

**NEW HANOVER COUNTY
HEALTH AND HUMAN SERVICES**

**REQUEST FOR PROPOSALS
FOR
COLLECTION OF CHILD SUPPORT**

RFP # 24-0394



TONYA JACKSON, DIRECTOR

COUNTY COMMISSIONERS

**BILL RIVENBARK, CHAIR
LEANN PIERCE, VICE-CHAIR
JONATHAN BARFIELD, JR.
DANE SCALISE
ROB ZAPPLE**

CHRIS COUDRIET, COUNTY MANAGER

COLLECTION OF CHILD SUPPORT

RFP # 24-0394

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COUNTY OF NEW HANOVER, NORTH CAROLINA

REQUEST FOR PROPOSALS

COLLECTION OF CHILD SUPPORT

RFP # 24-0394

New Hanover County is soliciting proposals for Collection of Child Support for the organization. Proposals should be emailed to lbutler@nhcgov.com. Deadline for receipt of proposals is **5:00 PM EST., Friday, March 1, 2024.**

The following information should be included in the subject line of the email “**RFP # 24-0394 COLLECTION OF CHILD SUPPORT.**”

Instructions for submitting proposals and complete specifications may be obtained by visiting the County’s website at <https://nc-newhanovercounty.civicplus.com/bids.aspx>.

The Board of County Commissioners of New Hanover County reserves the right to accept or reject any or all proposals and to make the award which will be in the best interest of the County.

Released: February 7, 2024

SECTION 2 INSTRUCTIONS TO BIDDERS

2. INSTRUCTIONS TO BIDDERS

2.1 Contact Information

New Hanover County Finance Office
Attn: Lena Butler, Purchasing Supervisor
230 Government Center Drive, Suite 165
Wilmington, NC 28403

Phone: (910) 798-7190
Email: lbutler@nhcgov.com

2.2 Question Procedure

All questions must be in writing. There will be one deadline for receipt of questions. The deadline for questions is **5:00 p.m., February 14, 2024**. The County will have responses back to the bidders by **5:00 p.m. February 16, 2024**. Questions should be emailed to Lena Butler, Purchasing Supervisor at lbutler@nhcgov.com.

2.3 Schedule

Advertisement	<i>February 7, 2024</i>
Deadline for County's receipt of Questions from bidders	<i>February 14, 2024 by 5:00 p.m.</i> Email address for questions lbutler@nhcgov.com
Deadline for County to respond to Questions from bidders.	<i>February 16, 2024 by 5:00 p.m.</i>
Deadline for Receipt of Proposals	<i>March 1, 2024 at 5:00 p.m.</i> Email Proposals to: lbutler@nhcgov.com
Bidder Presentation- Upon Request	<i>March 12, 2024 9:00 a.m. to 12:00 p.m.</i> Location: TBD
Effective date for beginning of new contract	<i>July 1, 2024</i>

2.4 Preparation of Proposal

2.4.1 Bidders shall prepare their proposal in the following format:

Section 1. Organization Support, Experience, and Technical Expertise

The bidder shall address *all* items listed in section 3.3 Scope of Services, section 3.4 Performance Goals, and section 3.6 Contractor's Responsibilities listed in the RFP. Bidder shall outline in detail (a) how and when the tasks are to be accomplished; (b) how the bidder meets all requirements and qualifications. The bidder must supply three written references from current customers in which Child Support Enforcement is being provided.

The bidder must include quarterly financial statements from last fiscal year.

The bidder must include a management/manpower plan that clearly specifies the number, type, and time commitment of individual personnel who will be committed to this project. The bidder must include an employee turnover analysis for last fiscal year.

The bidder must identify any proposed subcontractors to be used and detail the specific duties, responsibilities, and qualifications of each.

The proposal must contain a statement that the person signing the offer is a legal representative of the firm and is authorized to bind the firm to a contract in the event of award. Included with this statement would be the listing of the state in which the company is incorporated.

Section 2 Insurance, Bond, and License Qualifications

Bidder shall submit with proposal a copy of the bidder's current licenses and/or permits applicable to the scope of work.

Bidder shall submit with proposal evidence of his ability to obtain the insurance and bond as required in this RFP in section 2.18.

Section 3 Cost Proposal

This section shall state the Bidder's percentage collection fee and contain all information relating to the fee quoted. Information provided shall include, but not be limited to, listings of all indirect and direct costs such as personnel, building, operational, insurance, bonds, profit, etc.

Section 4 Bidder's Exceptions to County RFP

Any proposal which is not in strict accordance with the County's specifications shall be addressed in this section of the Proposal. Each exception shall be addressed separately/individually.

Changes or corrections made on the proposal must be initialed by the individual signing the proposal. No corrections will be permitted once proposals have been received.

2.4.2 Required Specifications: Bidder's response shall be in strict accordance with the County's specifications. However, if a bidder chooses to submit a proposal which is not in strict accordance with the County's specifications, the bidder must address each exception as required in 2.4.1 Section 4 of this RFP. *Taking exceptions to County's requirements and/or failure to list exceptions as specified in 2.4.1 Section 4 of the bidder's proposal may subject the proposal to rejection.*

2.4.3 Deviations: New Hanover County reserves the right to allow or disallow minor deviations or technicalities should the County deem it to be to the best interest of the County. New Hanover County shall be the sole judge of what is to be considered a minor deviation or technicality.

2.5 Submission of Proposal

Bidders shall submit one hard copy and one digital of their proposal. Digital copies of the proposal should be sent via email to Lena Butler at lbutler@nhcgov.com. The following information should be included in the subject line of the email “**RFP # 24-0394-COLLECTION OF CHILD SUPPORT.**”

One hard copy of the proposal should be sent to:

New Hanover County Finance Department
c/o Lena Butler
230 Government Center Drive Suite 165
Wilmington, NC 28403

2.6 Trade Secret Confidentiality

Upon receipt of your proposal by New Hanover County, your proposal is considered a public record except for material which qualifies as "trade secret" under N.C. General Statute 132-1.2. After opening, your proposal will be provided to County staff and others who participate in the evaluation process, and to members of the general public who submit public records requests.

To properly designate material as trade secret under these circumstances, each Bidder must take the following precautions: (a) any trade secrets submitted by a Proposer must be submitted in a separate, sealed envelope marked "Trade Secret - Confidential and Proprietary Information - Do Not Disclose Except for the Purpose of Evaluating This Bid," and (b) the same trade secret/confidentiality designation must be stamped on each page of the trade secret materials contained in the envelope.

Do not attempt to designate your entire Proposal as a trade secret, and do not attempt to designate pricing information as a trade secret. Doing so may result in your Proposal being disqualified.

In submitting a Proposal, each Bidder agrees that the County may reveal any trade secret materials contained in such response to all County staff and County officials involved in the selection process, and to any outside consultant or other third parties who assist the County in the selection process. Furthermore, each Bidder agrees to indemnify and hold harmless the County and each of its officers, employees, and agents from all costs, damages, and expenses incurred in connection with refusing to disclose any material, which the Vendor has designated as a trade secret.

2.7 Time for Opening Proposals

There will be no public opening of the proposals. Any proposals received after the scheduled closing time for the receipt of proposals will be rejected.

2.8 Withdrawal of Proposals

Bidders may withdraw or withdraw and resubmit their proposal at any time prior to the closing time for receipt of proposals. No proposal may be withdrawn after the scheduled closing time for receipt of proposals for a period of sixty (60) days.

2.9 Clarification of Proposals

The County reserves the option to request oral presentations, written responses, or discussion with any or all bidders for the purpose of clarification or to amplify the materials presented in any part of the proposal. However, bidders are cautioned that the County is not required to request clarification; therefore, all proposals should be complete and reflect the most favorable terms from the bidder.

2.10 Evaluations and Award of Contract

2.10.1 The contract awarded from this RFP will be awarded to one (1) firm only. The award of a contract to one bidder does not mean that the other proposals lacked merit, but that, all factors considered, the selected proposal was deemed to provide the best value to the County.

2.10.2 The award of any contract resulting from this RFP will be made considering the following criteria:

2.10.2.1 Evaluation of proposal according to completeness, content, experience with Child Support Enforcement Programs, and the ability of the bidder and its staff. (15 points)

2.10.2.2 Organization size and structure of contractor's firm. County will make determination if contractor's firm is adequately sized or capable of expansion to handle work to be assigned. (10 points)

2.10.2.3 Qualifications of staff to be assigned to the work. This will be determined from the organization support and experience information provided in the proposal form as well as any reference checks and investigations completed by the County. (25 points)

- 2.10.2.4 Bidder's understanding of the work to be performed and demonstrating the ability to meet and/or exceed performance goals as outlined in section 3.4. (5 points)
- 2.10.2.5 Total cost by quoting a percentage for all services to be performed. (24 points)
- 2.10.2.6 Bidder's ability to provide required insurance, bond, and any applicable licenses. (5 points)
- 2.10.2.7 Bidder's Customer Service Model /Bidder's approach to addressing customer complaints and customer satisfaction (8 points)
- 2.10.2.8 Bidder's model to a community focused and family centered approach. (8 points)

The successful Firm will be required to enter into a formal agreement that is consistent with the requirements outlined within RFP. The successful Firm to whom the Contract is awarded by the County shall within ten (10) business days after notice of award deliver to the County all required documents necessary to execute the contract. Failure to do so may result in the County exercising its right to negotiate with the next best qualified firm.

2.11 Federal Taxes

New Hanover County is exempt from and will not pay Federal Excise Taxes or Transportation Taxes.

2.12 North Carolina Sales Tax

If bidder is required to charge North Carolina sales tax on bidder's sales, bidder shall not include it as part of the proposal price. County will pay North Carolina sales tax over and above proposal prices when invoiced.

2.13 Compensation

2.13.1 Total costs submitted as bids shall be represented as a percentage of total Child Support Enforcement net collections (all categories). The County will pay the bidder with the winning bid a fee not to exceed 16% of the total net collections distributed in the contract year. However, in no case shall the fee for the entire year exceed \$1,399,000.

2.13.2 Total Net Collections Distributed amounts shall be obtained from the "TOT" line of the Net Collections column for New Hanover County in NC Department of Health and Human Services Report FKAAC580.

2.13.3 Payments shall be made in accordance with the schedule listed in section 2.14 of the RFP.

2.13.4 If any costs reimbursed to the Bidder should later be disallowed by an audit or subsequently be denied for reimbursement by the Federal government, the Bidder shall reimburse the County for such disallowed costs.

2.14 Payment for Collections

2.14.1 New Hanover County total net collections distributed for fiscal year 2023 ending June 30, 2023 were \$11,441,985. The Bidder will be paid monthly based upon the following formula:

Formula: (Collections from fiscal year 2024) X (Contractor's percentage of collections bid)] **divided** by 12 **equal monthly amounts** to be paid to contractor for months one through five and months seven through eleven. At the end of month six and twelve, the Contractor shall invoice for any unpaid amount of the fee earned to date.

2.15 Term

2.15.1 Contract shall commence on July 1, 2024 and shall continue until June 30, 2025. This contract is contingent upon receipt of Federal funding; any reduction or withdrawal of funding shall constitute grounds for County to forthwith terminate all or a portion of this contract. Said termination shall be within forty-eight (48) hours of Contractor's receipt of written notification.

2.15.1 The parties may by written agreement renew this agreement for three (3) additional one (1) year periods upon the same terms and conditions as set forth herein, except the fee cap referenced in section 2.13.1 in this RFP may be modified and the goals as established in section 3.4 may be modified.

2.16 Responsibility of Compliance with Legal Requirements

2.16.1 The Contractor shall comply with all provisions of Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (29 CFR Part 60).

2.16.2 The Contractor shall comply with all provisions of Office of Management and Budget Circular A-102, Attachment O, Contract Provisions, or any subsequent document, including but not limited to (1) requirements concerning patents, copyrights and rights in data, (2) requirements of the Clean Air Act, Clean Water Act, Executive Order 11738, and EPA

regulations, and (3) requirements of the Energy Policy and Conservation Act (P.L. 94-165).

- 2.16.3 The Contractor hereby assures that it shall comply with Title VII of the Civil Rights Act to the end that no person shall, on the grounds of age, race, creed, sex, or national origin be excluded from participation in, be denied the benefits of, be otherwise subjected to discrimination under this Contract or any other project, program or activity supported by this Contract.

The nondiscrimination clause contained in Section 202 Executive Order 11246, as amended by Executive Order 11375, relating to Equal Employment Opportunity for all persons without regard to race, color, religion, sex, age or national origin and the implementing rules and regulations prescribed by the Secretary of Labor, are incorporated herein.

Program for Employment of the Handicapped (Affirmative Action): Regulations issued by the Secretary of Labor of the United States in Title 20, Part 741, Chapter VI, subchapter "c" of the Code of Federal Regulation, pursuant to the provisions of Executive Order 11758 and Section 503 of the Federal Rehabilitation Act of 1973 and the American Disabilities Act of 1992 are incorporated herein.

- 2.16.4 Neither the Contractor nor County shall be deemed to have breached the contract if the failure to perform the Contract arises out of causes beyond the control and without the fault or negligence of either party. Such causes are specifically restricted to acts of God, fires, quarantine restrictions, freight embargos and/or State computer system failures not attributable to Contractor's negligence. If Contractor's failure to perform is not the result of causes beyond its control or acts of God, Contractor will be liable. Any change in market conditions and/or economic environment shall not constitute a force majeure.

- 2.16.5 The Contractor shall comply with all provisions of IRS Publication 1075, entitled "Tax Information Security Guidelines For Federal, State and Local Agencies". The Contractor will be responsible for identifying at least 2 (two) individuals, preferably Human Resources or Upper Level Management, within their organization that will be responsible for receiving and entering information into the SBI Criminal History Records Information (CHRI) data based.

Once the two people have been identified, it will be the Contractor's responsibility to email the following information to the state's governing entity:

- The first, middle, and last name of the designated staff
- The physical address of the office of the designated staff
- The NCID for the designated staff
- Completed SBI Criminal History Record Information (CHRI) form for each designated staff

New Hanover County must also be notified with a confirmation that all steps have been completed to ensure county compliance.

