

**REQUEST FOR PROPOSALS**

**FOR**

**APPOINTMENT OF TAX OFFICER**

**ISSUING ENTITY**

**{WESTMORELAND COUNTY TAX COLLECTION COMMITTEE}**

**RFP NUMBER**

**{01-01-2012}**

**DATE OF ISSUANCE**

**{04-01-2010}**

**REQUEST FOR PROPOSALS**

**FOR**

**APPOINTMENT OF TAX OFFICER**

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## CALENDAR OF EVENTS

12/16/09 – 2/22/10	Develop RFP (Request for Proposal)/TCA (Tax Collectors Agreement)
2/23/10	Present RFP/TCA to Full TCC
3/23/10	Seek Final RFP/TCA Approval from Full TCC
4/1/10	Issue RFP
4/15/10	Pre-proposal Conference at 1 PM
4/22/10	Deadline for Offeror to Submit Questions
4/29/10	Deadline to Post Question Responses
5/14 /10	RFP Response Due by 2 PM
5/16/10 – 6/21/10	Evaluate Proposals, Schedule Interviews, Site Visits
6/22/10	Present Preliminary Tax Collector Selection to Full TCC
6/23/10 – 7/26/10	Finalize Tax Collector Appointment Resolution
7/27/10	Adopt Tax Collector Appointment Resolution by Full TCC
8/24/10	2 <sup>nd</sup> Opportunity to Adopt Tax Collector Appointment Resolution by Full TCC (incase quorum is not present on 7/27/10)
8/25/10 – 9/15/10	Finalize Tax Collectors Agreement
	»Sign Tax Collector Agreement
	»Within 10 Days of Appointment, Notify DCED
9/16/10 – 12/31/11	Transition to New County-Wide EIT Collection
1/1/11	Act 32 County-Wide EIT Collection <u>Option</u> Begins
1/1/12	Act 32 County-Wide EIT <u>Mandatory</u> Collection Begins

## Part I

### GENERAL INFORMATION

- I-1 Purpose:** This request for proposals ("RFP") provides to those interested in submitting proposals for the subject procurement ("Offerors") sufficient information to enable them to prepare and submit proposals for the Issuing Entity to satisfy a need for the APPOINTMENT OF A TAX OFFICER TO ADMINISTER THE COLLECTION OF INCOME TAXES ("Project").
- I-2 Issuing Entity Contact:** The sole point of contact in the Issuing Entity for this RFP Shall be Daniel M. Watson ([www.westmorelandcountytcc.org](http://www.westmorelandcountytcc.org)), Greater Latrobe School District, 410 Main Street, Latrobe, PA 15650.
- I-3 Scope:** This RFP contains instructions governing the requested proposals, including the Requirements for the information and material to be included; a description of the service to be provided; requirements which Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.
- I-4 Problem Statement:** The purpose of this RFP is to assist the Issuing Entity in appointing a Tax Officer to collect and administrate income taxes pursuant to the requirements of Act 32 of 2008. Additional detail is provided in Part IV, Work Statement of this RFP.
- I-5 Type of Contract:** It is proposed that if the Issuing Entity enters into a contract as a result of this RFP, it will be a Professional Services Contract containing the Standard Contract Terms and Conditions as shown in Appendix A and available at ([www.westmorelandcountytcc.org](http://www.westmorelandcountytcc.org)). The Issuing Entity reserves the right, in its sole discretion, to amend, revise, modify or supplement the Standard Contract Terms and Conditions as shown in Appendix A. The Issuing Entity, in its sole discretion, may undertake negotiations with Offerors whose proposals, in the judgment of the Issuing Entity, show them to be qualified, responsible and capable of performing the Project.
- I-6 Rejection of Proposals:** The Issuing Entity reserves the right, in its sole and complete discretion, to reject any or all proposals received as a result of this RFP.
- I-7 Incurring Costs:** The Issuing Entity is not liable for costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

