

CITY OF McKINNEY
REQUEST FOR PROPOSAL (RFP)
FOR
SUBROGATION RECOVERY SERVICES



City of McKinney exclusively uses [Bonfire](#) for the notification and dissemination of all solicitations. The receipt of solicitations through any other means may result in your receipt of incomplete specifications and/or addendums which could ultimately render your proposal non-compliant. The City of McKinney accepts no responsibility for the receipt and/or notification of solicitations through any other means.

TABLE OF CONTENTS

LEGAL NOTICE3

NOTICE TO RESPONDENTS.....4

MINIMUM REQUIREMENTS8

GENERAL CONDITIONS OF BIDDING AND TERMS OF CONTRACT 13

PROPOSAL FORM SIGNATURE PAGE21

LEGAL NOTICE

**City of McKinney, Texas
Advertisement for Proposals**

The City of McKinney is accepting submittals for Subrogation Recovery Services. Specifications for this service and/or product may be obtained on our electronic procurement portal, Bonfire, at <https://mckinneytexas.bonfirehub.com/>.

Submittals will publicly opened and read aloud in the office of Procurement Services, at the address below, shortly after the specified time for delivery. All submittals must be clearly addressed and include the submittal name and number on the outside of the envelope/package.

PROPOSAL NAME: Subrogation Recovery Services

PROPOSAL NO.: 27-06RFP

DUE DATE/TIME: Thursday, October 29, 2026, 2:00 p.m. (CT)

MAIL OR DELIVER TO: City of McKinney
Procurement Services
401 E. Virginia Street
McKinney, Texas 75069

In accordance with the Americans with Disabilities Act, it is the policy of the City of McKinney to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation, please contact the ADA Coordinator at least 48 hours in advance of the event. contact-adacompliance@mckinneytexas.org.

TO APPEAR IN THE MCKINNEY COURIER GAZETTE IN THE FOLLOWING EDITIONS:

First Publication: Friday, October 2, 2026
Second Publication: Friday, October 9, 2026

NOTICE TO RESPONDENTS

I. Request for Proposal Notice:

RESPONDENTS ARE CAUTIONED TO READ THE INFORMATION CONTAINED IN THIS RFP CAREFULLY AND TO SUBMIT A COMPLETE RESPONSE TO ALL REQUIREMENTS AND QUESTIONS AS DIRECTED.

II. Pre-submittal Conference:

A virtual pre-submittal conference will be held at the date and time listed in Section XI, Key Events Schedule, of the Notice to Respondents.

<https://cityofmckinney.webex.com/cityofmckinney/j.php?MTID=m01f245dc0c4ae50c793089f66763c02b>

The purpose of this conference is to discuss with potential Respondents the services to be provided and for potential Respondents to ask questions arising from their review of the Request for Proposals. This conference is for informational purposes only. Any answers provided will not be official until verified in writing by the issuance of an addendum.

III. Proposal Format:

Proposals must comply with the submittal requirements set out in the Minimum Requirements Section of this RFP.

IV. Submittal Deadline:

The City will accept proposals to this RFP until **the date and time listed in Section XI, Key Events Schedule, of the Notice to Respondents**, after which time all responses timely received will be publicly opened and the names of the Respondents read aloud. Proposals received after the submittal deadline will not be considered.

V. Place for Submission:

Proposals are encouraged to be submitted electronically on the City's electronic procurement portal, Bonfire. First time users should consider submitting their proposal early to ensure receipt. Hard copy submissions will also be accepted at the City of McKinney, Procurement Services by mail or hand delivery, and shall be marked as follows:

Procurement Services Manager
27-06RFP – Subrogation Recovery Services
401 E. Virginia Street
McKinney, TX 75069

It is the responsibility of each Respondent to ensure responses are submitted in a timely manner. The City is not responsible for delays in mail delivery or failure of the couriers to deliver responses prior to the expiration of the submission deadline. The City shall not be obligated to reimburse any expenses incurred by any Respondents in preparing their response.

The City cannot guarantee, due to internal mail delivery procedures that any proposal sent priority mail will be picked up from the post office by City employees and delivered to Procurement Services by the required closing date and time. It is recommended that proposal deliveries be made either in person or via an alternate delivery method ensuring delivery to the physical address. Respondent shall bear full responsibility for ensuring proposal is delivered to the specified location by due date and time.

VI. Inquiries and Interpretations:

All questions regarding the meaning or intent of these documents shall be submitted via the "Public Q&A" tab related to the project, on the City's electronic procurement portal prior to the date and time listed in Section XI, Key Events Schedule, of the Notice to Respondents. The City of McKinney, as it determines necessary for interpretation or clarification, will respond to such questions through written addenda. Formal written addenda will be published and made available through the City's electronic procurement portal. No other interpretations or clarifications shall have legal effect.