New Hanover County will be responsible for all costs associated with the background check completed in the CHRI database and finger printing of staff. The fingerprinting of all of the Contractor's employees must be completed at 3000 Princess Street Rm 201 inside of the old courthouse. Staff will need to specify that they are completing the fingerprint as a requirement for New Hanover County for Department of Social Services and charges should be billed to that agency.

Please see Attachment 1 entitled "Fingerprint Form" to review a copy of the required documents the Contractor's employee must take to perform the finger printing process.

2.17 Indemnity

Contractor shall indemnify and hold the State of North Carolina and New Hanover County, their agents and employees, harmless against any and all claims, demands, causes of action, or other liability, including attorney fees, on account of personal injuries or death or on account of property damages, real or personal, tangible or intangible arising out of or relating to the work to be performed by Contractor hereunder, resulting from the negligence of or the willful act or omission of Contractor, his agents, employees and subcontractors.

2.18 Insurance

2.18.1 Commercial General Liability

a. Contractor shall maintain Commercial General Liability (CGL) and if necessary, Commercial Umbrella Liability (CUL) insurance with a total limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. If such CGL insurance contains a general aggregate limit, it shall apply separately to this project/location, or the general aggregate shall be twice the required limit.

b. CGL insurance shall be written on Insurance Services Office (ISO) “occurrence” form CG 00 01 covering CGL or its equivalent and shall cover the liability arising from premises, operations, independent contractors, products-completed operations, personal and advertising injury, and liability assumed under an insured contract, including the tort liability of another assumed in a business contract.

c. County, its officers, officials, agents, and employees are to be covered as additional insureds under the CGL by endorsement CG 2026 or an endorsement providing equivalent coverage as respects to liability arising out of activities performed by or on behalf of CONTRACTOR; premises owned, leased or used by CONTRACTOR; and under the CUL, if any. The coverage shall contain no special limitations on the scope of protection afforded to County, its officers, officials, agents, and employees.

d. CONTRACTOR’S CGL insurance shall be primary as respects County, its officers, officials, agents, and employees. Any other insurance or self-insurance maintained by County, its officers, officials, agents, and employees shall be in excess of and shall not contribute to CONTRACTOR’s insurance.

2.18.2. Workers’ Compensation and Employer’s Liability

a. CONTRACTOR shall maintain Worker’s Compensation as required by the General Statutes of the State of North Carolina and Employer’s Liability Insurance.

b. The Employer’s Liability, and if necessary, CUL insurance shall not be less than \$1,000,000 each accident for bodily injury by accident, \$1,000,000 each employee for bodily injury by disease, and \$1,000,000 policy limit.

c. The insurer shall agree to waive all rights of subrogation against County, its officers, officials, agents, and employees for losses arising from services performed by CONTRACTOR for County.

2.18.3. Business Auto Liability

a. CONTRACTOR shall maintain Business or Personal Auto Liability and, if necessary, CUL insurance with a limit of not less than \$1,000,000 each accident.

b. Such insurance shall cover liability arising out of any auto, including owned, hired, and non-owned autos used in performance of services.

c. Business Auto coverage shall be written on ISO form CA 00 01, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in ISO form CA 00 01.

d. CONTRACTOR's Business Auto Liability insurance shall be primary as respects County, its officers, officials, agents, and employees. Any other insurance or self-insurance maintained by County, its officers, officials, agents, and employees shall be in excess of and shall not contribute to Professional's insurance.

2.18.4. Professional Liability Insurance

- a. CONTRACTOR shall maintain in force for the duration of this Contract professional liability or errors and omissions liability insurance appropriate to CONTRACTOR's profession. Coverage as required in this paragraph shall apply to liability for a professional error, act, negligence, or omission arising out of the scope of Professional's services as defined in this Contract. Coverage shall be written subject to limits of not less than \$1,000,000 per loss.
- b. If coverage required in this contract above is written on a claims-made basis, CONTRACTOR warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning from the time that work under the contract are complete.

2.18.5. Surety Bond (Performance & Payment Bonds)

- a. CONTRACTOR shall furnish and deliver to County a Payment Bond and a Performance Bond covering the faithful performance and completion of the work included in this Agreement and payment for all materials and labor furnished or supplied in connection with the work included in this Agreement.
- b. Said bonds shall be issued and furnished to County prior to, and as a condition precedent to, commencement of the work of this Agreement.
- c. Each of the Payment Bond and Performance Bond shall be furnished on behalf of CONTRACTOR, shall name County obligee, and coverage shall be written subject to the limit of not less than **\$500,000**. Such bond(s) shall be solely for the protection of County.
- d. The Payment Bond and the Performance Bond shall be issued by a surety of financial standing having a rating from A.M. Best Company equal to or better than A and must be included on the approved list of sureties issued by the United States Department of Treasury.
- e. The bond shall remain in effect at least one (1) year after the date when final payment becomes due.
- f. The surety bond must be in the form set forth in NCGS 44A-33, without any variations therefrom.
- g. CONTRACTOR shall provide surety bond wherein Surety waives notice of any and all modifications, omissions, additions, changes and advance payments or

deferred payments in or about the Contract and agrees that the obligations undertaken by the Bond shall not be impaired in any manner by reason of any such modifications, omissions, additions, changes, and advance payments or deferred payments.

h. The surety bond must set forth no requirement that suit be initiated prior to the time stipulated in applicable North Carolina Statutes of Limitation.

2.18.6. Deductibles and Self-Insured Retentions

a. Any deductibles or self-insured retentions must be declared to and approved by COUNTY. At the option of COUNTY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects COUNTY, its officers, officials, agents, and employees; or CONTRACTOR shall procure a bond guaranteeing payment deductibles or self-insured retentions.

b. CONTRACTOR shall be solely responsible for the payment of all deductibles to which policies are subject, whether or not COUNTY is an insured under the policy.

2.18.7. Miscellaneous Insurance Provisions

a. The policies are to contain, or be endorsed to contain, the following provisions:

b. Any failure to comply with reporting provisions of the policies listed shall not affect coverage provided to COUNTY its officers, officials, agents, and employees.

c. Each insurance policy required by this contract shall be endorsed to state that coverage shall not canceled by either party except after thirty (30) days prior written notice has been given to COUNTY, 230 Government Center Drive, Ste. #125, Wilmington, NC 28403.

d. If CONTRACTOR's liability policies do not contain the standard ISO separation of insureds provision, or a substantially similar clause, they shall be endorsed to provide cross-liability coverage.

2.18.8. Acceptability of Insurers

Insurance is to be placed with insurers licensed to do business in the State of North Carolina with an A.M. Best's rating of no less than A VII unless COUNTY has granted a specific exemption.

2.18.9. Evidence of Insurance

a. CONTRACTOR shall furnish COUNTY with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements prior to commencing the work, and thereafter upon renewal or replacement of each certified coverage until all operations under this contract are deemed complete.

b. Evidence of additional insured status shall be noted on the certificate of

insurance as per requirements in this Agreement.

c. With respect to insurance maintained after final payment in compliance with requirements, an additional certificate(s) evidencing such coverage shall be provided to COUNTY with final application for payment and thereafter upon renewal or replacement of such insurance until the expiration of the period for which such insurance must be maintained.

2.19 Independent Contractor

It is mutually understood and agreed that Contractor is an independent contractor and not an agent of County, and as such, Contractor, his or her agents and employees shall not be entitled to any County employment benefits, such as, but not limited to, vacation, sick leave, insurance, worker's compensation, or pension or retirement benefits.

2.20 Addendum to RFP

The RFP package constitutes the entire set of instructions to the bidder. The County shall not be responsible for any other instructions, verbal or written, made by anyone. Any changes to the specifications will be in the form of an Addendum which will be sent to all bidders who are listed with the Finance Office as having received the RFP package and posted on the New Hanover County Finance Department's website and the State's Interactive Purchasing System.

2.21 Compliance With Proposal Requirements

Failure to comply with these provisions or any other provisions of the General Statutes of North Carolina will result in rejection of proposal.

2.22 Right to Make Investigations

The County reserves the right to make investigations as necessary to determine the qualifications and abilities of each firm to perform the services requested and to complete the project in a satisfactory manner within the specified time frame.

2.23 Right to Reject Proposals

The County reserves the right to reject any or all proposals and to make the award which will be in the best interest of the County.

2.24 E-Verify

Firms and their subcontractors with 25 or more employees as defined in Article 2 of Chapter 64 of the NC General Statutes must comply with E-Verify requirements to contract with governmental units. E-Verify is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law. Please understand that Contractors, as defined above, must use E-Verify. Therefore, all Firms must be in compliance with

the E-Verify requirements to enter into contracts with New Hanover County.

2.25 Certificate of Authority

Subject to several statutory exceptions, a business entity incorporated or organized in a state other than North Carolina must obtain a certificate of authority from the North Carolina Secretary of State prior to transacting business in the State. *See* G.S. 55-15-01(a) (business corporations); G.S. 55A-15-01(a) (nonprofit corporations); G.S. 57D-7-01(a) (limited liability companies); G.S. 59-902(a) (limited partnerships); G.S. 59-91(a) (registered limited liability partnerships); G.S. 55B-16(a) (professional corporations). When the requirement applies, the foreign entity transacting business in the State is responsible for obtaining a certificate of authority—not the domestic (i.e., North Carolina) corporations, public entities, or individuals with whom the foreign entity might contract.

2.26 Ownership of Documents

All Proposals and accompanying documentation will become the property of New Hanover County at the time the Proposals are opened and as such will not be returned to the Firm.

2.27 Use of Federal Funds

If the source of funds for this contract is federal funds, the following federal provisions apply pursuant to 2 C.F.R. § 200.326 and 2 C.F.R. Part 200, Appendix II (as applicable): Equal Employment Opportunity (41 C.F.R. Part 60); Davis-Bacon Act (40 U.S.C. 3141-3148); Copeland “Anti-Kickback” Act (40 U.S.C. 3145); Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708); Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387); Debarment and Suspension (Executive Orders 12549 and 12689); Byrd Anti-Lobbying Amendment (31 U.S.C. 1352); Procurement of Recovered Materials (2 C.F.R. § 200.322); and Record Retention Requirements (2CFR § 200.324).

SECTION 3 TECHNICAL SPECIFICATIONS

3. TECHNICAL SPECIFICATIONS

3.1 Purpose of Solicitation

New Hanover County is soliciting proposals to establish a contract through competitive negotiations to acquire the services of a contractor that can provide the total Child Support Enforcement Program for New Hanover County. This contract will be for a one-year period with three additional one-year renewal options.

From 1976 through September 30, 1998 the New Hanover County Department of Social Services was the Local agency designated to administer the Child Support Enforcement program under Title IV-D of the Social Security Act. Since October 1, 1998, the Board of County Commissioners has been operating a program for child support enforcement through a private contractor under authority granted under N.C. General Statute 110-130. This current contract expires June 30, 2024.

3.2 Current Program Statistics

New Hanover County's current caseload is approximately 5,339 cases, with total collections distributed during fiscal year ending June 30, 2023, totaling \$11,441,985. Payments are received by a centralized State office, so Local collection responsibilities will be more related to enforcement.

3.3 Scope of Services

3.3.1 The bidder will establish and maintain a IV-D Child Support Enforcement program which complies with the provisions of Title IV, Part D of the Social Security Act, as amended, Title 45, Code of Federal Regulations, Article 9, Chapter 110 of the North Carolina General Statutes, as amended, State laws and regulations, and to be totally responsible and accountable for the proper operation of such program for all current, ongoing, and backlog cases in New Hanover County, as defined herein. This will be accomplished by working in close relationship with the County of New Hanover and all other agencies attendant to the Child Support Enforcement Program.

3.3.2 The County wishes to contract with a contractor who is capable of providing the above-listed services. At the date of the issuance of this RFP the bidder must possess the following qualifications:

3.3.2.1 **Competency:** Demonstrate a competency in performing services defined.

- 3.3.2.2 **Successful History:** Demonstrate a successful history of providing the services to Child Support Enforcement in North Carolina or other similar State or Local government.
- 3.3.2.3 **Commitment and Understanding:** Demonstrate a commitment to and understanding of the total Child Support Enforcement Program process.
- 3.3.2.4 **Financial Operations:** Demonstrate an understanding of the financial operations which must be employed.
- 3.3.2.5 **Substantial Prior Experience:** Demonstrate a prior, substantial experience in providing and managing Child Support Enforcement Programs in North Carolina or similar State or Local government.
- 3.3.2.6 **Working Knowledge:** Demonstrate a working knowledge of the Automated Collection Tracking System (ACTS) which is used to transact much of the business conducted by the Child Support Enforcement Program.

3.4 Performance Goals

The goals for contractor performance are:

- 3.4.1 Collection Rate: % at or above the statewide average
- 3.4.2 Cases Under Order: % at or above the statewide average
- 3.4.3 Paternity Establishment: % at or above the statewide average
- 3.4.4 Cases Collecting on Arrears: % at or above the statewide average
- 3.4.5 Collections: % at or above the statewide average
- 3.4.6 Customer Service: Maintain a customer satisfaction rating of 90%. Contractor's performance shall be measured by the quarterly evaluation form referenced in section 3.6.7 of this RFP.
- 3.4.7 Contractor must work with employees of the County to implement strategies to meet County, State, and/or Federal outcome goals.

Contractor must work with employees of the County to implement strategies to meet County, State, and/or Federal outcome goals.

3.5 County Responsibilities

- 3.5.1 To notify North Carolina Department of Health and Human Services that Contractor is the Designated Representative of the Child Support Program as defined in N.C. General Statute 110-129(5) for New Hanover County and that all future correspondence must also be directed to Contractor at the address provided.