**I-8 Pre-Proposal Conference:** The Issuing Entity will hold a pre-proposal conference as specified in the Calendar of Events and at the location specified in I-2. The purpose of this conference is to provide opportunity for clarification of the RFP. Offerors should forward all questions to the Issuing Entity in accordance with Part I, Section 1-9 to ensure adequate time for analysis before the Issuing Entity provides an answer. Offerors may ask questions at the conference. In view of the limited facilities available for the conference, Offerors should limit their representation to two individuals per Offeror. The pre proposal conference is for information only. Any answers furnished during the conference will not be official until they have been verified, in writing, by the Issuing Entity. All questions and written answers will be posted on the Issuing Entity website as an addendum to, and shall become part of, this RFP. Attendance at the Pre-Proposal Conference is Mandatory, failure to attend the pre proposal conference shall disqualify an Offeror from consideration for the contracts to be awarded from this RFP and its proposal will be returned unopened.

**I-9 Questions & Answers:** If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email with the email subject line "RFP Question" to the Issuing Entity contact named in Part I, Section I-2 of this RFP. If the Offeror has questions; they must be submitted via email no later than the date indicated on the Calendar of Events. The Offeror shall not attempt to contact the Issuing Entity by any other means. The Issuing Entity shall post the answers to the questions on the Issuing Entity website by the date stated on the Calendar of events.

All questions and response as posted on the Issuing Entity website are considered as an addendum to, and part of, this RFP in accordance with RFP Part I, Section I-10. Each Offeror shall be responsible to monitor the Issuing Entity website for new or revised RFP information. The Issuing Entity shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued an addendum by the Issuing Entity. The Issuing Entity does not consider questions to be a protest of the specifications or of the solicitation.

**I-10 Addenda to the RFP:** If the Issuing Entity deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Entity will post an addendum to the Issuing Entity website at ([www.westmorelandcountytcc.org](http://www.westmorelandcountytcc.org)). It is the Offeror's responsibility to periodically check the website for any new information or addenda to the RFP. Answers to the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFP.

**I-11 Response Date:** To be considered for selection, hard copies of proposals must arrive at the Issuing Entity on or before the time and date specified in the RFP Calendar of Events. The Issuing Entity will not accept proposals via email or facsimile transmission. Offerors who send proposals by mail or other delivery service should allow sufficient delivery time to ensure timely receipt of their proposals. If, due to inclement weather, natural disaster, or any other cause, the Issuing Entity location to which proposals are to be returned is closed on the proposal response date, the deadline for submission will be automatically extended until the next Issuing Entity business

day on which the office is open, unless the Issuing Entity otherwise notifies Offerors. The hour for submission of proposals shall remain the same. The Issuing Entity will reject unopened, any late proposals.

- I-12 Proposals:** To be considered, Offerors should submit a complete response to this RFP on or before the Response Date in Part I, Section 1-11 to the Issuing Entity, using the form as provided in Part II, Proposal Requirements of this RFP, providing 15 paper copies of the Technical Submittal and 15 paper copies of the Cost Submittal. In addition to the paper copies of the proposal, Offerors shall submit 1 complete and exact copy of the entire proposal (Technical and cost, along with all other requested documents) on CD-Rom or Flash drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the paper copy and any spreadsheets must be in Microsoft Excel. The Offerors may not lock or protect any cells or tabs. Offerors should ensure that there is no costing information in the technical submittal. Offerors should not reiterate technical information in the cost submittal. The CD or Flash drive should clearly identify the Offeror and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Offeror shall make no other distribution of its proposal to any other Offeror, Issuing Entity official, or Issuing Entity consultant. Each proposal page is numbered for ease of reference. An official authorized to bind the Offeror to its provisions must sign the proposal. If the official signs the Proposal Cover Sheet in Appendix B to this RFP and the Proposal Cover Sheet is attached to the Offeror's proposal, the requirement will be met. For this RFP, the proposal must remain valid for 120 days or until a contract is fully executed. If the Issuing Entity selects the Offeror's proposal for award, the contents of the selected Offeror's proposal will become, except to the extent the contents are changed through Best and Final Offer negotiations, contractual obligations.