VII. Public Information:

The City considers all information, documentation, and other materials requested to be submitted in response to this solicitation to be of a non-confidential and / or non-proprietary nature and therefore shall be subject to public disclosure under the Texas Public Information Act (Texas Government Code, Chapter 552.001, et seq.) after a contract is awarded.

Respondents are hereby notified that the City strictly adheres to all statutes, court decisions, and opinions of the Texas Attorney General with respect to disclosure of public information.

VIII. Respondent's Acceptance of Evaluation Methodology:

WAIVER OF CLAIMS: Each Respondent by submission of a response to this RFP waives any claims it has or may have against the City and the City's Representative(s) in this process and their respective employees, officers and elected officials, members, directors and partners, agents and representatives regarding the administration of the RFP process, the RFP evaluation, and the critique and selection of qualified Respondents. Submission of a qualifications statement indicates the Offeror's and Respondent's acceptance of the evaluation technique set out in this Request. In this regard, Respondent acknowledges that the selection process and evaluations of responses submitted constitute public information under Texas law and Respondent waives any claim it has or may have regarding any information contained in or derived from such evaluations.

IX. Respondent's Commitment:

Respondent understands and agrees that the City has the ability to terminate its selection process at any time, and to reject any and all responses, or any and all submittals, and that the City has made no representation, written or oral, that it will award a contract for these project(s). Furthermore, Respondent recognizes and understands that any cost incurred by the Respondent which arises from

Respondent's submittal of a response to this RFP, or any subsequent submittal to the City's future RFP, if applicable, shall be the sole responsibility of Respondent.

X. Respondent's Eligibility:

Any firms obligated by law to register with the Texas Secretary of State must include their filing number with their proposal. Responses from entities that are required to register and maintain an active right to transact business in Texas but fail to provide a filing number or lack an active right to transact business, may be deemed non-responsive and subsequently rejected.

XI. Key Events Schedule:

The tentative timeline established by the City for its selection process is:

Issue RFP:	October 2, 2026
Pre-submittal Conference:	October 20, 2026, at 2:00 PM CT
Interpretation Deadline:	October 22, 2026, at 2:00 PM CT
RFP Deadline:	October 29, 2026, at 2:00 PM CT
Contract Anticipated Start Date:	November 15, 2026

This timeline is subject to change by the City.

XII. Insurance Requirements

The successful Respondent will be required to obtain the following insurance:

1. Before commencing work, the vendor shall, at its own expense, procure, pay for and maintain the following insurance written by companies approved by the state of Texas and acceptable to the City of McKinney. The vendor shall furnish certificates of insurance, executed by the insurer or its authorized agent, stating coverages, limits, expiration dates, and compliance with all applicable required provisions to the City of McKinney Procurement Services Manager. Certificates shall reference the project/contract number and be addressed as follows:

Subrogation Recovery Services, 27-06RFP
City of McKinney
c/o Procurement Services
P O Box 517
McKinney, TX 75070
Or email to procurement@mckinneytexas.org

- a. Commercial General Liability insurance, including, but not limited to Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum limits of \$1,000,000 per-occurrence and \$2,000,000 general aggregate. Coverage must be written on an occurrence form. The General Aggregate shall apply on a per project basis.
- b. Workers' Compensation insurance with Texas statutory limits; and Employer's Liability coverage with minimum limits for bodily injury: a) by accident,

\$500,000 each accident, b) by disease, \$500,000 per employee with a per policy aggregate of \$500,000.

- c. Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined single limit of \$1,000,000.
2. With reference to the foregoing required insurance, the vendor agrees to the following:
 - a. A waiver of subrogation in favor of City of McKinney, its officials, employees, and officers shall be contained in the Workers' Compensation insurance policy.
 - b. The City of McKinney, its officials, employees and officers shall be covered as additional insureds on the Commercial General Liability and Business Automobile Liability policies.
 - c. Policies of insurance shall not be cancelled, non-renewed, terminated, or materially changed unless and until thirty (30) days notice has been given to City of McKinney.
3. Insurance limits can be met with a combination of primary and excess/umbrella coverage.
4. All insurance shall be purchased from insurance companies that meet a financial rating of A-VI or better as assigned by A.M. Best Company or equivalent.
5. The vendor shall require any contractors, sub-contractors, and other persons doing business with or for the vendor related to the work to maintain at least the insurance as required, or their liability shall be covered by the vendor.

MINIMUM REQUIREMENTS

I. INTRODUCTION

The City of McKinney, Texas ("City") is seeking proposals from qualified vendors ("Respondent") to establish a contract(s) for professional subrogation recovery services for property and automobile (auto) damage, loss of use, and related claims from responsible third parties as identified in Scope of Work, Section III.