- 3.5.2 To prepare and transmit referrals to the Contractor on appropriate cases pursuant to Title IV-D. Such referral shall be made through the NC Fast interface. Such referrals will contain the name of the recipient, names of the children and the associated absent parent, if known, such identifying information as is available to assist in the location and support enforcement process, pertinent known legal information relative to marital status and orders for support, the amount of the family's assistance grant, available data relative to the absent parent's whereabouts and employment, and any other available information which may relate to the support process.
- 3.5.3 To provide pertinent information relative to changes of status in referred cases, including, but not limited to a change in NON-TANF status to TANF eligible. Such referral shall be made through the NC Fast interface.
- 3.5.4 To consult with the Contractor concerning potential settlements affecting the rights of the County and act as liaison with the State concerning any potential settlements that may affect the rights of the State and consult with the Contractor concerning any adverse administrative or judicial rulings in order to determine appropriate remedies to be sought by Contractor.
- 3.5.5 All computer equipment not provided by the State will be provided by Contractor. Any equipment bought by Contractor remains Contractor's. Any equipment provided by the State or County need to be returned to County at the termination of the contract. All data is the property of County.
- 3.5.6 To monitor Contractor performance through agreed procedures.
- 3.5.7 To issue a letter delineating deficiencies found (if any) as a result of any County, State, or Federal review and requesting submittal of a written corrective action plan within sixty (60) days.
- 3.5.8 To impose a financial penalty for failure to timely submit an acceptable corrective action plan. The imposition of such a penalty does not preclude the County's right to terminate the contract during the assessment of the penalty. The penalty shall initially be assessed by withholding 20% of the next monthly payment due the Contractor and, for each subsequent month of failure to submit a corrective action plan, an additional 25% will be withheld. The county also holds the right to terminate the contract at anytime the contractor fails to meet the performance standards outlined in the Memorandum of Understanding the county enters into with the State of North Carolina.
- 3.5.9 To notify the Contractor within 30 days of the receipt of the Corrective Action Plan of the acceptability of the plan and to allow 15 calendar days for the Contractor to submit a clarification or revision of the Plan if deemed to be unacceptable to the County. Acceptance of the plan by the County does not guarantee that the implementation of the plan will result in elimination of the deficiencies for future penalties for non-compliance that may be applied by the County.

- 3.5.10 To review the Contractor's performance once the corrective action period begins in accordance with the corrective action plan and, if the Contractor is in compliance, issue a written statement of such compliance.
- 3.5.11 To impose a financial penalty for failure to correct the cited deficiencies with the corrective action period, such penalty not to preclude contract termination. The penalty shall initially be assessed by withholding 20% of the payment due for each of the next 3 months and will be increased by 10% for each subsequent quarter in which there is a continued failure to meet the standard. The County will do case reviews on a quarterly basis during this penalty period.
- 3.5.12 To arrange access to the North Carolina Department of Health & Human Services, Division of Social Services, Child Support Enforcement Section's Central Program in New Hanover County. This access includes but is not limited to access to the Central Registry for Interstate Cases, Federal Parent Locate, Tax Intercept, Full IRS Collection, Credit Bureau Reporting, and application to the United States Department of Health and Human Services (DDHS) for permission to utilize the Federal Courts to enforce a child support order against an absent parent who is in another state.

3.6 Contractor's Responsibilities

3.6.1 Program Administration and Operation

- 3.6.1.1 To establish and maintain a child support enforcement program in New Hanover County which complies with the provision of Title IV, Part D of the Social Security Act, as amended, Title 45, Code of Federal Regulations, Article 9, Chapter 110 of the North Carolina General Statutes, as amended, State laws and regulations, and to be totally responsible and accountable for the proper operation of such program for all current, ongoing, and backlog cases in New Hanover County.
- 3.6.1.2 To provide all child support enforcement services following standard and accepted child support practices, policies and procedures and in doing so pursuing the best interest of the children for whom support is sought.
- 3.6.1.3 Contractor shall furnish all necessary personnel, materials, services, facilities, and travel and otherwise perform all activities and actions necessary or incidental to the accomplishment of the tasks specified in the RFP or Contract. Personnel and facilities assigned to this contract will not be used in other business without written approval of the Contract Administrator (unless so specified in the proposal).

- 3.6.1.4 To conduct a review on a semi-annual basis, of a statistically valid sample of IV-D cases in the Local Contractor IV-D office to determine if appropriate action has been taken in at least 90% of the case reviewed; Federal compliance rules will be utilized in reviewing for compliance. Contractor will provide County with the results. If the State or Federal government has conducted an audit or a review of the program during the six-month period, it shall be substituted for the Contractor's review. Any review conducted by the Contractor shall, at a minimum, utilize the State's format. The Contractor shall also conduct such reviews as may be required by any future State or Federal regulations.
- 3.6.1.5 To refer any cases of fraud to child support enforcement to the appropriate County and/or State officials.
- 3.6.1.6 To provide, on a monthly basis, statistical information relative to the caseload and services in such a manner and format as prescribed by the County.
- 3.6.1.7 To cooperate fully with the data collection and evaluation activities carried out by the County in connection with the services performed under this contract.
- 3.6.1.8 To provide relevant information immediately and file proof of claim with the bankruptcy court on behalf of the County in a timely manner in the event the Contractor receives notice that an obligor has filed a bankruptcy petition.
- 3.6.1.9 To collect and return to the County any fees required to be charged under State or Federal law, regulation, or policy.
- 3.6.1.10 To comply fully with the aforementioned and all other provisions of the Title IV, Part D of the Social Security Act, as amended, Title 45, Code of Federal Regulations, North Carolina General Statutes, and the program instructions issued by the County.
- 3.6.1.11 Contractor shall cooperate, to the fullest extent allowed by law, with other County, State, and Federal entities. This provision also covers other entities operating Child Support Enforcement Programs pursuant to Title IV, Part D of the Social Security Act as amended.
- 3.6.1.12 Contractor shall be responsible for verifying all paternity testing changes on the invoice from the State's contracted vendor. Contractor will verify the charges and relay approval or needed corrections back to the County within 5

(five) business days of receiving a copy of the vendor's invoice from New Hanover County Health and Human Services.

3.6.1.13 Contractor is responsible for all court filing fees. Upon receipt of invoice with verification of payment the county will reimburse Contractor for said expenses.

3.6.1.14 Contractor is responsible for providing legal representation.

3.6.1.15 In regard to service of process, Contractor shall abide by the laws of the jurisdiction in which the non-custodial parent lives. It is the County's understanding that the local Sheriff is given the first chance to serve. If the Sheriff's Office is unable to serve and the papers come back as unservable, the Contractor may select a private server to serve.

Contractor is responsible for all sheriff service of process fees. Upon receipt of invoice with verification of payment the county will reimburse Contractor for said expenses.

3.6.1.15 Contractor shall obtain, at its expense, an annual audit by an outside accounting firm and provide the County with a copy of its annual audit report when the report is completed.

3.6.2 Testimony and Court Actions

3.6.2.1 To provide testimony, evidence and support necessary for the establishment of paternity, establishment and enforcement of child support orders, and the review and modification of support orders pursuant to Federal and State laws, in civil, criminal and administration forms. The choice of forum shall be based on the facts of each case, the judgment of legal counsel, and the best interest of the child. The Contractor will be responsible for providing legal staff to service CSE cases. No County-provided legal services are available.

3.6.2.2 To bring all court actions in the manner as prescribed by N.C. General Statute 110-130.1 and to notify the Social Services Director in a timely fashion of any judicial or administrative decision or settlement agreement that negatively affects the County's or State's interest and agrees not to enter any settlement which results in the County's or State's loss of revenue. Contractor may appeal from any judicial or administrative order and shall cooperate with any

State, in the event, the State chooses to appeal. In the event that Contractor thinks that a decision needs to be appealed, the Contractor shall consult with the County Contract Administrator prior to filing a Notice of Appeal.

3.6.3 Utilization of State Automated System

- 3.6.3.1 Contractor shall utilize the State's automated system that affects the Child Support Enforcement Program. Any additional automation deemed necessary to assist Contractor in carrying out its duties shall be the responsibility of the Contractor. Contractor shall retain all rights to such software developed by the Contractor, at the Contractor's expense, to assist Contractor in carrying out its duties under this Agreement. Software developed by the Contractor at public expense shall be owned by the County. Such software, including source code, shall be returned to the County at the time of contract termination. Contractor is responsible for the connectivity to the State computer system and all on going line maintenance.
- 3.6.3.2 To utilize documents produced by the State System. Any additional documents deemed necessary by the Contractor shall contain language recommended by the Department of Health and Human Services to assist it in its distribution function.
- 3.6.3.3 To immediately respond to the State IV-D agency's central office or to the County Director or his designee on any requests for case status for information. Such response shall contain sufficient information regarding the status of the case to permit the State or County Director or his designee to reply to the inquiring party.

3.6.4 Staffing

- 3.6.4.1 To be responsible for the proper training and management of staff assigned to the project. The Contractor hereby assures that all staff will complete, annually, the North Carolina Department of Health and Human Services Civil Rights Training and the North Carolina Department of Health and Human Services Security Training. The contractor must submit an attendance roster to the County documenting all employee participation.

In addition, the Contractor will hereby ensure that all employees complete the New Hanover County "Customer Service The NHC Way" course within 90 days of the start

date of the contract. The County will schedule a special training session for the Contractor. Any employee hired after the group training session must complete the training within 30 days of their start date or before the end of the initial contract period, whichever comes first.

- 3.6.4.2 Qualifications of Contractor's Staff: The Contractor shall warrant that all persons assigned by it to perform this Contract shall be fully qualified to perform the work herein. The Contractor shall notify the County of any employee conduct or action that does not align with the County's Customer Service and Core Value standards that may negatively impact the County or portrays the County in a negative manner while conducting business on behalf of the County.
- 3.6.4.3 To ensure that the child support office administrator and/or staff attend any meetings sponsored by the County and/or State at which attendance is requested upon timely notice. Timely notice means at least 15 days' advance notice. Contractor will make every effort to comply if less than 15 days' notice is provided.
- 3.6.4.4 Contractor must maintain minimum staff caseloads sizes of 300-325 cases per staff person as recommended by North Carolina Department of Health and Human Services, Division of Social Services Child Support Services to handle all child support enforcement related calls, referrals, and case management in a timely and effective manner.
- 3.6.4.5 Contractor must ensure that its employees diligently refrain from working on cases where a conflict of interest exists, or where the appearance of a conflict of interest may exist.
- 3.6.4.6 Contractor shall ensure that all staff meet the current federal and state requirements related to background and fingerprint checks required by IRS Publication 1075.

3.6.5 Facilities

3.6.5.1 Contractor shall maintain a child support enforcement office with full-time staff in the city limits of New Hanover County, well-marked and appropriately designated, readily accessible by bus routes and other public transportation. Contractor shall, at a minimum, maintain the same hours of operation as New Hanover County Department of Health and Human Services; 8:00 a.m. to 5:00 p.m. Monday, Wednesday, Thursday, Friday and 8:00 a.m. to 6:00 p.m. on Tuesday. Contractor shall have a local telephone number. Telephone calls shall be answered locally. Contractor shall have the local telephone number listed and published in the telephone book, so clients reach the office directly without calling another agency or office to secure the telephone number. At a minimum, the telephone number shall be listed as New Hanover County Child Support Enforcement Office.

The County DSS or other designated State or Federal agency or its rightfully authorized representative shall at all reasonable times have the right to enter, without notice, into the Contractor's premises, or such other places where duties under this contract will be performed, to inspect, monitor, or otherwise evaluate the work being performed. The Contractor and any subcontractors must give assistance to authorized State and Federal representative. All inspections and evaluations shall be performed in such a manner as will not unduly delay or disrupt the Contractor's work.

3.6.5.2 The Contractor shall use its best efforts to ensure that its employees and agents, while on State and/or County premises, shall comply with site rules and regulations of the State and/or County.

3.6.5.3 The Contractor's services and facilities shall be in full compliance with any and all applicable State, Federal, Local, environmental and safety laws, regulations, ordinances and standards or any standards adopted by nationally recognized testing facilities regardless of whether or not they are referred to in the proposal documents.

3.6.6 Deficiencies

- 3.6.6.1 To revise and/or clarify within fifteen (15) working days any Corrective Action Plan which the County or State determines to be unacceptable in addressing deficiencies.
- 3.6.6.2 Contractor shall advise the County in writing within ten (10) days of the receipt by the contractor of any notice of deficiency from the State or Federal government or any adverse audit results.

3.6.7 Customer Satisfaction

- 3.6.7.1 To develop, with input and approval from the County, a customer satisfaction survey which will be used to determine the customer satisfaction level. Any changes or modifications to the survey must also be approved by the County in advance. Customer is defined as a client seeking services, the Court system, law enforcement agencies, and other governmental agencies with which the Contractor interfaces on a regular basis. The results of this survey shall be reported to the County on a quarterly basis.
- 3.6.7.2 Contractor shall cooperate with the County in answering customer complaints related to Child Support Enforcement in a timely manner. It is the expectation that the Contractor will model the County's core shared values:
 - Professional
 - Innovation
 - Integrity
 - Stewardship
 - Accountability
 - Equity
- 3.6.7.3 All employees of the contractor must maintain a pleasant, courteous, professional demeanor of all times. Complaints of rudeness or unprofessional behavior will not be tolerated.
- 3.6.7.4 The contractor shall ensure that services provided involving persons with disabilities is equivalent to the level and quality of service providing involving individuals without disabilities.

3.6.8 Confidentiality

- 3.6.8.1 During the transition, operation, and post operation of the Program, contractor shall adhere to all confidentiality laws, rules, and regulations, pertaining to the child support enforcement program.

- 3.6.8.2 The Contractor further agrees that any information obtained through the Federal Parent Locator Services, as well as address and asset information obtained through the Internal Revenue Service must be safeguarded according to 45 CFR 303.70 and 26 U.S.C. 6103(p)4. All personnel authorized to handle such tax related information will sign an IRS Confidentiality Form, to be provided by the State, and will return the signed original to the State. The Contractor will comply with all other applicable laws and regulations in addition to those specifically set forth.
- 3.6.8.3 The Contractor acknowledges that much of the material and information which shall come into its possession or knowledge in connection with this Contract or its performance, consists of information confidential to County or third parties, which disclosure to or use by third parties may be damaging.
- 3.6.8.4 Accordingly, all materials and information provided to the Contractor by the County or acquired by the Contractor on behalf of the County, whether verbal, written, magnetic tape, cards or otherwise and which have been identified by the County as confidential, shall be regarded as confidential. Personal data of clients and others associated with the County shall be confidential, without being identified as confidential. Any business or technical information which the County considers confidential must be identified as such to the Contractor in writing.
- 3.6.8.5 Confidential information shall be protected from disclosure in accordance with North Carolina and Federal law.
- 3.6.8.6 No obligation of confidentiality applies to the Contractor for any ideas, concepts, know-how or techniques contained in confidential information.
- 3.6.8.7 In accordance with IRS publication 1075, Section 4.7.1., the selected vendor must maintain ownership and control over the security policies and system configuration (including cryptographic keys) for all hardware, software, and telecommunication equipment on which FTI resides or transverses. To meet this requirement, for the duration of contracts in which the use of FTI is involved, the selected vendor must meet all requirements as listed in IRS Publication 1075.