Each Offeror submitting a proposal specifically waives any right to withdraw or modify it, except that the Offeror may withdraw its proposal by written notice received by the Issuing Entity Contact prior to the exact hour and date specified in Part I, Section 1-11. An Offeror or its authorized representative may withdraw its proposal in person prior to the exact hour and date set for proposal receipt, provided the withdrawing person provides appropriate identification and signs a receipt for proposal. An Offeror may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new sealed proposal which complies with the RFP requirements.

- I-13 Economy of Preparation:** Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror's ability to meet the requirements of the RFP.
- I-14 Alternate Proposals:** The Issuing Entity has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Issuing Entity will not accept alternate proposals.

- I-15 Discussions for Clarification:** Offerors may be required to make an oral or written clarification of their proposals to the Issuing Entity to ensure through mutual understanding and Offeror responsiveness to the solicitation requirements. Only the Issuing Entity may initiate requests for clarification.
- I-16 Prime Contractor Responsibilities:** The contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract. The Issuing Entity will consider the selected Offeror to be the sole point of contact with regard to contractual matters.
- I-17 Proposal Contracts:**
- a.) **Confidential Information:** The Issuing Entity is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Offerors' submissions in order to evaluate proposals submitted in response to this RFP. Accordingly, except as provided herein, Offerors should not label proposals submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection c. below and must additionally provide a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.
- b.) **Issuing Entity Use:** All material submitted with the proposal shall be considered the property of the Issuing Entity and may be returned only at the Issuing Entity's option. The Issuing Entity has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract. Notwithstanding any Offeror copyright designations contained on proposals, the Issuing Entity shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule of any court of competent jurisdiction.
- c.) **Public Disclosure:** After the award of a contract pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708 (b)(11) from public records requests. Financial capability information submitted in response to Part II, Section 11-7 of this RFP is exempt from public records disclosure under 65 P.S. § 67.708 (b) (26).

**I-18 Best and Final Offers:** While not required, Issuing Entity reserves the right to conduct discussions with Offerors for the purpose of obtaining “best and final offers.” To obtain best and final offers from Offerors, the Issuing Entity may do one or more of the following:

- i) Schedule oral presentations;
- ii) Request revised proposals; and
- iii) Enter into pre-selection negotiations, including the use of an online auction.

The Issuing Entity will limit any discussion to responsible Offerors (those that have submitted responsive proposals and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance) whose proposals the Issuing Entity has determined to be reasonably susceptible of being selected for award. The Criteria for Selection found in Part III, Section III-4, shall also be used to evaluate the best and final offers. Price reductions offered through any reverse online auction shall have no effect upon the Offeror’s Technical Submittal.

**I-19 News Releases:** Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Entity, and then only in coordination with the Issuing Entity.

**I-20 Restriction of Contract:** From the issue date of this RFP until the Issuing Entity selects a proposal for award, unless otherwise instructed, the Issuing Entity Contact is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Issuing Entity to reject the offending Offeror’s proposal. If the Issuing Entity later discovers that the Offeror has engaged in any violations of this condition, the Issuing Entity may reject the offending Offeror’s proposal or rescind its contract award. Offerors must agree not to distribute any part of their proposals beyond the Issuing Entity. An Offeror who shares information contained in its proposal with other Issuing Entity personnel and/or competing Offeror personnel may be disqualified.

**I-21 Issuing Entity Participation:** Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work.

**I-22 Terms of Contract:** The Effective Date of the contract will commence on January 1, 2012 for 1<sup>st</sup> Quarter 2012 collections. Fourth quarter and final collections for 2011 will be the responsibility of the prior Tax Collector. Prior year delinquent tax collections will commence on 7-1-2012 if requested by the Issuing Entity. It is anticipated that some taxing authorities may desire the Offeror to collect the taxes commencing January 1, 2011 for 1<sup>st</sup> quarter 2011 collections, but they are unknown at this time. You are requested to provide a proposal for a contract of three (3) years with alternate terms for collections in 2011 and contract years four (4) and five (5),



which allows the TCC to enter into the Contract on behalf of interested taxing authorities for 2011 and to extend the contract for years four (4) and five (5) at their discretion.

