will be removed.

SCHEDULE K
to
Support Agreement

ACT PRODUCTION SUPPORT CONTACT INFORMATION

During Normal Business Hours the ACT Help Desk can be reached by email at acthelp@lqbs.com or by calling (877) 422-8829 or (210) 403-8670. Outside of Normal Business Hours critical problems can be reported to the ACT Help Desk by email at acthelp@lqbs.com.

SCHEDULE L
to
Support Agreement

ACT SYSTEM SERVICE COMPONENTS

This schedule describes the Service Components of the ACT System.

1. Base Tax Collection System

- Billing
- Collections
- Records Maintenance
- Reports and Correspondences

2. TaxLedge System

- Refund Check Processing
- Disbursements
- Bank Reconciliation

3. Special Inventory Tax System

- Escrowing and Billing
- Collections
- Reports and Correspondences
- Integrated with Taxledge to Process Disbursements

4. Licensing and Permits System

- Permit Issuance and Renewal
- Receipt Issuance
- Billing & Collections
- Reports and Correspondences
- Integrated with Taxledge to Process Disbursements

5. Hotel Motel Occupancy Tax System

- Filings & Billing
- Collections
- Reports and Correspondences

6. Offline Remittance Capture System

- Local Payment Processing & Receipt Generation
- Data Import to ACT System Post Failure Resolution

7. Environmental Services Lien Processing

-Customer will assign appropriate staff familiar with the Lien Collections function during an initial Vendor review in order to determine any changes or enhancements required for System to meet the Customer needs.

-Based on the results of the initial System review, the Vendor will make the needed modifications to the software, including changes to the document set produced by the System such as the unique lien documents used by the Customer to notify owners, file and release liens.

-The Vendor will provide other ongoing services relating to the System Use for Lien Collections as needed, including project oversight, status reporting, customer support, maintenance and related services for the Lien Collections as otherwise set forth in this contract.

8. Other Subsidiary Systems

- Customer Service
- Appraisal District
- Lockbox
- Mortgage Company
- Litigation and Enforcement
- Internet
- Appraisal District
- Image Integration

9. ACT software enables the following functions:

- Current and Delinquent Tax Collection
- Concurrent Collection of Multiple Taxing Authorities
- Supplements and Adjustments Processing (HB1010 Support)
- Online and Batch Payment Processing
- Refunds – (Requested, Automatic, Litigated and Prior Year)
- Special Exemptions
- Returned Mail Processing
- Jurisdiction Control
- Comments, Notes and Event Tracking
- Change Logging
- Delinquent Attorney Support
- Security and Recoverability

- Comprehensive Audit Trail
- Extensive Reporting System
- FTP Report Processing
- Tax Ceiling Management
- TIF / TIRZ processing
- Internet Payment by credit card
- Check & Document Imaging
- Internet Portfolio of Accounts
- Installment Contracts and Quarterly Payment Plans
- Ad Hoc Reports
- Lien Management
- In Bound and Outbound Data Exchange

10. Oracle Discoverer

In addition to the ACT System, the Oracle Discoverer application, developed by Oracle Corporation, shall be utilized for user defined reporting purposes. Oracle Discoverer is an intuitive ad hoc query, reporting, analysis, and web-publishing tool that allows business users at all levels access to information from databases. Discoverer's intuitive user interface guides the end user through the entire process of building and publishing sophisticated reports and graphs. Users can quickly and easily choose from multiple charting and layout options to rapidly create a visual representation of their query results.



Consolidated Tax Office Delinquent Tax Collection Services RFQ

Strategic Goal 6 Set the Standard for Sound Governance
and Fiscal Management

Strategy 6.11 Provide efficient and effective services to taxpayers

Maria O. Pasillas, RTA
Tax Assessor/Collector



History

- 1978 - City Tax Office and a County Tax Office existed separately
- 1984 - Consolidated Tax Office is created through an interlocal agreement, creating cost savings and efficient tax collections through the use of technology.
- Property Tax Code Section 6.30(c) allows an entity to contract with attorneys for the collection of delinquent property taxes.
- 1984 - City of El Paso contracts with the Linebarger firm to collect delinquent taxes.
- 1998 – City of El Paso contracts with Appraisal and Collection Technologies (ACT) for a tax collection software program.
- 1999 – City of El Paso contracts with Delgado Acosta Spencer Linebarger & Perez (“Firm”) firm to collect delinquent taxes through a request for proposals for a five year term.



Current State

- In 2005, the City entered into a legal services agreement with the Firm for a five year term with an option to extend another 5 years per unanimous recommendation from the Tax Advisory Committee.
- In 2009, the City exercised its second option to renew two separate contracts, the delinquent tax collection contract with the Firm and the computer system license and maintenance contract with ACT.
- Both contracts were extended one year on December 14, 2015 to allow the Tax Office to exercise the procurement option for professional services.