3.6.9 Record Storage and Retrieval, Retention, Inspection, and Audits

3.6.9.1 Storage and Retrieval: The Contractor shall maintain sufficient space for storage of records produced under this contract. The Contractor will maintain an inventory of all documents warehoused in order to expedite retrieval. The Contractor will assure that access to the stored documents is available to the County within two (2) workdays of the request. The County, State, Federal, or any of their duly authorized representatives, will have access to any books, documents, papers, and records of the Contractor which are directly pertinent to that specific contract, for the purpose of making audit, examination, excerpt, and transcriptions.

3.6.9.2 Record Retention: Any records created as a result of this contract shall become the property of the County and must be retained by the Contractor for a period of five (5) years after completion of the contract if the records are not returned to the County. At the end of the five-year period, the County, at its option, may take possession of the records. Under no circumstances are the records to be disposed of, within this three-year period, without the County's written consent. Records involving matters in litigation shall be kept until the later of the following two dates: one (1) year following the termination of litigation or for five (5) years from the date of Contract termination.

3.6.9.2.1 Financial Records

The Contractor agrees to maintain fiscal books, records, documents, and other evidence which reflect all direct and indirect costs expended under this Contract. The Contractor shall maintain an accounting system in accordance with generally accepted accounting principles. The County, State, or Federal government shall have the right to inspect such records at its convenience.

It is understood and agreed by the Contractor that the Contractor shall be liable for any State or Federal audit exceptions and shall return to the County all payments made under the Contract to which exception has been taken or which has been disallowed because of such an exception.

The Contractor shall agree to the

conditions of 45 CFR, Part 74.24(a), (b), and (d) and the Department of Social Services Records Retention and Disposition Schedule regarding retention and access requirements relating to all financial and programmatic records, support documents, statistical records, and other records of the Contract. In addition, the Contractor shall agree to the following terms regarding record retention of Contract records and access for government officials:

Unless County specified in writing a shorter period of time, the Contractor agrees to preserve and make available all other pertinent books, documents, papers, and records of the Contractor involving transactions related to the Contract for a period of five (5) years from the date of expiration of termination of Contract.

The parties agree that the records subject to audit shall be limited to records related to this project, and specifically excludes records relating to Contractor's general policies and information on Contractor's overhead and project rates, unless such records are required for Federal or State auditor program oversight/review purposes.

3.6.9.2.2 Program Records

To maintain all records as required by any laws, or regulations enacted by the County, State, **and/or** Federal governments. Contractor will follow all standards for retention of files after case closure. No records will be destroyed.

3.6.9.3 To return all case and automated files to the County at the time of contract termination.

3.6.9.4 The Contractor agrees that all Title IV-D case files will be maintained and used solely for child support purposes and safeguarded as provided in 45 CFR 303.21, N.C. General Statutes 110-139 and 108A-80. The Contractor shall comply with all other applicable laws and regulations in addition to those specifically set forth.

- 3.6.9.5 Upon the request of any State or County Official, the Contractor shall make case files immediately available for audit or case review sampling purpose. The Contractor shall comply with any corrective action as set forth in any non-compliance letter received from the County, State, or Federal government within 30 days of receiving the letter.

3.6.10 Permits, Licenses, Taxes, and State Regulation

- 3.6.10.1 The Contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations, and ordinances of all Federal, State, and Local governments in which work under this Contract is performed.

- 3.6.10.2 The Contractor shall pay all taxes, assessments, premiums, and fees and shall file all reports and returns required by law and arising out of its operations under this agreement. The Contractor's service under this agreement shall be performed in conformity with all applicable laws and regulations, Federal, State or Local.

3.6.11 Payment to County for Services

Contractor shall pay for Sheriff's services and Register of Deeds services, in advance, on a per service fee schedule basis as established in the North Carolina General Statutes.

3.6.12 State and/or County Property

Contractor shall be responsible for the proper custody and care of any County or State owned or furnished property, and/or properties reimbursed by public funds, for the Contractor's use in connection with the performance of this Contract, and the Contractor shall reimburse the County and/or State for its loss or damage, normal wear and tear excepted. Any such property or equipment will be returned to the County at the end of the contract or when no longer used. The Contractor shall maintain a fixed asset inventory of all items of equipment and furniture purchased at public expense. The County may provide asset tags and the Contractor shall affix tags to such equipment and furniture. The Contractor shall not dispose of any equipment or furniture purchased at public expense unless directed to do so by the County.

3.6.13 Contract Language for General services

3.6.13.1 Performance

In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) All work will be done under the supervision of the contractor or the contractor's employees.
- (2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
- (3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- (4) The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (6) All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
- (7) No work involving Federal tax information under this contract will be subcontracted without prior written approval of the IRS.
- (8) The contractor will maintain a list of employees' authorized access. Such list will be provided to the

agency and, upon request, to the IRS reviewing office.

- (9) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.
- (10) Include any additional safeguards that may be appropriate.

3.6.13.2 Criminal/Civil Sanctions

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the cost of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in the amount of not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution.

Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

- (3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

3.6.13.3 Inspection

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

SECTION 4-UNIFORM GUIDANCE PROVISIONS

- I. Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- II. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- III. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
- IV. Access to Records. The following access to records requirements applies to this contract:
 - a. The Contractor agrees to provide County, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.
 - b. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
 - c. The Contractor agrees to provide the federal agency or its authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.
 - d. The County and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the Federal Agency Administrator or the Comptroller General of the United States.
- V. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on

Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

- VI. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
- VII. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
- VIII. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended. Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- IX. Debarment and Suspension (Executive Orders 12549 and 12689). A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- X. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to

influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

- XI. Procurement of recovered materials. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines
- XII. Program Fraud and False or Fraudulent Statements or Related Acts. Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to Contractor's actions pertaining to this contract.
- XIII. Federal Government Hold Harmless. This Agreement is made upon the express condition that the United States of America, its agents and employees shall be free from all liabilities and claims for damages and/or suits for or by reason of any injury, or death to any person or property of the Permittee, its agents or employees, or third parties, from any cause or causes whatsoever while in or upon said premises or any part thereof during the term of this agreement or occasioned by any occupancy or use of said premises or any activity carried on by the Permittee in connection herewith, and the Permittee hereby covenants and agrees to indemnify, defend, save and hold harmless the United States of America, its agents and employees from all liabilities, charges, expenses and costs on account of or by reason of any such injuries, deaths, liabilities, claims, suits or losses however occurring or damages growing out of the same.
- XIV. Domestic Preference Clause. Pursuant to 2.C.F.R. 200.322 Contractor, as appropriate and to the extent consistent with law, should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States, including but not limited to iron, aluminum, steel, cement and other manufactured products.
- XV. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment.

(a) Definitions. As used in this clause, the terms backhaul; covered foreign country; covered telecommunications equipment or services; interconnection arrangements; roaming; substantial or essential component; and telecommunications equipment or services have the meaning as defined in FEMA Policy, #405-143-1 Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services As used in this clause

(b) Prohibitions.

(1) Section 889(b) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub.

L. No. 115-232, and 2 C.F.R. § 200.216 prohibit the head of an executive agency on or after Aug. 13, 2020, from obligating or expending grant, cooperative agreement, loan, or loan guarantee funds on certain telecommunications products or from certain entities for national security reasons.

(2) Unless an exception in paragraph (c) of this clause applies, the contractor and its subcontractors may not use grant, cooperative agreement, loan, or loan guarantee funds from the Federal Emergency Management Agency to:

- (i) Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;
- (ii) (Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;
- (iii) Enter into, extend, or renew contracts with entities that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or
- (iv) Provide, as part of its performance of this contract, subcontract, or other contractual instrument, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

(c) Exceptions.

(1) This clause does not prohibit contractors from providing—

- a. A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or
- b. Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(2) By necessary implication and regulation, the prohibitions also do not apply to: a. Covered telecommunications equipment or services that:

- i. Are not used as a substantial or essential component of any system; and
- ii. Are not used as critical technology of any system.

b. Other telecommunications equipment or services that are not considered covered telecommunications equipment or services.

(d) Reporting requirement.

(1) In the event the contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the contractor is notified of such by a subcontractor at any tier or by any other source, the contractor shall report the information in paragraph (d)(2) of this clause to the recipient or subrecipient, unless elsewhere in this contract are established procedures for reporting the information.

(2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause:

- (i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.
 - (ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services.
- (e) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (e), in all subcontracts and other contractual instruments.

Section 5- ANTI-COLLUSION AFFIDAVIT

STATE OF _____

COUNTY OF _____

_____, being first duly sworn deposes and says that:

1. He/She is the _____ of _____;
(Title) (Business Name)
2. He/She is fully informed respecting the preparation and contents of the attached proposal and of all pertinent circumstances respecting such proposal;
3. Such proposal is genuine and is not collusive or sham;
4. Neither the said bidder, nor any of its officers, partners, owners agents, representatives, employees or parties in interest, including this affiant, has in any way collude, conspired, connived or agreed, directly or indirectly, with any other bidder, firm or person to submit collusive or sham proposals in connection with the contract for which the attached proposal has been submitted or to refrain from bidding in connection with such contract, or has in any manner, directly or indirectly sought by agreement or collusion or communication or conference with any other bidder, firm or person to fix any overhead, profit, or cost element of the proposal price of any other bidder to secure through collusion, conspiracy, connivance or unlawful agreement any advantage against New Hanover County, or any person interested in the proposed contract; and
5. The price or prices quoted in the attached proposal are fair and proper and are not contained by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees, or parties, in interest, including this affiant.

Printed Name: _____

Signature: _____

Date: _____

Subscribed and sworn to before me,
this the _____ day of _____, 20____.

Notary Public _____

My Commission expires: _____

SECTION 6- CONFLICT OF INTEREST POLICY

The Board of Directors/Trustees or other governing persons, officers, employees, or agents are to avoid any conflict of interest, even the appearance of a conflict of interest. The Organization's Board of Directors/Trustees or other governing body, officers, staff and agents are obligated to always act in the best interest of the organization. This obligation requires that any Board member or other governing person, officer, employee or agent, in the performance of Organization duties, seek only the furtherance of the Organization mission. At all times, Board members or other governing persons, officers, employees or agents, are prohibited from using their job title, the Organization's name or property, for private profit or benefit.

A. The Board members or other governing persons, officers, employees, or agents of the Organization should neither solicit nor accept gratuities, favors, or anything of monetary value from current or potential contractors/vendors, persons receiving benefits from the Organization or persons who may benefit from the actions of any Board member or other governing person, officer, employee, or agent. This is not intended to preclude bona-fide Organization fund raising-activities.

B. A Board or other governing body member may, with the approval of Board or other governing body, receive honoraria for lectures and other such activities while not acting in any official capacity for the Organization. Officers may, with the approval of the Board or other governing body, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. Employees may, with the prior written approval of their supervisor, receive honoraria for lectures and other such activities while on personal days, compensatory time, annual leave, or leave without pay. If a Board or other governing body member, officer, employee or agent is acting in any official capacity, honoraria received in connection with activities relating to the Organization are to be paid to the Organization.

C. No Board member or other governing person, officer, employee, or agent of the Organization shall participate in the selection, award, or administration of a purchase or contract with a vendor where, to his knowledge, any of the following has a financial interest in that purchase or contract:

1. The Board member or other governing person, officer, employee, or agent;
2. Any member of their family by whole or half blood, step or personal relationship or relative-in-law;
3. An organization in which any of the above is an officer, director, or employee;
4. A person or organization with whom any of the above individuals is negotiating or has any arrangement concerning prospective employment or contracts.

D. **Duty to Disclosure** -- Any conflict of interest, potential conflict of interest, or the appearance of a conflict of interest is to be reported to the Board or other governing body or one's supervisor immediately.

E. **Board Action** -- When a conflict of interest is relevant to a matter requiring action by the Board of Directors/Trustees or other governing body, the Board member or other governing person, officer, employee, or agent (person(s)) must disclose the existence of the conflict of interest and be given the opportunity to disclose all material facts to the Board and members of committees with governing board delegated powers considering the possible conflict of interest. After disclosure of all material facts, and after any discussion with the person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists. In addition, the person(s) shall not participate in the final deliberation or decision regarding the matter under consideration and shall leave the meeting during the discussion of and vote of the Board of Directors/Trustees or other governing body.

F. Violations of the Conflicts of Interest Policy -- If the Board of Directors/Trustees or other governing body has reasonable cause to believe a member, officer, employee, or agent has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board of Directors/Trustees or other governing body determines the member, officer, employee, or agent has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

G. Record of Conflict -- The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement that presents a possible conflict of interest, the content of the discussion, including any alternatives to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Approved by:

Name of Organization

Signature of Organization Official

Date

NOTARIZED CONFLICT OF INTEREST POLICY

State of _____

County of _____

I, _____, Notary Public for said County and State, certify that

_____ personally appeared before me this day and

acknowledged that he/she is _____ of _____
[enter name of entity]

and by that authority duly given and as the act of the Organization, affirmed that the foregoing Conflict of Interest Policy was adopted by the Board of Directors/Trustees or other governing body in a meeting held on the _____ day of _____, _____.

Sworn to and subscribed before me this _____ day of _____, _____.

Notary Public

OFFICIAL SEAL

My Commission expires _____, 20 ____

SECTION 7 OVERDUE TAXES

Entity's Letterhead

[Date of Certification (mm/dd/yyyy)]

To: New Hanover County Health & Human Services

Certification:

We certify that the _____ [insert organization's name] does not have any overdue tax debts, as defined by N.C.G.S. 105-243.1, at the federal, State, or local level. We further understand that any person who makes a false statement in violation of N.C.G.S. 143C-6-23(c) is guilty of a criminal offense punishable as provided by N.C.G.S.) 143C-10-1b.

Sworn Statement:

_____ [Name of Board Chair]
and _____ [Name of Second Authorizing Official]
being duly sworn, say that we are the Board Chair and _____ [Title
of the Second Authorizing Official], respectively, of [insert
name of organization] of _____ [City] in the State of
_____ [Name of State]; and that the foregoing certification is true,
accurate and complete to the best of our knowledge and was made and subscribed by us. We
also acknowledge and understand that any misuse of State funds will be reported to the
appropriate authorities for further action.