Respondents are not required to submit proposals for all service categories identified in the Scope of Work. Respondents may submit a proposal for one or more of the following service categories: (1) Property, (2) Automobile (Auto), and/or (3) Loss of Use. Respondents shall clearly identify the service category or categories for which they are submitting a proposal and shall provide all information and pricing requested for each applicable category.

The City intends to award contracts to multiple vendors. Each contract will have an initial term of three (3) years, with the option to renew for up to two (2) additional one (1) year terms, subject to mutual written agreement between the City and the awarded vendor(s).

All fees included in the Respondent's Cost Proposal shall remain firm and shall be honored throughout the initial three (3) year contract term. Fees for each optional renewal term must be clearly identified in the Respondent's Cost Proposal. No retroactive price adjustments will be permitted. The City shall not be obligated to pay any fees, charges, or costs that are not specifically identified in the Respondent's Cost Proposal.

II. BACKGROUND

The City's Risk Management Department is responsible for overseeing the City's claims process. Currently, external vendors and carriers handle subrogation claims, while the City manages its own first-party fixed property damage and first-party damaged equipment claims. The claims process is centralized, with claim counts tracked by occurrence and submissions made through a management risk software system. At present, there are no existing claims subject to takeover, and no paper files require transfer or destruction.

The City's Gross recovery cost for subrogation claims on fixed property and auto in the last three (3) years.

<u>Insurance Type</u>	<u>Year</u>	<u>Amount recovered</u>	
Property	2026	\$70,380.89	Current as of June 2026
Property	2025	\$208,057.41	
Property- 3rd party	2024	\$129,092.03	
Property - In house	2024	\$12,286.59	Damage to City Water lines
3-year total		\$419,816.92	
Auto	2026	\$1,849.50	Auto reflects what is beyond TML's recoveries.
Auto	2025	\$8,494.59	

Auto	2024	\$127,908.07
	3-year total	\$138,252.16
Total recovery		\$558,069.08

III. SCOPE OF WORK

The professional subrogation recovery service is designed to help insurers or carriers recover funds paid for losses from a third party responsible for those losses.

The selected vendor(s) will provide comprehensive subrogation recovery services for property damage, auto damage, loss of use, and related claims, including contingency-based arrangements. The Vendor(s) shall have the capability to perform and complete the services in all respects in accordance with the solicitation documents.

The City staff will collect and submit supporting documentation when making a subrogation request.

Key Performance Measures (KPIs):

Core operational metrics to track subrogation program effectiveness should include:

- **Identification Rate** - The proportion of total claims that are identified as subrogation leads.
- **Throughput Rate** - The percentage of identified opportunities that are being turned into actual recoveries.
- **Recovery Rate** - The share of eligible recoverable loss amounts that are actually collected.
- **Subrogation Recovery per Exposure/Claim** - Average dollar amount recovered per claim, showing the monetary value of recoveries.
- **Recovery % Positive** - Percentage of claims where recovery was obtained successfully.
- **Time-to-recovery** – average days from claim initiation to successful recovery.
- **Cost per case** – Resources spent to recovery amount.
- **Newly Arising Only program** - Vendor or TPA is hired to investigate, pursue, and recover money only for brand-new claims filed.

Internal Operations:

- The City's in-house legal team will be responsible for approving litigation actions and the legal process of recovering money owed.
- All settlement decisions must be approved through the Risk Management department by the City.

Required Deliverables:

The Vendor(s) shall provide the following Subrogation Recovery Services that include, but are not limited to:

A. Claim Intake and Evaluation

- Assess the subrogation viability of claims referred by the City,
- Establish the statutory time limits applicable to the case,
- Analyze liability, damage, insurance coverage, and collectability, and
- Provide recovery strategy recommendations.
- Two (2) authorized parties are required to view the claims management system.

B. Investigation Services

- Determine liability and applicable legal theories,
- Identify responsible parties and insurance carriers,
- Collect essential records such as police reports, repair estimates, and insurance information as needed, and
- Obtain supplemental documentation as needed.

C. Recover Initiative

- Prepare and issue demand packages,
- Maintain detailed documentation of communications, offers, and settlement discussions,
- Monitor responses and supplementary activities, and
- Negotiate settlements within authority levels with opposing sides.

D. Litigation Support

- Provide litigation support and claim documentation, and
- Assist/advise with settlement evaluations and recommendations.

E. Financial Calculations

- Calculate loss quantification
- Project timelines and funding needs for recovery
- Provide investigation costs and administrative expenses.

F. Reporting

- Provide monthly net recovery reports,
- Report on claim inventory, recoveries, closures, and pending actions, and
- Provide detailed/itemized invoices for services rendered.