**I-23 Offeror's Representations and Authorizations:** By submitting its proposal, each Offeror understands, represents, and acknowledges that:

- a.) All of the Offeror's information and representations in the proposal are material and important, and the Issuing Entity may rely upon the contents of the proposal in awarding the contract(s). The Issuing Entity shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the RFP submission, punishable according to 18 Pa. C.S. § 4904.
- b.) The Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror or potential offeror.
- c.) The Offeror has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is an Offeror or potential offeror for this RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.
- d.) The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e.) The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f.) To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, offerors, directors, and employees are not currently under investigation by any governmental agency and have not in the last five years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.
- g.) To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no outstanding, delinquent obligations to the Issuing Entity including, but not limited to, any tax liability not

being contested on appeal or other obligation of the Offeror that is owed to the Issuing Entity.

- h.) The Offeror has not made, under separate contract with the Issuing Entity, any recommendations to the Issuing Entity concerning the need for the services described in its proposal or the specifications for the services described in the proposal.
- i.) Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Issuing Entity information concerning the Offeror's Pennsylvania taxes, unemployment compensation and worker's compensation liabilities.
- j.) Until the selected Offeror receives a fully executed and approved written contract from the Issuing Entity, there is no legal and valid contract, in law or in equity, and the Offeror shall not begin to perform.

**I-24 Notification of Selection:** The Issuing Entity will notify the selected Offeror in writing of its selection for negotiation after the Issuing Entity has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Issuing Entity.

**I-25 Use of Electronic Version of this RFP:** This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to insure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and the Issuing Entity's version of the RFP, the Issuing Entity's version shall govern.

## Part II

### Proposal Requirements

Offerors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All costs data relating to this proposal should be kept separate from and not included in the Technical Submittal. Each Proposal shall consist of the following two separately sealed submittals:

- a.) Technical Submittal, which shall be a response to RFP Part II, Sections II-1 through II-8;
- b.) Cost Submittal, in response to RFP Part II, Section II-9.

The Issuing Entity reserves the right to request additional information which, in the Issuing Entity's opinion, is necessary to assure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Issuing Entity may make investigations as deemed necessary to determine the ability of the Offeror to perform the Project, and the Offeror shall furnish to the Issuing Entity all requested information and data. The Issuing Entity reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Offeror fails to satisfy the Issuing Entity that such Offeror is properly qualified to carry out the obligations of the RFP and to complete the Project as specified.

- II-1     **Statement of the Problem:** State in succinct terms your understanding of the problem presented or the service required by this RFP.
- II-2     **Management Summary:** Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.
- II-3     **Work Plan:** Describe in narrative form your technical plan for accomplishing the work. Use the task description in Part IV, Work Statement of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained.
- II-4     **Firm Overview:** Provide a brief {1-3 pages} overview of your firm, including number of years providing tax collection services, types of taxes currently collected, total tax revenue collected for each type of tax in the last five (5) years, number of employees, list of current and proposed offices and whether your firm will allow the Issuing Entity to tour and observe your offices and operations.
- II-5     **Personnel:** Include the number of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the Project. For key personnel and primary contact, include the employee's name and, through a resume or similar document, the key personnel's education and experience in income tax collection and administration. Indicate the responsibilities each individual will have in this Project and how

long each has been with your company. Identify by name any subcontractors you intend to use and the services they will perform.

- II-6 **Training:** If appropriate, indicate recommended training of agency personnel. Include the agency personnel to be trained, the number to be trained, duration and completion date of the training program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.
- II-7 **Financial Capability:** Describe your company's financial stability and economic capability to perform the contract requirements. Financial documents such as the Offeror's most recent fiscal year end audited financial statements and management letters or other written comments provided by your CPA in connection with the financial statements and the Independent Service Auditor's Report relating to internal controls prepared by your CPA in accordance with SAS No. 70, if any. The Issuing Entity will share this information only as deemed necessary to the evaluation process, with due regard for the confidential nature of this information, or as the Issuing Entity solicitor determines is required under the Sunshine Law and Right-to-Know Law.
- II-8 **Objections and Additions to Standard Contract Terms and Conditions:** The Offeror will identify which, if any, of the terms and conditions contained in Appendix A it would like to negotiate and what additional terms and conditions the Offeror would like to add. Failure of the Offeror to submit its objections and additions according to this paragraph will result in its waiving its right to do so later, but the Issuing Entity's may consider late objections and requests for additions if to do so, in the Issuing Entity's sole discretion, would be in the best interest of the Issuing Entity. The Issuing Entity may, in its sole discretion, accept or reject any requested changes to the standard contract terms and conditions. Further, the Issuing Entity reserves the right, in its sole discretion, to amend, revise, modify or supplement the standard Contract terms and conditions. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for Appendix A. All terms and conditions must appear in one integrated contract. The Issuing Entity will not accept references to the Offeror's, or any other, online guides or online terms and conditions contained in any proposal.