Board Chair

[Title of Second Authorizing Official]

Sworn to and subscribed before me on the day of the date of said certification.

(Notary Signature and Seal)

My Commission Expires: _____

¹ G.S. 105-243.1 defines: Overdue tax debt. – Any part of a tax debt that remains unpaid 90 days or more after the notice of final assessment was mailed to the taxpayer. The term does not include a tax debt, however, if the taxpayer entered into an installment agreement for the tax debt under G.S. 105-237 within 90 days after the notice of final assessment was mailed and has not failed to make any payments due under the installment agreement.”

SECTION 8-MINORITY & WOMEN BUSINESS PROGRAM FORM

Submit with Your Proposal

A. Authorized Representative

I HEREBY AFFIRM THAT:

I am [name] _____, [title] _____,
and the duly authorized representative of [Business Name] _____ and
that I possess the legal authority to make this statement on behalf of myself and the Business for
which I am acting.

B. Affirmation Regarding MWBEB Program Acknowledgement and Compliance

I FURTHER AFFIRM THAT:

I am aware of and intend to comply with the County's MWBE Program. As such [check one]:

_____ The Business is certified as a woman- or minority-owned business by an accepted agency.
(Attach proof certification)

___ The Business is a woman- or minority-owned business but has not been certified by an
accepted agency. (Attach document of ownership such as articles of incorporation, current
business license, K-1 of the most recent business tax return.)

_____ The Business is not a woman- or minority-owned business; however, the bidder
acknowledges the MWBE policy and if it should become necessary to subcontract some portion
of the work at a later date or obtain materials or services in conjunction with this
solicitation, the bidder will institute good faith efforts to comply with all requirements of the
MWBE program in providing equal opportunities to MWBEs.

Signature: _____

Date: _____

SECTION 9-E-VERIFY FORM

STATE OF _____

AFFIDAVIT

COUNTY OF _____

I, _____ (hereinafter Affiant), being duly authorized by and on behalf of
_____ (hereinafter "Employer") after first being duly sworn hereby swears or
affirms as follows:

1. Employer understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25(5).
2. Employer understands that Employers Must Use E-Verify. Each employer, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS§64-26(a).
3. Employer is a person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in this State. **(Mark Yes or No)**
 - a. YES _____, or
 - b. NO _____
4. Employer's subcontractors must comply with E-Verify and Employer will ensure compliance with E-Verify by any subcontractors subsequently hired.
This ____ day of _____, 20__.

Signature of Affiant

Print or Type Name: _____

State of _____ County of _____

Signed and sworn to (or affirmed) before me, this the _____

day of _____, 20__

My Commission Expires: _____

Notary Public

(Affix Official/Notarial
Seal)

SECTION 10-DEBARMENT CERTIFICATION

(To be submitted with all bids)

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY and VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTION

- (1) The prospective lower tier participant (Bidder/Contractor) certifies, by submission of this bid or bid, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) The prospective Bidder/Contractor also certifies by submission of this bid or bid that all subcontractors and suppliers (this requirement flows down to all subcontracts at all levels) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (3) Where the prospective lower tier participant (Bidder/Contractor) is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this bid or bid.

The lower tier participant (Bidder/Contractor), _____, certifies or affirms the truthfulness and accuracy of this statement of its certification and disclosure, if any.

Date

Signature of Bidder's Authorized Official

Printed Name and Title of Contractors Authorized Official

State of _____

County of _____

Subscribed and sworn to before me this _ day or _____, 20_____.

Notary Public: _____

My Appointment Expires: _____

SEAL

SECTION 11-CERTIFICATION REGARDING LOBBYING

(To be submitted with all bids or offers exceeding \$100,000; must be executed prior to Award)

The undersigned _____ certifies, to the best of his or her knowledge and belief, that:

(BIDDER)

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any persons for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding to any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, *et seq.*)]
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance is placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[Note: Pursuant to 31 U.S.C. 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 for each such expenditure or failure.]

The Bidder, _____, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Section A 3801 *et seq.*, apply to this certification and disclosure, if any.

Date

Signature of Bidder's Authorized Official

Printed Name and Title of Contractors Authorized Official

State of _____

County of _____

Subscribed and sworn to before me this _ day or _____, 20_____.

Notary Public: _____

My Appointment Expires: _____

SEAL



NEW HANOVER COUNTY

HEALTH & HUMAN SERVICES

1650 Greenfield Street, Wilmington, NC 28401

HHS.NHCgov.com

Health | P: (910) 798-3500 | F: (910) 798-7834

Social Services | P: (910) 798-3500 | F: (910) 798-7824

Tufanna Bradley, Assistant County Manager/Interim HHS Director

Jonathan Campbell, Director Public Health | Tonya Jackson, MBA, Director Social Services

Fingerprinting Procedure Authorization

Internal Revenue Service Publication 1075 requires that New Hanover County must conduct fingerprint based criminal checks on all employees, contractors, and subcontractors who have access to Federal Tax Information while administering Child Support Enforcement Services.

County and state/federal funds will pay for the cost of the fingerprinting.

Fingerprints will be taken from Monday – Friday from 9:00am-3:00pm, by the New Hanover Sheriff's Department, Civil Division, 300 Princess Street, Room 201 (Historic Courthouse, Ground Floor).

All employees of (Contractor Name) who administer Child Support Enforcement services on behalf of New Hanover County, must take this form, along with a photo ID, to the Sheriff's Department.

Remember to take this form so that you will not have to pay the fingerprint costs!

*Last Name**First Name**Middle Name*

 (Print Clearly)

Signature: _____ Date: _____
Contractor Employee

Signature: _____ Date: _____
Contractor CHRI Representative(s)

1. Why has this bid been released at this time? Can you inform me as to if any prior versions of this RFP exist from previous years? **The current contract for Child Support Enforcement ends effective June 30, 2024. The last RFP posted for Child Support Enforcement was RFP 23-0374 advertised on February 24, 2023.**
2. Please reconfirm the due date for this procurement by providing it in response to answers to questions. **The deadline for receipt of proposals is February 23, 2024, by 5:00 PM EST.**
3. When is the anticipated award date? **Please page 5, Section 2, Item 2.3 Schedule of the RFP. The contract when awarded to the selected vendor will be effective July 1, 2024.**
4. What is the purpose of requiring a local office, given that this requirement excludes 99% of all providers? **The selected applicant is required to locate accessible space in New Hanover County so residents may go to the office for assistance.**
5. Can you please provide greater explanation of your expectations related to any required subcontracting to minority-owned, women-owned, or other types or categories of small or disadvantaged businesses? For example, what is required with the proposal, and what is required to comply during the term of the contract? **Please refer to the RFP page 5, Section 2, Item 2.3 Schedule. The contract when awarded to the selected vendor will be effective July 1, 2024.**
6. Are bidders permitted to deviate in any way from any manner of quoting fees you may be expecting? For example, if there is a pricing page in the RFP, can bidders submit an alternate fee structure? If there is no pricing page in the RFP, do you have any preference for how bidders should quote fees or can bidders create their own pricing categories? **Please refer to the RFP Section 2.4: Preparation of Proposal.**
7. To how many vendors are you seeking to award a contract? **One vendor will be selected to provide a comprehensive service.**
8. Who are the incumbents, and how long have the incumbents been providing the requested services? **Young Williams, PC has provided this service in New Hanover County from FY2007 through FY2024.**
9. Has the current contract gone full term? **Yes, the current contract will complete the full term at the end of the current county fiscal year on June 30, 2024.**
10. Have all options to extend the current contract been exercised? **No**
11. Will accounts be primary placements, not having been serviced by any other outside collection agency, and/or will you also be referring secondary placements? If so, should bidders provide proposed fees for secondary placements also? **All accounts are primary placements.**
12. What collection attempts are performed or will be performed internally prior to placement? **None**
13. Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval? **The selected vendor must provide their own attorney to litigate all appropriate cases.**

14. What current contingency fees or other fees are currently being billed by any incumbent(s), by category? **Current fees being billed are court filing fees and sheriff fees. Please note that the multi-factor authentication fees and blood test fees are billed by a third party and paid directly by the County.**
15. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category? **Current accounts can be anywhere from 6 months to 18 years; Arrears may be as old as 35 years. The vendor will initiate a large number of the accounts.**
16. What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?
Last fiscal year (FY 2022-2023) the current incumbents were paid \$ 1,075,575.08.
17. What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category? **An average of 120 accounts will be new each month.**
18. What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category? **The majority of new accounts do not have an initial value. The value will be determined after the court order.**
19. What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement?

SFY	HISTORICAL RATE OF RETURN
2012-2013	699.60%
2013-2014	655.67%
2014-2015	655.72%
2015-2016	663.29%
2016-2017	930.31%
2017-2018	670.86%
2018-2019	624.09%
2019-2020	730.94%
2020-2021	706.05%
2021-2022	647.27%
2022-2023	533.41%

The expected historical rate of return for each year must be 720% or above.

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

21. What percentage of the current caseload is delinquent? **The county's current support collection rate as of December 31, 2023 is 71.06%. The county's payment of arrears percentage as of December 31, 2023 is 59.53%. The total caseload size as of December 31, 2022 is 5,089.**
22. At what age will cases be assigned? **All new and existing child support enforcement cases will be assigned to the selected vendor.**
23. What were the commission rates during the prior contract term? **8.70%**
24. How much in fees was paid in each contract year?

FISCAL YEAR	FEES PAID
FY 2013	\$ 1,564,778
FY 2014	\$ 1,303,652
FY 2015	\$ 1,310,401
FY 2016	\$ 1,294,992
FY 2017	\$ 1,274,353
FY 2018	\$ 1,226,287
FY 2019	\$ 1,196,994
FY 2020	\$ 1,181,476
FY 2021	\$ 1,178,088
FY 2022	\$ 1,088,926
FY 2023	\$ 1,075,575

25. Please clarify that if collections times the commission rate exceeds the ceiling of \$1,399,000 during a fiscal year, that the agency would not receive any fee for collections in excess of that amount for that fiscal year. **If the fee exceeds \$1,399,000, a contract amendment would need to be approved prior to payment.**
26. Will the vendor be compensated for wage attachments and bank levies on assigned cases? **Monies collected through wage attachments and bank levies will be treated the same as all collections.**
27. Will vendors be compensated for payments generated through FIDM or New Hire registry locates on assigned cases? **Monies collected through FIDM and New Hire registry will be treated the same as all collections.**
28. You are looking for a total outsourcing service not just collections- correct?
Correct
29. You need a company to establish paternity as well as collect arrearages and other DSS fee/assessments? **Paternity is established through testing from Lab Corp which has a contract with the State of North Carolina. Multifactor- authentication fee (i.e. fingerprinting) is conducted by the New Hanover County Sheriff's Department and billed**

directly to New Hanover County Health and Human Services. Wages verification conducted through the Equifax Work Number is established via a state contract and billed directly to counties by the state when applicable.

30. The RFP states that the “Contractor shall pay for Sheriff’s services and Register of Deeds services, in advance, on a per service fee schedule basis as established in the North Carolina General Statutes.” Under the current Contract, the Contractor is able to submit, for 100% reimbursement, the fees paid to the Sheriff’s Department for service of Show Cause actions filed against delinquent Non-Custodial Parents.

- Is it the intent of New Hanover County to continue the policy of reimbursement for fees in conjunction with the service of Show Cause actions? **Yes**
- If not, will those fees become the Contractor’s responsibility? **N/A**

31. In 2009, Young Williams and the County entered into an agreement whereby Young Williams would assume responsibility for supplying computer equipment not provided by the State. In exchange, Young Williams would retain possession of any computer equipment purchased by Young Williams (e.g., CPU’s, screens, servers, and accessories) should the contract end. The RFP is unclear as to whether the computer equipment purchased by Young Williams reverts back to the County and if any computer equipment purchased under the new Contract would belong to the Contractor. Is it the intent of New Hanover County to require the Contractor to supply its own computer equipment for the project? **Yes**

32. Is the Collections goal of “% at or above the statewide average” based on the year-over-year percentage increase in collections or the percentage of goal yet? **The current SFY 2024 goal is based on the total collections goal set by the state. The state set this goal based on total collections by the county for the SFY2023.**

33. States County reimburses contractor for all court filing fees. Is section I.1.4.6 of draft contract Exhibit A, regarding civil court fees for motions, just an example and therefore doesn’t affect 3.6.1.12?

Section I.1.4.6 of the draft contract Exhibit A is a direct correlation to Section 3.6.1.12 of the RFP. The County will reimburse contractor for all court filing fees. In order to be reimbursed, the contractor must itemize the total cost of the court fees incurred on a separate line in the monthly invoice and provide documentation (i.e. court receipts) to justify the charges.

ATTACHMENT _2 QUESTIONS & ANSWERS FROM PRIOR SOLICITATIONS

34. Can the County provide detail on the court filing fees incurred in the last year? Please give a monthly average cost or other detail.

The average monthly costs for fiscal year 2022-2023 were \$986.00.