Preferred Deliverables:

Subrogation program with Origami Risk and TPA Integration access. Have the ability to access Origami (a formal, system-based intake method) to:

- Collect data for claims (missing or “lost” payment data from the carrier, as recorded in the Origami system, is to be sent to the City directly)
- Alert the awarded Third-Party Administrator (TPA).
- Automate claim progression
- Submit subrogation referrals

IV. PROPOSAL REQUIREMENTS

The City encourages all responses to be submitted electronically on the City’s electronic procurement portal, Bonfire. However, the City will also accept paper proposals. All proposals, electronic and paper, must be received by the due date and time at the location

specified in the Notice to Respondents. All paper proposals must be submitted with one (1) original and one (1) electronic copy of all response documents on USB in pdf format.

The Respondents will propose their methodology, staffing model, authority structure, and fee structure in their response. The proposal shall be divided into tabbed and/or marked sections and shall include, but not limited to, information for the following items:

- A. Company Profile and Project Team Experience
 - Brief resume of project staff
 - Relevant certifications and/or partnerships
 - Any legal action filed during the past 5 years
 - Narrative of how your proposal is optimum for the City
 - Provide 3 references of similar size and project scope to the City
- B. Performance Metrics and Reporting
 - Monthly reporting
 - Configuration plan and requirements
 - Resolution time
 - Recovery rate
 - Claims resolved
 - Disaster recovery strategy
 - Requirements and Process for Integrating GIS data (frequency of data syncs)
 - Updates on claims
- C. Technical Strategy
 - Describe all hosted services and components
 - Supported browsers and devices
 - Available data to end user and structure by which data is stored
 - Customization / configuration capability for City Staff
 - Maintenance notifications (upgrade/patching/outages)
 - Proactive monitoring of services
 - Maximum number of records/permits/process types
 - Claims referral
- D. Data Security Compliance and Risk Management
 - Data Security protocols
 - Encryption methods
 - Describe your role to support compliance
 - Identify strategy for OWASP Top 10 vulnerabilities
 - Cybersecurity
 - Confidential Information handling
- E. Copy of Respondent's Standard Contract Term Agreement
- F. Cost Proposal
 - Respondent shall complete and submit Exhibit "A" – Cost Proposal
 - a) Pricing structure
 - b) List of additional services offered by vendor

V. EVALUATION CRITERIA AND FACTORS

The evaluation criteria will be grouped into point factors as follows:

30 points – Cost Proposal

- a) Best value, cost, and benefit to the City of McKinney.

20 points – Qualification and Experience

- a) Respondent's ability to meet the City's desired specifications.

15 points – Technical Strategy

- a) Key Performance Indicators (KPIs),
- b) Data collection methods,
- c) Service level agreements (SLAs), and
- d) Reporting frequencies to ensure accountability and successful project delivery.

15 points – Data Security, Compliance and Risk Management

- a) Ability to protect sensitive data, meet legal rules, and control operational risks.

20 points – Performance Metrics and Reporting

- a) Tracking of project success,
- b) Measures service levels (SLAs), & data accuracy, and
- c) Transparency & collection.

The City reserves the right to reject any and all proposals and is under no obligation to award a Contract. The City reserves the right to negotiate a contract with the highest evaluated Respondent as determined by the review committee. Should negotiations with the highest evaluated Respondent not produce an acceptable contract, the City reserves the right to begin negotiations with the second highest evaluated Respondent, and so on, until an acceptable contract is negotiated, or to break off negotiations with all firms and not award a contract. The responsibility for the final selection and award of a contract rest solely with the City Council of the City of McKinney. The City shall not be liable to any Respondent for costs associated with responding to this RFP, for Respondent's participation in any oral interview, or any cost associated with negotiations.

GENERAL CONDITIONS OF BIDDING AND TERMS OF CONTRACT

By execution of this document, the vendor accepts all general and special conditions of the contract as outlined below and, in the specifications, and plans.