Regardless of any objections or additions set out in its proposal, the Offeror must submit its proposal, including the cost proposal, on the basis of the terms and conditions set out in Appendix A. The Issuing Entity will reject any proposal that is conditioned on the negotiation of the terms and conditions set out in Appendix A or to other provisions of the RFP as specifically identified above.

- II-9 **Cost Submittal:** The information requested in this Part II, Section II-9 shall constitute the Cost Submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separated from the technical submittal. The total proposed cost shall be broken down into the components listed below. Offerors should **not** include any assumptions in their cost submittals. If the Offeror includes assumptions in its cost submittal, the Issuing Entity may reject the proposal.

**Transition Fees:** Explain any fees you will impose for transition, including transition of records from current earned income tax collector, interaction with current earned income tax collector, and any other transition services.

**Earned Income Tax Collection Fees and Charges:**

**1. Fee for current and delinquent earned income tax collection.** Please provide the following information:

- (i) A percentage collection commission for current and delinquent earned income taxes. For the delinquent earned income tax collections provide a breakdown list of any additional proposed fees and costs the Offeror would charge taxpayers for delinquent earned income tax collection.
- (ii) What additional amount will you charge, if any, if the TCC requires an SAS 70 audit? If there is an extra charge, please specify the amount as a lump sum amount and alternatively as an additional percent collection commission amount.
- (iii) Include any other applicable charges that may not be included in subparagraph (i) or (ii). Do you propose to retain these amounts or pay these amounts to the taxing authority?
- (iv) What fee reduction amount will you provide, if any, if the TCC allows your firm to retain investment earnings on all tax funds? Solely on funds transferred to tax collectors for other jurisdictions? Please specify the amount as a lump sum amount and alternatively as a reduction in the percent collection commission.
- (v) What fee reduction amount will you provide, if any, if the TCC does not require a separate financial institution account for funds held as tax collector for the TCC and instead allows commingling of tax collector funds held for various TCC jurisdictions? Please specify the amount as a lump sum amount and alternatively as a reduction in the percent collection commission.
- (vi) The Issuing Entity will consider any proposal by the Offeror that would provide an incentive to maximize tax collections. Please include a brief collection incentive proposal explaining the Offeror's approach to this issue.
- (vii) Include a fee proposal for the collection of 2011 income taxes for those taxing authorities who request that the tax collector begin tax collection on January 1, 2011 as provided by Act 32.
- (viii) Include a fee proposal for the collection of any Act 511 or Act 679 taxes for those taxing authorities who request that the TCC collect these additional taxes.

- (ix) Taxpayer fees. As to delinquent tax collection under any alternative, provide a list of all proposed fees and costs you would charge taxpayer for delinquent tax collection steps, and estimated annual revenues from such items. Provide progression of steps you propose to take with respect to the collection of delinquent EIT taxes as well as the associated fees you intend to charge the TCC and taxpayer or employer as may be applicable. Estimate the annual revenues from fees charged to the taxpayers and whether you propose to retain these amounts or pay these amounts to the taxing authority?

The Issuing Entity will reimburse the selected Offeror for work satisfactorily performed after execution of a written contract and the start of the contract term, in accordance with contract requirements, and only after the Issuing Entity has issued a notice to proceed.

### Part III

#### Criteria for Selection

III-1 **Mandatory Responsiveness Requirements:** To be eligible for selections, a proposal must be:

- a.) Timely received from an Offeror;
- b.) Properly signed by the Offeror.