ORG	OBJECT	YEAR	PER	JOURNAL	EFF DATE	AMOUNT	VDR NAME/ITEM DESC	COMMENTS
11062600	780685	2023	4	40535	10/03/2022	2,124.00	YOUNG WILLIAMS PC	CHILD SUPPORT COLLECTIONS JUL
11062600	780685	2023	4	40535	10/03/2022	336.00	YOUNG WILLIAMS PC	CHILD SUPPORT COLLECTIONS AUG
11062600	780685	2023	4	40557	10/10/2022	1,812.00	YOUNG WILLIAMS PC	CHILD SUPPORT COLLECTIONS SEPT
11062600	780685	2023	5	50707	11/07/2022	12.00	YOUNG WILLIAMS PC	CHILD SUPPORT COLLECTIONS OCT
11062600	780685	2023	7	71149	01/10/2023	924.00	YOUNG WILLIAMS PC	CHILD SUPPORT COLLECTIONS/DEC
11062600	780685	2023	8	80510	02/06/2023	774.00	YOUNG WILLIAMS PC	CHILD SUPPORT COLLECTIONS/NOV
11062600	780685	2023	8	80366	02/06/2023	1,074.00	YOUNG WILLIAMS PC	CHILD SUPPORT COLLECTIONS/JAN
11062600	780685	2023	9	91201	03/16/2023	492.00	YOUNG WILLIAMS PC	CHILD SUPPORT COLLECTIONS FEB
11062600	780685	2023	10	101157	04/14/2023	1,686.00	YOUNG WILLIAMS PC	CHILD SUPPORT COLLECTIONS/MARCH
11062600	780685	2023	11	110629	05/09/2023	318.00	YOUNG WILLIAMS PC	CHILD SUPPORT COLLECTIONS/APRIL
11062600	780685	2023	12	120731	06/09/2023	762.00	YOUNG WILLIAMS PC	CHILD SUPPORT COLLECTIONS/MAY
11062600	780685	2023	13	130234	06/30/2023	1,518.00	YOUNG WILLIAMS PC	CHILD SUPPORT COLLECTIONS/JUN

35. What is the current phone number to the child support office? **910 343-3355**

- Is the County or the existing vendor the owner of that phone number? **Vendor**
- Is that phone number available to be transferred to anew vendor? **It would be at the discretion of the phone company.**

36. Please share a sample of the existing customer satisfaction survey in use today. **See separate attachment.**

37. Who is your electronic payment/credit card processing vendor? **Payment is not received by New Hanover County, but by North Carolina Department of Human Services. Noncustodial parents (NCPs) have the convenience of paying their child support by credit card by accessing the e-Child Support website ("www.ncchildsupport.com"). MasterCard, Visa, and Discover credit cards are accepted. Pre-paid Debit Cards are not accepted on the site.**

38. What process should a vendor follow, or which individual(s) should a vendor contact, to discuss budget-neutral services outside of the scope of this procurement, but related to it, designed to recover more debt prior to outside placement and lower collection costs? **The vendor should contact New Hanover County Social Services Director to facilitate any discussion.**

39. How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred? Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future? **The North Carolina ACTS System may send alerts of potential deceased persons, or the vendor is notified by parties associated with the child support case. Vital Records are search for confirmation of death.**

Also, please refer to the NC Division of Child Support Enforcement on the North Carolina Department of Health and Human Services website (<https://policies.ncdhhs.gov/divisional/social-services/child-support/policy- manual>) under the Enforcement, subsection Estate Collections.

40. Would the County consider eliminating the requirement for these bonds? Performance bonds are very rare in this line of work, so bonding companies are unfamiliar with this type of contract and may demand higher prices as a result, which will increase the bid prices submitted to the County. For example, in the past five years, we have bid on at least 16 similar contracts in six states, and we have not seen a

requirement for either a payment bond or surety bond in a single RFP other than New Hanover County's. **No, the Surety Bond is a requirement.**

41. Do you currently search and file probated estate claims? **Yes. Have you considered an automated tool to identify and file probated estate claims? The North Carolina ACTS system sends alerts of deceased person associated with cases.**
42. Sections 3.3.2.1, 3.3.2.2, and 3.3.2.5 appear to request the same information related to the bidder's experience and qualifications. To reduce redundancy, would the County consider consolidating these three sections, by eliminating 3.3.2.1 and 3.3.2.2 and revising 3.3.2.5 to read:
"Substantial and Successful Prior Experience: Demonstrate a prior, substantial experience in providing competent and successful management of child support enforcement programs in North Carolina or similar State and Local governments. **RFP terms will remain as published.**
43. Will the County reimburse for service of process conducted by the sheriffs' departments in other North Carolina counties, or private process servers of government agencies in other states? **No**
44. Please confirm it is acceptable to provide an annual audit report prepared by the Contractor's external C.P.A. firm that is licensed in the Contractor's home state instead of North Carolina.

Yes, it is acceptable to provide an annual audit report prepared by an external C.P.A. firm in the contractor's home state.

New Hanover County Contract # 24-0394

STATE OF NORTH CAROLINA

CONTRACT FOR CHILD
SUPPORT ENFORCEMENT SERVICES

COUNTY OF NEW HANOVER

This Agreement is made and entered into this ____ day of _____, 2024, by and between _____ a foreign corporation with its primary place of business in the State of _____, referred to as "CONTRACTOR," and **NEW HANOVER COUNTY**, a Political Subdivision of the State of North Carolina, hereinafter referred to as "County".

This Agreement is made pursuant to the authority conferred upon County pursuant to N.C. Gen. Stat. Section 110-141 and N.C. Gen. Stat. Section 153A-259.

WITNESSETH:

Whereas, County is authorized to contract with any governmental agency, person, association, or corporation for the provision of social services; and

Whereas, County has operated a program for child support enforcement pursuant to the authority conferred upon it by the North Carolina General Assembly; and

Whereas, County and CONTRACTOR have negotiated a contract for the performance of certain technical and professional services, and County wishes to enter into an agreement with CONTRACTOR to become the Designated Representative as that term is defined in N.C. Gen. Stat. Section 110-129(5) for New Hanover County and operate the Child Support Enforcement Program therein; and

Whereas, the parties hereto desire to reduce the terms of this agreement to writing;

Now, therefore, in consideration of the mutual promises set forth herein, the parties agree as follows:

1.0 Scope of Work - Performance

CONTRACTOR agrees to perform all the duties and obligations as more fully set forth in Exhibit "A" and in RFP # 23-0394 attached hereto as "Exhibit B" and made a part of this contract as though fully written herein.

2.0 Amendment

No modification or change of any provision in this Contract shall be made, or be construed to have been made, unless such modification is agreed to in writing by

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New Hanover County Contract # 24-0394

CONTRACTOR and County, and incorporated into a written amendment to the Contract. Except, County has the right to require revision made in the scope of work necessary to meet new or revised rules, regulations, laws, policies, and standards. Such written requests shall be made by the Contract Administrator. CONTRACTOR shall advise County upon receipt of any information pertaining to changes in law, rules, and regulations affecting the operation of the Child Support Enforcement Program. It shall be the responsibility of CONTRACTOR to keep its staff up to date about all changes. Any changes required by law or regulation in order for CONTRACTOR to meet its duties as defined in this Agreement shall not necessitate an amendment to this Contract.

3.0 Contract Period

Contract shall commence on July 1, 2024 and shall continue until June 30, 2025. This Contract is contingent upon receipt of Federal funding; any reduction or withdrawal of funding shall constitute grounds for County to forthwith terminate all or portion of this contract. Said termination shall be within forty-eight (48) hours of CONTRACTOR's receipt of written notification.

The parties may by written agreement renew this agreement for three (3) additional one (1) year periods upon the same terms and conditions as set forth herein, except the goals as established in Exhibit A may be modified. CONTRACTOR compensation to be in amount of X.XX % of the total child support net collections distributed in the referenced contract year. Said compensation may be reviewed in subsequent renewal upon the agreement of the parties.

4.0 Termination for Default

If CONTRACTOR shall fail to perform its Contractual obligations and duties, after having been given a reasonable opportunity to do so, County shall thereupon have the right to terminate this Contract by mailing written notice to CONTRACTOR of such termination and specifying the effective date thereof. A reasonable opportunity to perform under this Contract is defined as within ten (10) days of the date of notification of default.

CONTRACTOR is not deemed to have failed to perform if its failure is the result of a substantial and/or material breach of Contract by County or a substantial and/or material mistake/error by the State of North Carolina making compliance impossible or impracticable.

4.1. Payments Upon Default

In the event of termination for default, CONTRACTOR shall be paid pro-rata

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compensation for services rendered up to the effective termination date less any monies owed County.

4.2. Liability Upon Default

If the Contract is terminated for default, CONTRACTOR shall be liable to County for any and all damages of any type and nature sustained by County and arising out of or relative to said breach. In such event, County shall have the right to pursue CONTRACTOR for any and all legal remedies available to County as a result of said default including pursuing payment on CONTRACTOR's bond provided as an incident and condition of this contract.

4.3. Termination for Convenience and Non-Appropriation

a. County may terminate without cause in whole or in part whenever for any reason, in its sole discretion, County shall determine that such termination is in County's best interest. If County terminates the Agreement for convenience, CONTRACTOR shall be paid a pro-rata compensation for services rendered up to the effective termination date, less any monies owed County.

b. In the event that County exercises its right to terminate the contract for convenience, County shall notify CONTRACTOR as least sixty (60) days prior to such termination.

c. Non-appropriation. All funds for payment by County under this Contract are subject to the availability of any annual appropriation for this purpose by the Board of Commissioners. In the event of non-appropriation of funds by the Board of Commissioners for the services provided under the contract, County will terminate the contract, without termination charge or liability, on the last day of the then-current fiscal year or when the appropriation made for then-current year for the services/items covered by this contract is spent, whichever occurs first. If at any time funds are not appropriated for the continuance of this contract, cancellation shall be accepted by Contractor upon thirty (30) days prior written notice, but failure to give such notice shall be of no effect and County shall not be obligated under this contract beyond the date of termination.

4.4. Transition

CONTRACTOR will ensure the integrity of all data during the period between the decision to terminate through the date of termination. CONTRACTOR will make staff available to County to assist in the transition from CONTRACTOR to County operations.

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New Hanover County Contract # 24-0394

5.0 Assignment

CONTRACTOR shall not assign or transfer any interest in this Contract.

6.0 Place of Contract

It is agreed between the parties hereto that the place of this Contract, its situs and forum, shall be in State Courts of North Carolina in New Hanover County, North Carolina, and in said County and State shall all matters, whether surrounding in Contract or tort relating to the validity, construction, interpretation, and enforcement of this Contract be determined.

7.0 Waiver of Breach

Waiver of any breach of any term or condition of this Contract shall not waive any prior or subsequent breach. No term or condition of this Contract shall be held to be waived, modified or deleted except by written instrument signed by the parties hereto.

8.0 Indemnification

CONTRACTOR shall indemnify and hold County, its officials, officers, agents, and employees, harmless against any and all claims, demands, causes of action, or other liability, including attorney's fees, on account of personal injuries or death or on account of property damages arising out of or relating to the work to be performed by CONTRACTOR hereunder, resulting from the negligence of/or the willful act or omission of CONTRACTOR, its agents, employees and subcontractors.

9.0 Insurance

9.1. Commercial General Liability

a. CONTRACTOR shall maintain Commercial General Liability (CGL) and if necessary, Commercial Umbrella Liability (CUL) insurance with a total limit of not less than \$1,000,000 each occurrence for bodily injury and property damage. If such CGL insurance contains a general aggregate limit, it shall apply separately to this project/location or the general aggregate shall be twice the required limit.

b. CGL insurance shall be written on Insurance Services Office (ISO) "occurrence" form CG 00 01 covering CGL or its equivalent and shall cover the liability arising from premises, operations, independent contractors, products-completed operations, personal and advertising injury, and liability assumed under an insured contract, including the tort liability of another assumed in a business contract.

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New Hanover County Contract # 24-0394

c. County, its officers, officials, agents, and employees are to be covered as additional insureds under the CGL by endorsement CG 2026 or an endorsement providing equivalent coverage as respects to liability arising out of activities performed by or on behalf of CONTRACTOR; products and completed operations of CONTRACTOR; premises owned, leased or used by CONTRACTOR; and under the CUL, if any. The coverage shall contain no special limitations on the scope of protection afforded to County, its officers, officials, agents, and employees.

d. CONTRACTOR'S CGL insurance shall be primary as respects County, its officers, officials, agents, and employees. Any other insurance or self-insurance maintained by County, its officers, officials, agents, and employees shall be in excess of and shall not contribute to CONTRACTOR's insurance.

9.2. Workers' Compensation and Employer's Liability

a. CONTRACTOR shall maintain Worker's Compensation as required by the General Statutes of the State of North Carolina and Employer's Liability Insurance.

b. The Employer's Liability, and if necessary, CUL insurance shall not be less than \$1,000,000 each accident for bodily injury by accident, \$1,000,000 each employee for bodily injury by disease, and \$1,000,000 policy limit.

c. The insurer shall agree to waive all rights of subrogation against County, its officers, officials, agents, and employees for losses arising from services performed by CONTRACTOR for County.

9.3. Business Auto Liability

a. CONTRACTOR shall maintain Business or Personal Auto Liability and, if necessary, CUL insurance with a limit of not less than \$1,000,000 each accident.

b. Such insurance shall cover liability arising out of any auto, including owned, hired, and non-owned autos used in performance of services.

c. Business Auto coverage shall be written on ISO form CA 00 01, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in ISO form CA 00 01.

d. CONTRACTOR's Business Auto Liability insurance shall be primary as respects County, its officers, officials, agents, and employees. Any other insurance or self-insurance maintained by County, its officers, officials, agents, and employees shall be in excess of and shall not contribute to Professional's insurance.

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New Hanover County Contract # 24-0394

9.4. Professional Liability Insurance

a. CONTRACTOR shall maintain in force for the duration of this Contract professional liability or errors and omissions liability insurance appropriate to CONTRACTOR's profession. Coverage as required in this paragraph shall apply to liability for a professional error, act, negligence, or omission arising out of the scope of Professional's services as defined in this Contract. Coverage shall be written subject to limits of not less than \$1,000,000 per loss.

b. If coverage required in this contract above is written on a claims-made basis, CONTRACTOR warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this contract; and that continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning from the time that work under the contract are complete.

9.5. Surety Bond (Performance & Payment Bonds)

a. CONTRACTOR shall furnish and deliver to County a Payment Bond and a Performance Bond covering the faithful performance and completion of the work included in this Agreement and payment for all materials and labor furnished or supplied in connection with the work included in this Agreement.

b. Said bonds shall be issued and furnished to County prior to, and as a condition precedent to, commencement of the work of this Agreement.

c. Each of the Payment Bond and Performance Bond shall be furnished on behalf of CONTRACTOR, shall name County obligee, and coverage shall be written subject to the limit of not less than \$500,000. Such bond(s) shall be solely for the protection of County.

d. The Payment Bond and the Performance Bond shall be issued by a surety of financial standing having a rating from A.M. Best Company equal to or better than A and must be included on the approved list of sureties issued by the United States Department of Treasury.

e. The bond shall remain in effect at least one (1) year after the date when final payment becomes due.

f. The surety bond must be in the form set forth in NCGS 44A-33, without any variations therefrom.

g. CONTRACTOR shall provide surety bond wherein Surety waives notice of any and all modifications, omissions, additions, changes, and advance payments or

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New Hanover County Contract # 24-0394

deferred payments in or about the Contract, and agrees that the obligations undertaken by the Bond shall not be impaired in any manner by reason of any such modifications, omissions, additions, changes, and advance payments or deferred payments.

h. The surety bond must set forth no requirement that suit be initiated prior to the time stipulated in applicable North Carolina Statutes of Limitation.