I. PROPOSALS

- A. PROPOSALS – The City encourages all responses to be submitted electronically on the City's electronic procurement portal, Bonfire. However, the City will also accept paper proposals. All proposals, electronic and paper, must be received by the due date and time at the location specified in the legal notice. Paper proposals submitted to the office of the Procurement Services Manager shall be a minimum of one (1) original and one (1) electronic copy in PDF format on USB.
- B. AUTHORIZED SIGNATURES – The proposal must be executed personally by the vendor or duly authorized partner of the partnership or duly authorized officer of the corporation. If executed by an agent, a power of attorney or other evidence of authority to act on behalf of the vendor shall accompany the proposal to become a valid offer.
- C. LATE PROPOSALS – Proposals must be in the office of the City Purchasing Manager before or at the specified time and date proposals are due. Proposals received in the office of the Purchasing Manager after the submission deadline shall be rejected as non-responsive proposals.
- D. WITHDRAWAL OF PROPOSALS PRIOR TO OPENING – A proposal may be withdrawn before the opening date by submitting a written request for its withdrawal to the City Purchasing Manager.
- E. WITHDRAWAL OF PROPOSALS AFTER OPENING – A proposal may not be withdrawn or cancelled by the vendor for a period of ninety (90) days following the date and time designated for the receipt of proposals unless otherwise stated in the request for proposals and/or specifications.
- F. PROPOSAL AMOUNTS – Proposals should show net prices, extensions and net total where applicable. In case of conflict between unit price and extension, the unit price will govern.
- G. TAX EXEMPT STATUS – The City is exempt from federal excise tax and state sales tax. Unless specifications specifically indicate otherwise, the price proposal must be net exclusive of above-mentioned taxes and will be so construed. Therefore, the proposal price shall not include taxes.
- H. AWARDS – The City reserves the right to be the sole judge as to whether such items proposed will serve the purpose intended. The City reserves the right to accept or reject in part or in whole any proposal submitted, and to waive any technicalities or informalities for the best interest of the City. Award of contract shall be made to the most responsible, responsive offeror whose negotiated best and final offer is determined to be the best value offer, taking into consideration the relative importance of price and other factors set forth in the Request for Proposals.

- I. SILENCE OF SPECIFICATIONS FOR COMPLETE UNITS – All materials, equipment and/or parts that will become a portion of the completed work including items not specifically stated herein but necessary to render the service(s) complete and operational per the specifications are to be included in the proposal price. Vendor may be required to furnish evidence that the product or service, as proposed, will meet or exceed these requirements.
- J. ADDENDA - Any interpretations, corrections or changes to the specifications and plans will be made by addenda no later than forty-eight (48) hours prior to proposal opening. Addenda will be distributed to all known recipients of proposal documents. Vendors shall acknowledge receipt of all addenda with submission of proposal.
- K. GENERAL BID BOND/SURETY REQUIREMENTS – Failure to furnish bid bond/surety, if requested, will result in the proposal being declared non-responsive. Non-responsive proposals will not be considered for award.
- L. GENERAL INSURANCE REQUIREMENTS – Failure to furnish Affidavit of Insurance or Certificate of Insurance, if insurance coverage is required in these specifications, will result in proposal being declared non-responsive. Non-responsive proposals will not be considered for award.
- M. RESPONSIVENESS – A responsive proposal shall substantially conform to, or exceed, the minimum requirements of this Request for Proposal. Offers containing any clause that would limit contracting authority shall be considered non-responsive. Example of proposals that would limit contracting authority is one made contingent upon award of other offers currently under consideration.
- N. RESPONSIBLE STANDING OF OFFEROR – To be considered for award, offeror must at least: have the ability to obtain adequate financial resources; be able to comply with required or proposed delivery/completion schedule; have a satisfactory record of performance; have a satisfactory record of integrity and ethics; and be otherwise qualified and eligible to receive award.
- O. PROPRIETARY DATA – Offeror may, by written request, indicate as confidential any portion(s) of a proposal that contain proprietary information, including manufacturing and/or design processes exclusive to the vendor. The City of McKinney will protect from public disclosure such portions of a proposal unless directed otherwise by legal authority including existing Open Records Act requirements.
- P. PUBLIC OPENING – Offerors are invited to join a video conference opening for acknowledgement of proposals. Proposals duly received will be publicly acknowledged at an official public opening in such a manner so as to avoid disclosure of the contents to competing offerors through the negotiation process. After the official public opening, a period of not less than one week is necessary to evaluate proposals. The amount of time necessary for proposal evaluation may vary and is determined solely by the City. Following City Council action to award or reject, all proposals submitted are available for public review.

- Q. **WAIVER OF CLAIMS** - Each Offeror by submission of a response to this RFP waives any claims it has or may have against the City and the City's Representative(s) in this process and their respective employees, officers and elected officials, members, directors and partners, agents and representatives regarding the administration of the RFP process, the RFP evaluation, and the critique and selection of qualified Respondents. Submission of a proposal indicates the Offeror's and Respondent's acceptance of the evaluation technique set out in this Proposal. In this regard, Respondent acknowledges that the selection process and evaluations of proposals submitted constitute public information under Texas law and Respondent waives any claim it has or may have regarding any information contained in or derived from such evaluations.