III-2 **Technical Nonconforming Proposals:** The Issuing Entity reserves the right, in its sole discretion, to waive technical or immaterial nonconformities in an Offeror's proposal.

III-3 **Evaluation:** The Issuing Entity has selected a committee of qualified personnel to review and evaluate timely submitted proposals. The Issuing Entity will notify in writing its selection for negotiation with the responsible Offeror whose proposal is determined to be the most advantageous to the Issuing Entity as determined by the committee after taking into consideration all of the evaluation factors.

III-4 **Criteria for Selection:** The following criteria will be used in evaluating each proposal. In order for a proposal to be considered for selection for best and final offers or selection for contract negotiations, the total score for the technical submittal of the proposal must be greater than or equal to 70% of the highest scoring technical submittal.

a.) **Technical:** The Issuing Entity has established the weight for the Technical criterion for this RFP as {Insert the percentage} % of the total points. Evaluation will be based upon the following in order of importance: {must list order of importance}.

b.) **Cost:** The Issuing Entity has established the weight for the Cost criterion for this RFP as {Insert percentage} % of the total points.

## **Part IV**

### **Work Statement**

Act 32 of 2008, the Consolidated Collection of Local Income Taxes, provides for the consolidation of the collection system for the Earned Income Taxes (EIT) levied by political subdivision in the Commonwealth into sixty-nine (69) Tax Collection Districts by January 2012. Section 507 of the act requires each Tax Collection Committee to appoint a Tax Collection Officer by September 15, 2010. The Tax Collection Officer shall administer the collection of income taxes for the Issuing Entity. The following terms in this Part IV, Work Statement is provided to guide the Offeror in the submission of a responsive proposal that will be reviewed by the committee to evaluate the Offeror's ability to satisfactorily perform the work of a Tax Officer.

The Issuing Entity requests proposals for tax collection services according to the following terms.

#### **A. Taxes for which Services are Requested**

1. Earned Income Tax - Attached in Appendix C is a list showing earned income tax rates levied by the school districts and municipalities within the Issuing Entity and the approximate amount of tax collected in the most recent fiscal year (2007). The list includes applicable low income exemption amounts.
2. Act 511/Act 679 Taxes – The proposal must include the collection of Act 511/Act 679 taxes for those taxing authorities who desire the tax collector to collect such taxes, including, but not limited to, local services tax, business privilege/mercantile tax and/or per capita taxes. Offeror should review a listing of all Act 511/Act 679 taxes for the taxing authorities included in the TCC on the DCED website.
3. Services should include collection of current and delinquent taxes.
4. Offerors must submit a proposal for collection of all taxes listed above.

#### **B. Proposal Minimum Content Requirements**

1. **Business Volume Capacity.** The Issuing Entity is concerned about the capacity of tax collection agencies to handle the expanded volume of business that might result from county-wide collection under Act 32.
  - a. Please address thoroughly your capacity to handle effectively all tax collection services for current clients and clients for which you have or will be making proposals, including details of any planned steps to add people, facilities, or other resources.
  - b. Provide a list of other tax collection committee RFPs to which your firm has responded or plans to respond.



2. **Detailed Background and Operating Information.** In addition to the information provided above, please address the following:
- a. Does your firm meet all tax officer qualifications and requirements of §506(b) and as promulgated by DCED in §508(f) of Act 32?
  - b. Your ability to perform the duties of the Tax Officer as outlined in §509 of Act 32.
  - c. Your knowledge of Act 32, changes to your current procedures that will be required as a result of Act 32, special challenges you foresee in collecting taxes under Act 32 and measure you are taking to address any special challenges.
  - d. Your use of technology in collecting taxes and interacting with taxing authorities, employers, taxpayers, and other tax officers. Please describe in detail the technology used in collecting the types of tax you propose to collect. Please specifically address the availability of online filing. Has your technology been modified to accommodate information and reports required under Act 32? Does your technology system comply with all Best Practices listed in the DCED document titles: "Act 32 Collection Project Document #5: Final Report on EIT Collection Practices"? See Appendix D. Please identify any of the Best Practices with which your technology system does not comply.
  - e. Your procedures to ensure taxes are collected from all taxpayers owing tax, including your system that identifies employers and individual taxpayers who fail to file tax returns and employers or individual taxpayers whose returns are audited. Please summarize the process you pursue or intend to pursue and associated timelines against employers or individual taxpayers who fail to file quarterly and/or annual returns and identify one or more jurisdictions for which you currently provide tax collection services and provide numbers for the identified jurisdiction(s) describing:
    - Annual number of non-filers identified who failed to file required returns.
    - Annual number of employer and individual taxpayer audits conducted.
    - Annual number of criminal prosecutions.
    - Annual number of civil collection proceedings filed (with separate breakdown of district justice and county court filings.)
    - Annual number of district justice judgments' transferred to court to establish lien.
    - Annual number of judgment's reduced to payment plans.
    - Annual number of wage attachments filed.
    - Your process for handling taxpayers in bankruptcy.