9.6 Deductibles and Self-Insured Retentions

a. Any deductibles or self-insured retentions must be declared to and approved by COUNTY. At the option of COUNTY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects COUNTY, its officers, officials, agents, and employees; or CONTRACTOR shall procure a bond guaranteeing payment deductibles or self-insured retentions.

b. CONTRACTOR shall be solely responsible for the payment of all deductibles to which policies are subject, whether or not COUNTY is an insured under the policy.

9.7. Miscellaneous Insurance Provisions

a. The policies are to contain, or be endorsed to contain, the following provisions:

b. Any failure to comply with reporting provisions of the policies listed shall not affect coverage provided to COUNTY its officers, officials, agents, and employees.

c. Each insurance policy required by this contract shall be endorsed to state that coverage shall not canceled by either party except after thirty (30) days prior written notice has been given to COUNTY, New Hanover County Risk Management 230 Government Center Drive, Wilmington, NC 28403.

d. If CONTRACTOR's liability policies do not contain the standard ISO separation of insureds provision, or a substantially similar clause, they shall be endorsed to provide cross-liability coverage.

9.8. Acceptability of Insurers

Insurance is to be placed with insurers licensed to do business in the State of North Carolina with an A.M. Best's rating of no less than A VII unless COUNTY has granted a specific exemption.

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9.9. Evidence of Insurance

a. CONTRACTOR shall furnish COUNTY with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements prior to commencing the work, and thereafter upon renewal or replacement of each certified coverage until all operations under this contract are deemed complete.

b. Evidence of additional insured status shall be noted on the certificate of insurance as per requirements in this Agreement.

c. With respect to insurance maintained after final payment in compliance with requirements, an additional certificate(s) evidencing such coverage shall be provided to COUNTY with final application for payment and thereafter upon renewal or replacement of such insurance until the expiration of the period for which such insurance must be maintained.

10.0 Subcontractors.

CONTRACTOR shall include all subcontractors as insureds under its policies or shall furnish separate certificates for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein. CGL coverage shall include independent contractor's coverage, and CONTRACTOR shall be responsible for assuring that all subcontractors are properly insured.

11.0 Conditions

a. COUNTY may, at its discretion, with approval of Risk Management and the Finance Department, accept letters of credit or custodial accounts in lieu of specific insurance requirements.

b. CONTRACTOR shall warrant that the insurance contributing to the satisfaction of insurance requirements in this Agreement shall not be canceled, terminated, or modified by CONTRACTOR without prior written approval of COUNTY.

c. CONTRACTOR shall promptly notify the New Hanover County Department of Health and Human Services and the New Hanover County Risk Management Office at (910) 798-7497 of any accidents arising in the course of operations under the contract causing bodily injury or property damage.

d. COUNTY reserves the right to obtain complete, certified copies of all required insurance policies.

e. Failure of COUNTY to demand a certificate of insurance or other evidence of full compliance with these insurance requirements or failure of COUNTY to

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New Hanover County Contract # 24-0394

identify a deficiency from evidence that is provided shall not be construed as a waiver of CONTRACTOR's obligation to maintain such insurance.

f. COUNTY's requirement of insurance does not represent that coverage and limits will be adequate to protect CONTRACTOR and such coverage and limits shall not be deemed as a limitation of CONTRACTOR's liability under the indemnities granted to COUNTY in this contract.

g. If CONTRACTOR fails to maintain the insurance as set forth herein, COUNTY shall have the right to purchase required insurance at CONTRACTOR's expense. CONTRACTOR agrees to reimburse COUNTY for all expenses incurred for such purchase.

h. CONTRACTOR or its agent may apply to COUNTY for approval of higher deductibles based on financial capacity and quality of the carrier affording coverage.

i. COUNTY shall have the right to prohibit CONTRACTOR or any subcontractor from entering the project site and may withhold payment until required certificates or other evidence that insurance has been acquired.

12.0 Compliance with Civil Rights Laws - Equal Opportunity Employment

CONTRACTOR hereby assures that it shall comply with Title VII of the Civil Rights Act to the end that no person shall, on the grounds of age, race, creed, sex, or national origin be excluded from participation in, be denied the benefits of, be otherwise subjected to discrimination under this Contract or under any project, program or activity supported by this Contract.

The nondiscrimination clause contained in Section 202 Executive Order 11246, as amended by Executive Order 11375, relating to Equal Employment Opportunity for all persons without regard to race, color, religion, sex, age or national origin and the implementing rules and regulations prescribed by the Secretary of Labor, are incorporated herein.

Program for Employment of the Handicapped (Affirmative Action): Regulations issued by the Secretary of Labor of the United States in Title 20, Part 741, Chapter VI, subchapter "c" of the Code of Federal Regulation, pursuant to the provisions of Executive Order 11758 and Section 503 of the Federal Rehabilitation Act of 1973 and the American Disabilities Act of 1992 are incorporated herein.

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New Hanover County Contract # 24-0394**13.0 Force Majeure**

Neither CONTRACTOR nor County shall be deemed to have breached the contract if the failure to perform the Contract arises out of causes beyond the control and without the fault or negligence of either party. Such causes are specifically restricted to acts of God, fires, quarantine restrictions, freight embargos, and/or State computer system failures not attributable to CONTRACTOR's negligence. If CONTRACTOR's failure to perform is not the result of causes beyond its control or acts of God, CONTRACTOR will be liable. Any change in market conditions and/or economic environment shall not constitute a force majeure.

14.0 Compensation

County shall pay CONTRACTOR a fee computed as a percentage of the total child support net collections distributed in the contract year and any subsequent renewals.

The percentage rate for the initial contract period shall be as follows:

July 1, 2024 through June 30, 2025	X.X %
------------------------------------	-------

Total Net Collections Distributed amounts shall be obtained from the "TOT" line of the Net Collections Column for New Hanover County in NC Department of Health and Human Services Report FKAAC580. Payments shall be made in accordance with the formula stated listed herein.

If any costs reimbursed to CONTRACTOR should later be disallowed by any audit or subsequently be denied for reimbursement by the Federal Government, the CONTRACTOR shall reimburse County for such disallowed costs.

a. Invoices and Payments

CONTRACTOR will be paid monthly based upon the respective formulas in Exhibit A.

County shall make payments for the invoiced amount by the 15th day of the month following the month of service or within fifteen (15) days of receipt of the invoice, whichever is later.

15.0 Notices and Invoices

All notices and invoices shall be delivered to County at the address below or such other address or party as designated:

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New Hanover County Health and Human Services
Attention: Tonya Jackson, Director
1650 Greenfield Street
Wilmington, NC 28401

All invoices shall be delivered by CONTRACTOR to the Department of Social Services Director or his designee.

All notices shall be delivered to CONTRACTOR at the address below or such other address or party as designated:

TBD
Attn: TBD
Address TBD
City/State/Zip TBD

Either party may change its address for notification purposes by giving notice of the change and setting forth the new address and an effective date.

16.0 Annual Audit Report

CONTRACTOR shall provide County with a copy of its annual audit report prepared by CONTRACTOR's external certified public accountant licensed in North Carolina, within one hundred twenty (120) days of the end of CONTRACTOR's fiscal year. In addition, CONTRACTOR shall provide to County quarterly financial statements within sixty (60) days of the end of each quarter.

17.0 Severability

If any term or condition of this Contract or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the Terms and Condition of this Contract are declared severable.

18.0 Contract Administrator

The Contract Administrator for County is the Department of Social Services Director or his designee. Such other designation shall be in writing.

19.0 Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without reference to any conflicts of law principles thereof.

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20.0 Remedies

Legal damages and equitable remedies are available for breach and enforcement of this Agreement.

21.0 Complete Agreement

This Agreement and any exhibits contain the entire understanding between the parties hereto.

22.0 Contract Under Seal

The parties hereto expressly agree to create a contract under seal.

23.0 E-Verify Compliance.

Pursuant to N.C.G.S. 143-133.3, Contractor shall fully comply with the U.S. Department of Homeland Security employee legal status E-Verify requirements for itself and all its subcontractors. Violation of the provision, unless timely cured, shall constitute a breach of Contract.

24.0 Compliance with Federal Law.

If applicable, all federally funded projects, loans, grants, and sub grants whether funded in part or wholly, must be procured in a manner that conforms with all applicable Federal laws, policies, and standards, including those under the Uniform Guidance (2 C.F.R. Part 200).

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New Hanover County Contract # 24-0394

IN WITNESS WHEREOF, CONTRACTOR and County have executed this agreement in quadruplicate, one of which is retained by each of the parties and one sent to County, and an additional copy for Chief Financial Officer, effective the day and year first above written.

NEW HANOVER COUNTY

[SEAL]

Bill Rivenbark, Chair

ATTEST:

Clerk to the Board

Vendor TBD

[CORPORATE SEAL]

By: _____
President

ATTEST:

Secretary

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Approved as to form:

County Chief Financial Officer

County Attorney

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New Hanover County Contract # 24-0394

NORTH CAROLINA

NEW HANOVER COUNTY

I, _____, a Notary Public of the State and County aforesaid, certify that Kymberleigh G. Crowell personally came before me this day and acknowledged that she is Clerk to the Board of County Commissioners of New Hanover County, and that by authority duly given and as the act of the Board, the foregoing instrument was signed in its name by its Chairman, sealed with its official seal and attested by herself as its Clerk.

WITNESS my hand and official seal, this ____ day of _____, 2024.

Notary Public

My commission expires: _____

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of the State and County aforesaid, certify that _____ personally came before me this day and acknowledged that (s)he is President of _____, a foreign corporation with its primary place of business in the State of _____, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed and sealed in its name by its President.

WITNESS my hand and official seal, this ____ day of _____, 2024.

Notary Public

My commission expires: _____

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New Hanover County Contract # 24-0394

EXHIBIT "A"

I. General Requirements

1.1 Purpose of Contract

To utilize _____ as a CONTRACTOR to provide the total Child Support Enforcement Program for New Hanover County. This contract shall be for a one (1) year period with three (3) additional one (1) year renewal options.

From 1976 Through September 30, 1998 the New Hanover County Department of Social Services, was the Local agency designated to administer the Child Support Enforcement program under Title IV-D of the Social Security Act. Since October 1, 1998, the Board of County Commissioners has been operating a program for child support enforcement through private contract under authority granted under N. C. General Statute 110-130. The Current contract expires June 30, 2024.

1.2 Taxes

1.2.1 Federal Taxes

New Hanover County is exempt from and will not pay Federal Excise Taxes or Transportation Taxes.

1.2.2 North Carolina Sales Tax

If CONTRACTOR is required to charge North Carolina sales tax on CONTRACTOR's sales, County will pay North Carolina sales tax over and above contract prices when invoiced.

1.3 Term

1.3.1 Contract shall commence on July 1, 2024 and shall continue until June 30, 2025. This contract is contingent upon receipt of Federal funding; any reduction or withdrawal of funding shall constitute grounds for County to forthwith terminate all or a portion of this contract. Said termination shall be within forty-eight (48) hours of

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CONTRACTOR's receipt of written notification.

- 1.3.2 The parties may by written agreement renew this agreement for three (3) additional one (1) year periods upon the same terms and conditions as set forth herein, except the goals as established in section 2.2 may be modified.

1.4 Compensation

- 1.4.1 County shall pay CONTRACTOR a fee computed as a percentage of the total child support net collections distributed in the contract year and any subsequent renewals.

The percentage rate for the initial contract period shall be as follows:
July 1, 2024 Through June 30, 2025 X.XX%

Said compensation may be reviewed in subsequent renewal periods upon the agreement of the parties.

- 1.4.2 Total Net Collections Distributed amounts shall be obtained from the "TOT" line of the Net Collections column for New Hanover County in the NC Department of Health and Human Services Report KFAAC580.
- 1.4.3 Payments shall be made in accordance with the schedule listed in section 1.4 of Exhibit A.
- 1.4.4 Contract shall pay the fee for "Orders to Show Cause" and be reimbursed monthly by County. CONTRACTOR shall add a separate line on the Monthly billing indicating a total reimbursement amount for that month and list it as "Reimbursement for Sheriff's charges for Orders to Show Cause".
- 1.4.5 If any costs reimbursed to CONTRACTOR should later be disallowed by an audit or subsequently be denied for reimbursement by the Federal government, CONTRACTOR shall reimburse County for such disallowed costs.
- 1.4.6 CONTRACTOR shall pay the fee for "Civil Court Fees" and be reimbursed monthly by the County. CONTRACTOR shall add a separate line on the monthly billing indicating a total reimbursement

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amount for that month and list it as "Reimbursement for Civil Court Fees."

1.5 Payment for Collections

1.5.1 CONTRACTOR will be paid monthly based upon the following formulas:

1.5.1.1 Formula for Months 1-5 (7/07 – 11/30)

[(Collections from previous fiscal year) x (CONTRACTOR's percentage fee (X.XX%) of collections)] divided by 12, equals the monthly amount to be paid to CONTRACTOR for months one through five of the contract period.

1.5.1.2 Formula for Months 6 (12/31)

At the end of month six, CONTRACTOR shall invoice for any unpaid amount of the fee earned to date.

[(Total Net Collections Distributed for the period of July through December) x (CONTRACTOR's percentage fee (X.XX%) of collections) LESS the amount paid to CONTRACTOR for July through November equals amount due for Month 6.

1.5.1.3 Formula for Months 7-11 (1/1 to 5/31)

[(Collections from previous fiscal year) x (CONTRACTOR's percentage fee (X,XX%) of collections)] divided by 12, equals the monthly amount to be paid to CONTRACTOR for months seven through eleven of the contract period.

1.5.1.4 Formula for Month 12 (6/30)

At the end of month twelve, CONTRACTOR shall invoice for any unpaid amount of the fee earned to date.