II. PERFORMANCE

- A. **DESIGN, STRENGTH, AND QUALITY** – Design, strength, and quality of materials and workmanship must conform to the highest standards of manufacturing and engineering practices.
- B. **AGE AND MANUFACTURE** – All tangible goods being proposed must be new and unused, unless otherwise specified, in first-class condition, of current manufacture, and furnished ready to use. All items not specifically mentioned that are required for a complete unit shall be furnished.
- C. **DELIVERY LOCATION** – All deliveries will be made to the address(es) specified on the purchase order during normal working hours of 8:00 a.m. to 4:00 p.m., Monday through Friday, unless otherwise authorized by the Purchasing Manager or designee.
- D. **DELIVERY SCHEDULE** – Delivery may be an important consideration in the evaluation of the proposal. The maximum number of days necessary for delivery ARO shall be stated in the proposal.
- E. **DELIVERY CHARGES** – All delivery and freight charges, F.O.B. destination shown on purchase order, as necessary to perform contract shall be included in the proposed price.
- F. **INSTALLATION CHARGES** – All charges for installation and set-up shall be included in the proposed price. Unless otherwise stated, at minimum, basic installation and set-up will be required.
- G. **OPERATING INSTRUCTIONS AND TRAINING** – Clear and concise operating instructions and descriptive literature will be provided in English if requested. On-site detailed training in the safe and efficient use and general maintenance of item(s) purchased shall be provided as needed at the request of the City. Instructions and training shall be at no additional cost to the City.
- H. **STORAGE** – Offeror agrees to provide storage of custom ordered materials, if requested, not to exceed thirty (30) calendar days.
- I. **COMPLIANCE WITH FEDERAL, STATE, COUNTY, AND LOCAL LAWS** – Proposals must comply with all federal, state, county and local laws. Any vehicles or equipment shall contain all standard safety, emission, and noise control requirements required for the types and sizes of equipment at the time of their manufacture. The contractor agrees, during the performance of work or service, to comply with all applicable codes and ordinance of the City of McKinney, Collin County, or State of Texas as they may apply, as these laws may now read or as they may hereafter be changed or amended.

- J. **PATENTS AND COPYRIGHTS** – The successful vendor agrees to protect the City from claims involving infringements of patents and/or copyrights.
- K. **SAMPLES, DEMONSTRATIONS AND TESTING** – At the City's request and direction, offeror shall provide product samples and/or testing of proposed items. Samples, demonstrations and/or testing may be requested at any point prior to or following award. Samples, demonstrations and/or testing may be requested upon delivery and/or any point during the term of resulting contract. All samples (including return thereof), demonstrations and/or testing shall be at the expense of the offeror/vendor.
- L. **ACCEPTABILITY** – All articles enumerated in the proposal shall be subject to inspection by an officer designated for the purpose by the City of McKinney. If found inferior to the quality called for, or not equal in value to the contract specifications, deficient in workmanship or otherwise, this fact shall be certified to the Purchasing Manager who shall have the right to reject the whole or any part of the same. Items and/or work determined to be contrary to contract specifications must be replaced at the vendor's expense. Inferior items not retrieved by the vendor within thirty (30) calendar days, or an otherwise agreed upon time, shall become the property of the City. If disposal of such items warrants an expense, an amount equal to the disposal expense will be deducted from amounts payable to the vendor.

III. PURCHASE ORDERS AND PAYMENT

- A. **PURCHASE ORDERS** – A purchase order(s) shall be generated by the City Purchasing Manager to the successful vendor. The purchase order number must appear on all itemized invoices and packing slips. The City will not be held responsible for any work orders placed and/or performed without a valid current purchase order number. Payment will be made for all services rendered and accepted by the contract administrator for which a valid invoice has been received.
- B. **INVOICES** – All invoices shall reference the Purchase Order number. Invoices shall provide a detailed description for each item invoiced. Payment will be made under terms of net thirty (30) days unless otherwise agreed upon by seller and the procurement services.
- C. **FUNDING** – The City of McKinney is operated and funded on an October 1 to September 30 basis; accordingly, the City reserves the right to terminate, without liability to the City, any contract for which funding is not available.

IV. CONTRACT

- A. **CONTRACT DEFINITION** – The General Conditions of Bidding and Terms of Contract, Specifications, Proposal, Addenda, Negotiated Changes and any other documents made a part of this proposal shall constitute the complete proposal. This proposal, when accepted by the City, shall constitute a contract equally binding between the successful offeror and the City of McKinney.
- B. **CONTRACT AGREEMENT** – Once awarded, the unit prices submitted by the successful bidder shall remain firm throughout the initial three (3) year term of the Contract. The Contract shall commence on the date of award and remain in effect for an initial term of three (3) years. Upon mutual written agreement of both parties, the Contract may be renewed for up to two (2) additional one (1) year optional renewal terms.