- Other data you deem helpful to show enforcement or delinquent collection steps.

Please also provide information on your rate of success under each category.

- f. Your procedures to ensure collection of all taxes paid by employers or Issuing Entity residents through other tax officers and to ensure payment of all taxes owed by other tax officers. Specifically, please describe your procedures for reconciling payments to and from other tax officers.
- g. Your procedures to ensure that employers and other tax officers provide sufficient information when employee withholding amounts are remitted in order to allow prompt distribution to taxing authorities of all funds collected from employers and other tax officers.
- h. Your procedures to ensure that employers withhold tax at the correct rate.
- i. Your procedures to verify the accuracy of individual low income exemption claims.
- j. Your method of receiving and depositing tax funds remitted by taxpayers, including the length of time between receipt and deposit of a check. Does this time vary at different periods during the year? Does your firm accept credit card payments?
- k. Your procedures for processing employer and individual tax returns, including the average length of time after filing that is required for you to complete processing. Does this time vary at different periods during the year? Please also discuss procedures by which you reconcile filed individual tax returns with employer payments.
- l. Do you have an office geographically located within the Issuing Entity's tax collection district where taxpayers can pay taxes? Can taxes be paid at financial institutions where you deposits tax funds?
- m. Explain and provide copies of any documents relevant to your customer service policy for taxpayers. Telephone and in-person availability to assist employers and taxpayers? Hardship and installment payment plan procedures? Other?
- n. Your legal staff or resources to address legal questions relating to tax collection (including identification of procedures and legal counsel used for filing and prosecuting criminal and civil litigation).
- o. Your requirements for your staff who are not attorneys to ensure adequate knowledge of and continuing education on tax law and tax collection process.

- p. Your plans and arrangements for investment of tax funds. Have you historically segregated tax funds of different taxing authorities in different accounts?
- q. What financial institutions are used for deposit of tax funds? What due diligence steps are taken to ensure the safety of tax fund deposits and investments, including collateralization?
- r. Explain and provide a copy of procedures for complying with the Pennsylvania Taxpayer Bill of Rights.
- s. Explain and provide samples of reports to taxing authorities and timing and distribution of tax funds, including any changes to your procedures that will be implemented as part of complying with Act 32. Will you agree to provide any and all additional reports requested by the TCC or any of its taxing authorities? Are you willing to provide distributions to taxing authorities more frequently than required by act 32? Weekly distributions? What is the most frequent distribution system you could accommodate?
- t. Provide a copy of any applicable ethics or other policy for protection of taxing authorities or taxpayers.
- u. Explain your procedures to ensure the security and confidentiality of information relating to and provided by taxpayers, including social security numbers and other confidential information. What safeguard do you have in place to avoid a data breach or other improper disclosure of confidential information? Has your firm ever experienced a data breach involving an unauthorized person obtaining access to confidential information in your possession? In responding to this question, please include any data breach that required notice of breach to affected taxpayer under the Pennsylvania Breach of Personal Information Notification Act, 73 P.S. § 2301 et seq., and also any other breach that did not require such notice. Please provide an explanation of any such data breach.
- v. Explain your procedures for back-up of records to avoid data loss and to permit an expeditious transition to a successor tax collector, if necessary. Will you agree to retain a third party record keeper for back-up of records and data storage that would be accessible to the TCC and its taxing authorities? Do you have an emergency response continuity of operations plan? If so, please explain and provide a copy of any written policies.
- w. Explain your proposed billing procedures for collecting agreed upon payment rate from each of the governmental taxing bodies falling under the issuing entity, including how and with what frequency each taxing body will be billed.