RFQ Information

- Request for Qualifications (RFQ) was opened on June 8, 2016.
- The proposal specified the City's need for a complete property tax system software, if the Firm proposes the use of a new software.
- 2 vendors submitted proposals:
 - Perdue Brandon Fielder Collins & Mott, LLP
 - Delgado Acosta Spencer Linebarger & Perez, LLP
- An evaluation committee of 3 financial staff members from OMB, Comptroller and Tax department evaluated the proposals.
- ✓ Delgado Acosta Spencer Linebarger & Perez, LLP received the highest overall rating.



Committee Score Sheet

2016-891R Delinquent Tax Collection Services

Request for Qualifications

Evaluation Factors	Maximum Amount of Points
<u>A) Understanding of Project</u>	30
A. Thoroughness, completeness, understanding of project scope 15 Points	
B. Capability to perform or exceed the tax collection services required 15 Points	
<u>B) Experience & Qualifications</u>	30
A. Delinquent ad valorem tax collections experience 15 Points	
B. Knowledge of federal, state and local regulations 15 Points	
<u>C) Response of References</u>	20
<u>D) Performance and Client History</u>	20
Totals	100 Points



Services Provided by the Firm

- Taxpayer assistance
- Delinquent payment agreements
- National bankruptcy representation
- Litigation services & Appeals
- Federal forfeiture & Seizure Representation
- Federal & State Condemnation Representation
- Nationwide locator service to find missing taxpayers
- Customized mailing program
- Coordinate all aspects of tax sale and resale programs
- Pre and post judgment programs
- Petition of excess proceeds
- Legislative support
- Collection of abstract fees and court costs fees
- Collection of delinquent City liens *

* 25% Collection fee



Services Provided by ACT

- Property tax system functionality
- Automated, integrated support for tax office disbursements, refund processing, and interfaces to PeopleSoft.
- Tax Office's ecommerce internet site support
- Support and functionality for the collection of delinquent City liens
- Support and functionality of County VIT and Offline Remittance system
- Maintain the Interactive Voice Response System (IVR) and support
- Tax collection system compliant with legislative changes
- Generate tax bills from data received from the Central Appraisal District
- Continuing education and support for Tax Office employees
- Maintain off-site servers which house the Tax Office's information, providing cost savings and security
- Pay for the mailing of tax bills and notices.
- Maintain a Disaster Recovery Site in Austin, Texas
- Regular SOC 1 Internal Controls Review by an external accounting firm
- Security and Access Control
- ACT is a sole source provider for the computer system hosting and maintenance services.



Benefits and Costs

Benefits:

- The Firm will continue to pay \$40,000 for cost of the Tax Office's support of delinquent collections. (\$480,000 per year)
- The Firm will continue to pay for the preparation and printing of tax bills and notices. (Approximately \$100,000 per year)
- There is no cost to the City. The firm is compensated 15 to 20% pursuant to the Property Tax Code.

Costs:

- ACT's annual hosting and maintenance fee of \$120,000 included in the offer. The fee will increase to \$160,000 for years 2 to 5. (Additional cost of \$160,000 - five years or \$360,000 – ten years)

Note: This fee had not increased since 2006.

- Compensation - Delinquent municipal liens (25%)



Summary

Services	Currently Paying			2017-2021 & Extension if Applicable			Annual Difference	Difference 5 years
	Monthly	Annually	5 year	Monthly	Annually	5 year		
Collections								
Tax Office Support of Delinquent Collections	\$40,000	\$480,000	\$2,400,000	\$40,000	\$480,000	\$2,400,000	\$ -	\$ -
Preparation and printing of delinquent notices	Included			Included				
Compensation - Property Tax Code for Delinquent Collections and Current Year Taxes in Bankruptcy	15% to 20%			15% to 20%				0
Compensation - Collect delinquent municipal liens	25%			25%				0
Software	Currently Paying			2017-2021 & Extension if Applicable			Difference	% Increase / Decrease
Annual Hosting Fee (Includes preparation and printing of tax bills)								
	Year 1		\$120,000	Year 1		\$120,000	\$ -	0%
	Year 2		\$120,000	Year 2		\$160,000	\$40,000.00	33%
	Year 3		\$120,000	Year 3		\$160,000	\$40,000.00	33%
	Year 4		\$120,000	Year 4		\$160,000	\$40,000.00	33%
	Year 5		\$120,000	Year 5		\$160,000	\$40,000.00	33%
Totals			\$600,000			\$760,000	\$160,000.00	27%



Questions?