- C. **CONTRACT TERMINATION** – The City reserves the right to cancel and terminate this contract, without cause, upon thirty (30) days written notice to the other party.
- D. **CHANGE ORDER** – No different or additional terms will become part of this contract with the exception of a change order. No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. All change orders to the contract will be made in writing and at the discretion and approval of the City. No change order will be binding unless signed by an authorized representative of the City and the vendor.
- E. **NEGOTIATION** – The City of McKinney may elect to negotiate a contract with the selected offeror(s). Any and all verbal communications and/or commitments made during the negotiation process that are deemed agreeable to both the City and selected offeror shall be submitted in written form and made part of the resulting contract. Although the City of McKinney reserves the right to negotiate, contract award may be made on the basis of initial proposals received without discussions. Therefore, initial proposals will contain the offeror's best terms.
- F. **PRICE REDETERMINATION** – A price redetermination may be considered by the City of McKinney only at the anniversary dates of multiple year contracts. Request for price redetermination shall be in written form and include written documentation from third party source of increase, substantiating cost increase. City of McKinney reserves the right to approve or disapprove any request as it deems to be in the best interest of the City. A vendor's history of honoring contracts at the awarded price will be an important consideration in evaluating lowest and best value proposal. Any adjustment in pricing must be presented to the City of McKinney at least ninety (90) days prior to the expiration or renewal of the current agreement.
- G. **TERMINATION FOR DEFAULT** – The City of McKinney reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of the City in the event of breach or default of this contract. The City reserves the right to terminate the contract immediately in the event the vendor fails to perform to the terms of specifications or fails to comply with the terms of this contract. Breach of contract or default authorizes the City to award to another vendor, purchase elsewhere and charge the full increase in cost and handling to the defaulting party.
- H. **TRANSITIONAL PERIOD** – Upon normal completion of this contract, not to include termination for default, and in the event that no new contract has been awarded by the original expiration date of the existing contract including any extension thereof, it shall be incumbent upon the Vendor to continue the contract under the same terms and conditions until a new contract can be completely operational. At no time shall this transition period extend more than ninety (90) days beyond the original expiration date of the existing contract and any extension thereof.
- I. **INVALID, ILLEGAL, OR UNENFORCEABLE PROVISIONS** – In case any one or more of the provisions contained in the Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this contract shall be considered as if such invalid, illegal, or unenforceable provision had never been contained herein.

- J. **INJURIES OR DAMAGES RESULTING FROM NEGLIGENCE** – Successful vendor shall defend, indemnify and save harmless the City of McKinney and all its officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful vendor, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from award. Successful vendor shall pay any judgment with cost which may be obtained against the City of McKinney growing out of such injury or damages.
- K. **INTEREST BY PUBLIC OFFICIALS** – No public official shall have interest in this contract, in accordance with Texas local government code.
- L. **DISCLOSURE OF CERTAIN RELATIONSHIPS** – Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with the City of McKinney disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that may cause a conflict of interest with the City of McKinney. By law, this questionnaire must be filed with the City Secretary, City of McKinney, PO Box 517, McKinney, Texas 75070, not later than the seventh business day after the date the person becomes aware of facts that require the statement to be filed. Go to www.mckinneytexas.org to view Section 176, Local Government Code and for Questionnaire CIQ. A person commits a Class C misdemeanor offense if the person violates Section 176.006, Local Government Code. By submitting a response to this request, bidder represents that it is in compliance with the requirements of Chapter 176 of the Texas Local Government Code.
- M. **CERTIFICATE OF INTERESTED PARTIES (FORM 1295)** – Required for by Awarded Vendor(s) only.

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The disclosure requirement applies to a contract entered on or after January 1, 2016.

Filing Process:

The commission has made available on its website a new filing application that must be used to file Form 1295. A business entity must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form. The completed Form 1295 with the certification of filing must be filed with the City of McKinney.

The City of McKinney must notify the commission, using the commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the contract binds all parties to the contract. The commission will post the completed Form 1295 to its website within seven business days after receiving notice from the City of McKinney.

Form Availability:

Certificate of Interested Parties Form is available from the Texas Ethics Commission website at the following address:

<https://www.ethics.state.tx.us/filinginfo/1295/>

For questions regarding and assistance in filling out this form, please contact the Texas Ethics Commission at 512-463-5800.

- N. ETHICAL BEHAVIOR - The City of McKinney requires ethical behavior and compliance with the law from all individuals and companies with whom it does business.
- O. WARRANTY – The successful vendor shall warrant that all materials utilized in the performance of this contract shall conform to the proposed specifications and/or all warranties as stated in the Uniform Commercial Code and be free from all defects in material, workmanship and title.
- P. UNIFORM COMMERCIAL CODE – The successful vendor and the City of McKinney agree that both parties have all rights, duties, and remedies available as stated in the Uniform Commercial Code.
- Q. VENUE — This agreement will be governed and construed according to the laws of the State of Texas. This agreement is performable in the County of Collin, Texas.
- R. SALE, ASSIGNMENT, OR TRANSFER OF CONTRACT – The successful vendor shall not sell, assign, transfer or convey this contract, in whole or in part, without the prior written consent of the City of McKinney.
- S. SILENCE OF SPECIFICATIONS – The apparent silence of specifications as to any detailed description concerning any point, shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.
- T. ANTI-BOYCOTTING & ANTI-DISCRIMINATION –

Israel:

In accordance with Chapter 2271, Texas Government Code, a Texas governmental entity may not enter into a contract with a company for the provision of goods or services unless the contract contains a written verification from the company that it: (a) does not boycott Israel; and (b) will not boycott Israel during the term of the contract.