- x. Describe the system you will utilize to ensure employers currently located or at a later date become located within the tax collection district properly register in accordance with Section 512 of Act 32.
- 3. **Subcontractors and Outsourcing:** Identify and explain your use of any subcontractors or outsourcing including any tax functions that are subcontracted or outsourced, in whole or in part, outside Pennsylvania or the United States.
- 4. **Reference Lists:** Provide a list of all taxing authorities for which you collect each type of tax you propose to collect for us, including number of years served, a list of all taxing authorities that have discontinued use of your firm's services in the past 5 years, and contact information for each taxing authority listed.
- 5. **Litigation and Claims:** List any legal proceeding (arbitration, complaint, court action, or investigation) or claim filed, commenced, or made by a school district, municipality, other government body, employer, or taxpayer against your firm within the last 5 years. Please also provide a brief summary of the status or final resolution of any proceeding or claim.
- 6. **Insurance, Bonding, and Other Information**
  - a. Provide information on insurance types and limits that you carry, including employee dishonesty or crime coverage.
  - b. Identify the insurance company that provides your bonding and provide a sample bond form. Please address specifically your bonding capacity limits available through the insurance company that provides your bonding, and also the amount of bonding required for your current clients and clients for which you are making proposals to provide tax collection services (including other Act 32 tax collection committees). What dollar bond amount do you estimate will be required from your firm during the next 2 calendar years for all clients? If applicable, please identify what steps your firm has taken or will take to increase bonding capacity. Has a bonding company ever revoked or reduced the amount of a bond carried by your firm?
  - c. Explain your internal controls to ensure the accuracy of distributions to taxing authorities and your risk management policies to ensure against accidental loss of funds or inaccurate accounting.
  - d. Explain the process you undertake annually to provide taxing authorities an external audit of your finances and tax collection accounts. Please include a sample copy of annual financial/audit information provided to taxing authorities. Please explain changes you make to this process to comply with Act 32.
  - e. Has any firm officer, director, or key employee of your firm ever been arrested for, convicted of, or entered a plea of guilty or nolo contendere to a criminal charge other than a summary offense? Has any other

- employee been arrested for, convicted of, or entered a plea of guilty of nolo contendere to a criminal charge relating to theft or dishonesty?
- f. Explain the background checks you perform when employees are hired, and whether background checks are periodically updated.
  - g. Other protections against loss of funds for taxing authorities?
7. **Conflicts of Interest** Provide a summary of any relationships or interests of your firm and the officers, directors, employees, or owners that might arguably conflict with the interests of the Issuing Entity or its constituent taxing authorities. Without limiting the foregoing, are there any family relationships between officers, directors, employees, or owners of your firm and officers, directors, employees, or owners of your auditing firm or any other provider of service to your firm?
  8. **Emergency Preparedness** To support continuity of operations during an emergency, including a pandemic, the Issuing Entity needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Issuing Entity have planned for such an emergency and put contingencies in place to provide needed services.
    - a. Describe how you anticipate such a crisis will impact your operations.
    - b. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
      - Employee training (describe your organization’s training plan, and how frequently your plan will be shared with employees)
      - Identified essential business functions and key employees (within your organization) necessary to carry them out
      - Contingency plans for:
        - How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
        - How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
      - How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
      - How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

9. **Transition Plan** Explain the steps and provide a timetable for transition of tax collection services from the current tax collector or collectors if you are not the current tax officers. Please provide a detailed monthly timeline of the various stages, including the work plan or task list for each stage, and specifically address steps you will take to ensure payment of amounts owed by out-of-jurisdiction tax officers relating to time periods prior to the effective date of your contract, and also steps you will take to ensure you have sufficient information to collect delinquent taxes owed from time periods prior to the effective date of your contract. We believe this is critical to the proposal. We reserve the right to negotiate milestone dates, as well as, penalize for failure to meet these timelines.