Chapter 2271 does not apply to (1) a company that is a sole proprietorship; (2) a company that has fewer than ten (10) full-time employees; or (3) a contract that has a value of less than One Hundred Thousand Dollars (\$100,000.00). Unless the company is not subject to Chapter 2271 for the reasons stated herein, the signatory executing this contract on behalf of the company verifies by its signature on this Contract that the company does not boycott Israel and will not boycott Israel during the term of this contract.

Energy Companies:

In accordance with Chapter 2276, Texas Government Code, a Texas governmental entity may not enter into a contract with a company for the provision of goods or services unless the contract contains a written verification from the company that it: (a) does not boycott energy companies; and (b) will not boycott energy companies during the term of the contract.

Chapter 2276 does not apply to (1) a company that has fewer than ten (10) full-time employees; and (2) a contract that has a value of less than One Hundred Thousand Dollars (\$100,000.00). Unless the company is not subject to Chapter 2276 for the reasons stated herein, the signatory executing this contract on behalf of the company verifies by its signature on this Contract that the company does not boycott energy companies and will not boycott energy companies during the term of this contract.

Firearm Entity or Firearm Trade Association:

In accordance with Chapter 2274, Texas Government Code, a Texas governmental entity may not enter into a contract with a company for the provision of goods or services unless the contract contains a written verification from the company that it: (1) does not have a practice, policy, guidance, or directive that discriminates against any firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against any firearm entity or firearm trade association.

Chapter 2274 does not apply to: (1) a company that has fewer than ten (10) full-time employees; and (2) is entering a contract that has a value of less than One Hundred Thousand Dollars (\$100,000.00). In addition, this provision does not apply to: (1) a contract with a sole-source provider; or (2) a contract for which the governmental entity did not receive any bids from a company that is able to provide the required written verification. Unless the Company is not subject to Chapter 2274 for the reasons stated herein, the signatory executing this Agreement on behalf of the company verifies by its signature on this Agreement that the company does not have a practice, policy, guidance, or directive that discriminates against any firearm entity or firearm trade association and will not discriminate against any firearm entity or firearm trade association during the term of this Agreement.

PROPOSAL FORM SIGNATURE PAGE

As permitted under Chapter 791 of the Texas Government Code, other governmental entities may wish to participate under the same terms and conditions contained in this contract (i.e. piggyback). In the event any other entity participates, all purchase orders will be issued directly from and shipped directly to the entity requiring supplies/services. The City of McKinney shall not be held responsible for any orders placed, deliveries made or payment for supplies/services ordered by another entity. Each entity reserves the right to determine their participation in this contract. Would offeror be willing to allow other governmental entities to piggyback off this contract, if awarded, under the same terms and conditions?

Yes _____ No _____

The undersigned agrees, if the best and final proposal is accepted, to furnish any and all items upon which prices are offered, at the price and upon the terms and conditions contained in the Request for Proposals, General Conditions, Terms of Contract, and Specifications and all other items made a part of the accepted contract.

The undersigned affirms that they are duly authorized to execute the contract, that this company, corporation, firm, partnership or individual has not prepared this proposal in collusion with any other offeror, and that the contents of this proposal as to prices, terms or conditions of said proposal have not been communicated by the undersigned nor by any employee or agent to any other offeror or to any other person(s) engaged in this type of business prior to the official opening of this proposal. And further, that neither the offeror nor their employees nor agents have been for the past six (6) months directly nor indirectly concerned in any pool or agreement or combination to control the price of goods or services on, nor to influence any person to propose or not to propose thereon.

_____	_____
Offeror (Entity Name)	Signature
_____	_____
Street & Mailing Address	Print Name of Signator
_____	_____
City, State and Zip	Title of Signator
_____	_____
Telephone No.	Mobile No.
_____	_____
E-mail Address	Date Signed

If not the same as above, indicate the city and state that your principal place of business is located:

Acknowledgement of Addenda (if any): Please initial and date below

Addendum No. 1	_____	Date Received	_____
Addendum No. 2	_____	Date Received	_____
Addendum No. 3	_____	Date Received	_____