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[(Total Net Collections Distributed for the period of July through December) x (CONTRACTOR's percentage fee (X.XX%) of collections)] LESS the amount paid to CONTRACTOR for January through May equals amount due for Month 12.

1.6 Responsibility of Compliance with Legal Requirements

1.6.1 CONTRACTOR shall comply with all provisions of Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (29 CFR Part 60).

1.6.2 CONTRACTOR shall comply will all provisions of Office of Management and Budget Circular A-102, Attachment O, Contract Provisions, or any subsequent document, including but not limited to (1) requirements concerning patents, copyrights and rights in data, (2) requirements of the Clean Air Act, Clean Water Act, Executive Order 11738, and EPA regulations, and (3) requirements of the Energy Policy and Conservation Act (P.L. 94-165).

2. TECHNICAL SPECIFICATIONS

2.1 Scope of Services

2.1.1 CONTRACTOR will establish and maintain a IV-D Child Support Enforcement program which complies with the provisions of Title IV, Part D of the Social Security Act, as amended, Title 45, Code of Federal Regulations, Article 9, Chapter 110 of the North Carolina General Statutes, as amended, State laws and regulations, and to be totally responsible and accountable for the proper operation of such program for all current, ongoing, and backlog cases in New Hanover County, as defined herein. This will be accomplished by working in close relationship with the County of New Hanover and all other agencies attendant to the Child Support Enforcement Program

2.1.2 County wishes to contract with a CONTRACTOR who is capable of providing the above-listed services. At the date of the issuance of this RFP CONTRACTOR must possess the following qualifications:

2.1.2.1 **Competency:** Demonstrate a competency in performing services defined.

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- 2.1.2.2 **Successful History:** Demonstrate a successful history of providing the services to Child Support Enforcement in North Carolina or other similar State or Local government.
- 2.1.2.3 **Commitment and Understanding:** Demonstrate a commitment to and understanding of the total Child Support Enforcement Program process.
- 2.1.2.4 **Financial Operations:** Demonstrate an understanding of the financial operations which must be employed.
- 2.1.2.5 **Substantial Prior Experience:** Demonstrate a prior, substantial experience in providing and managing Child Support Enforcement Programs in North Carolina or similar State or Local government.
- 2.1.2.6 **Working Knowledge:** Demonstrate a working knowledge of the Automated Collection Tracking System (ACTS) which is used to transact much of the business conducted by the Child Support Enforcement Program.

2.2 Performance Goals

The goals for CONTRACTOR performance are:

- 2.2.1 Collection Rate % at or above the statewide average
- 2.2.2 Cases Under Order % at or above the statewide average
- 2.2.3 Paternity Establishment % at or above the statewide average
- 2.2.4 Cases Collecting on Arrears % at or above the statewide average
- 2.2.5 Collections % at or above the statewide average
- 2.2.6 Customer Service:
Maintain a customer satisfaction rating of 90%. Contractor's performance shall be measured by the quarterly evaluation form referenced in section 3.6.7 of this RFP.
- 2.2.7 Contractor must work with employees of the County to implement strategies to meet County, State, and/or Federal outcome goals.

The goals for any renewal contract periods will be established and included as part of the renewal document.

2.3 County Responsibilities

- 2.3.1 To notify North Carolina Department of Health and Human Services that CONTRACTOR is the Designated Representative of the Child Support Program as defined in N. C. General Statute 110-129 (5) for New Hanover County and that all future correspondence must also be directed to CONTRACTOR at the address provided.

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- 2.3.2 To prepare and transmit referrals to CONTRACTOR on appropriate cases pursuant to Title IV-D. Such referral shall be made through the Eligibility Information System interface. Such referrals will contain the name of the recipient, names of the children and the associated absent parent, if known, such identifying information as is available to assist in the location and support enforcement process, pertinent known legal information relative to marital status and orders for support, the amount of the family's assistance grant, available data relative to the absent parent's whereabouts and employment, and any other available information which may relate to the support process.
- 2.3.3 To provide pertinent information relative to changes of status in referred cases, including, but not limited to a change in NON-TANF status to TANF eligible. Such referral shall be made through the Eligibility Information System interface.
- 2.3.4 To consult with CONTRACTOR concerning potential settlements affecting the rights of County and act as liaison with the State concerning any potential settlements that may affect the rights of the State and consult with CONTRACTOR concerning any adverse administrative or judicial rulings in order to determine appropriate remedies to be sought by CONTRACTOR.
- 2.3.5 All computer equipment not provided by the State will be provided by CONTRACTOR. Any equipment bought by CONTRACTOR remains CONTRACTOR's. Any equipment provided by the State or County need to be returned to County at the termination of the contract. All data is the property of County.
- 2.3.6 To monitor CONTRACTOR performance through agreed procedures.
- 2.3.7 To issue a letter delineating deficiencies found (if any) as a result of any County, State, or Federal review and requesting submittal of a written corrective action plan within sixty (60) days.

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- 2.3.8 To impose a financial penalty for failure to timely submit an acceptable corrective action plan. The imposition of such a penalty does not preclude the County's right to terminate the contract during the assessment of the penalty. The penalty shall initially be assessed by withholding 20% of the next monthly payment due the Contractor and, for each subsequent month of failure to submit a corrective action plan, an additional 25% will be withheld. The county also holds the right to terminate the contract at anytime the contractor fails to meet the performance standards outlined in the Memorandum of Understanding the county enters into with the State of North Carolina.
- 2.3.9 To notify CONTRACTOR within thirty (30) days of the receipt of the Corrective Action Plan of the acceptability of the plan and to allow 15 calendar days for CONTRACTOR to submit a clarification or revision of the Plan if deemed to be unacceptable to County. Acceptance of the plan by County does not guarantee that the implementation of the plan will result in elimination of the deficiencies for future penalties for non-compliance that may be applied by County.
- 2.3.10 To review CONTRACTOR's performance once the corrective action period begins in accordance with the corrective action plan and, if CONTRACTOR is in compliance, issue a written statement of such compliance.
- 2.3.11 To impose a financial penalty for failure to correct the cited deficiencies within the corrective action period, such penalty not to preclude contract termination. The penalty shall initially be assessed by withholding 20% of the payment due for each of the next three (3) months and will be increased by 10% for each subsequent quarter in which there is a continued failure to meet the standard. County will coordinate with the State to do case reviews on a quarterly basis during this penalty period.
- 2.3.12 To arrange access to the North Carolina Department of Health & Human Services, Division of Social Services, Child Support Enforcement Section's Central Program in New Hanover County. This access includes, but is not limited to access to the Central Registry for Interstate Cases, Federal Parent Locate, Tax Intercept, Full IRS Collection, Credit Bureau Reporting, and application to the United States Department of Health and Human Services (DHHS) for permission to utilize the Federal Court to enforce a child support order against an absent parent who is in another state.

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2.4 CONTRACTOR' Responsibilities

2.4.1 Program Administration and Operation

- 2.4.1.1 To establish and maintain a child support enforcement program in New Hanover County which complies with the provision of Title IV, Part D of the Social Security Act, as amended, Title 45, Code of Federal Regulations, Article 9, Chapter 110 of the North Carolina General Statutes, as amended, State laws and regulations, and to be totally responsible and accountable for the proper operation of such program for all current, ongoing, and backlog cases in New Hanover County.
- 2.4.1.2 To provide all child support enforcement services following standard and accepted child support practices, policies, and procedures and in doing so pursuing the best interest of the children for whom support is sought.
- 2.4.1.3 CONTRACTOR shall furnish all necessary personnel, materials, services, facilities, and travel and otherwise perform all activities and actions necessary or incidental to the accomplishment of the tasks specified in the RFP or Contract. Personnel and facilities assigned to this contract will not be used in other business without written approval of the Contract Administrator (unless so specified in the proposal).
- 2.4.1.4 To conduct a review on a semi-annual basis, of a statistically valid sample of IV-D cases in the Local CONTRACTOR IV-D office to determine if appropriate action has been taken; Federal compliance rules will be utilized in reviewing for compliance. CONTRACTOR will provide County with the results. If the State or Federal government has conducted an audit or a review of the program during the six-month period, it shall be substituted for CONTRACTOR's review. Any review conducted by CONTRACTOR shall, at a minimum, utilize the State's format. CONTRACTOR shall also conduct such reviews as may be required by any future State or Federal regulations.
- 2.4.1.5 To refer any cases of fraud to child support enforcement to the appropriate County and/or State officials.

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- 2.4.1.6 To provide, on a monthly basis, statistical information relative to the caseload and services in such a manner and format as prescribed by County.
- 2.4.1.7 To cooperate fully with the data collection and evaluation activities carried out by County in connection with the services performed under this contract.
- 2.4.1.8 To provide relevant information immediately and file proof of claim with the bankruptcy court on behalf of County in a timely manner in the event CONTRACTOR receives notice that an obligor has filed a bankruptcy petition.
- 2.4.1.9 To collect and return to County any fees required to be charged under State or Federal law, regulation, or policy.
- 2.4.1.10 To comply fully with the aforementioned and all other provisions of the Title IV, Part D of the Social Security Act, as amended, Title 45 Code of Federal Regulations, North Carolina General Statutes, and the program instructions issued by County.
- 2.4.1.11 CONTRACTOR shall cooperate, to the fullest extent allowed by law, with other County, State, and Federal entities. This provision also covers other entities operating Child Support Enforcement Programs pursuant to Title IV, Part D of the Social Security Act as amended.
- 2.4.1.12 CONTRACTOR shall be responsible for verifying all paternity testing charges on the invoice from the State's contracted vendor. CONTRACTOR will verify the charges and relay approval or needed corrections back to County within five days of receiving a copy of the vendor's invoice from the NHC Health and Human Services.
- 2.4.1.13 CONTRACTOR is responsible for all court filing fees. Upon receipt of invoice with verification of payment the county will reimburse Contractor for said expenses.

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2.4.1.14 CONTRACTOR is responsible for providing legal representation.

2.4.1.15 In regard to service of process, CONTRACTOR shall abide by the laws of the jurisdiction in which the non-custodial parent lives. It is the County's understanding that the local Sheriff is given the first chance to serve. If the Sheriff's Office is unable to serve and the papers come back as unservable, the CONTRACTOR may select a private server to serve.

CONTRACTOR is responsible for all sheriff service of process fees. Upon receipt of invoice with verification of payment the county will reimburse Contractor for said expenses.

2.4.1.16 CONTRACTOR shall obtain, at its expense, an annual audit by an outside accounting firm and provide the County with a copy of its annual audit report when the report is completed.

2.4.2. Testimony and Court Actions

2.4.2.1 To provide testimony, evidence and support necessary for the establishment of paternity, establishment and enforcement of child support orders, and the review and modification of support orders pursuant to Federal and State laws, in civil, criminal and administration forms. The choice of forum shall be based on the facts of each case, the judgment of legal counsel, and the best interest of the child. The Contractor will be responsible for providing legal staff to service CSE cases. No County-provided legal services are available.

2.4.2.2 To bring all court actions in a manner as prescribed by N. C. General Statute 110-130.1 and to notify the Contract Administrator in a timely fashion of any judicial or administrative decision or settlement agreement that negatively affects County's or State's interest and agrees not to enter any settlement which results in County's or State's loss of revenue. CONTRACTOR may appeal from any judicial or

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administrative order and shall cooperate with any State, in the event, the State choose to appeal. In the event that CONTRACTOR thinks that a decision needs to be appealed, CONTRACTOR shall consult with County Contract Administrator prior to filing a Notice of Appeal.

2.4.3 Utilization of State Automated System

- 2.4.3.1 CONTRACTOR shall utilize the State's automated system that affects the Child Support Enforcement Program. Any additional automation deemed necessary to assist CONTRACTOR in carrying out its duties shall be the responsibility of CONTRACTOR. CONTRACTOR shall retain all rights to such software developed by CONTRACTOR, at CONTRACTOR's expense, to assist CONTRACTOR in carrying out its duties under this Agreement. Software developed by CONTRACTOR at public expense shall be owned by County. Such software, including source code, shall be returned to County at the time of contract termination. CONTRACTOR is responsible for connectivity to the State computer system and all on- going line maintenance.
- 2.4.2.2 To utilize documents produced by the State System. Any additional documents deemed necessary by CONTRACTOR shall contain language recommended by the department of Health and Human Services to assist it in its distribution function.
- 2.4.3.3 To immediately respond to the State IV-D agency's central office or to County Director or his designee on any requests for case status for information. Such response shall contain sufficient information regarding the status of the case to permit the State or County Director or his designee to reply to the inquiring party.

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2.4.4 Staffing

- 2.4.4.1 To be responsible for the proper training and management of staff assigned to the project. The CONTRACTOR hereby assures that all staff will complete, annually, the North Carolina Department of Health and Human Services Civil Rights Training and the North Carolina Department of Health and Human Services Security Training. The CONTRACTOR must submit an attendance roster to the County documenting all employee participation.

In addition, the CONTRACTOR will hereby ensure that all employees complete the New Hanover County “Customer Service The NHC Way” course within 90 days of the start date of the contract. The County will schedule a special training session for the CONTRACTOR. Any employee hired after the group training session must complete the training within 30 days of their start date or before the end of the initial contract period, whichever comes first.

- 2.4.4.2 Qualifications of CONTRACTOR’s Staff: The CONTRACTOR shall warrant that all persons assigned by it to perform this Contract shall be fully qualified to perform the work herein. The CONTRACTOR shall notify the County of any employee conduct or action that does not align with the County’s Customer Service and Core Value standards that may negatively impact the County or portrays the County in a negative manner while conducting business on behalf of the County.

- 2.4.4.3 CONTRACTOR must maintain minimum staff caseloads sizes of 300-325 cases per staff person as recommended by North Carolina Department of Health and Human Services, Division of Social Services Child Support Services to handle all child support enforcement related calls, referrals, and case management in a timely and effective manner.

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2.4.4.4

CONTRACTOR must maintain minimum staff caseloads sizes of 300-325 cases per staff person as recommended by North Carolina Department of Health and Human Services, Division of Social Services Child Support Services to handle all child support enforcement related calls, referrals, and case management in a timely and effective manner.

2.4.4.5

CONTRACTOR must ensure that its employees diligently refrain from working on cases where a conflict of interest exists, or where the appearance of a conflict of interest may exist.

2.4.4.6

CONTRACTOR shall ensure that all staff meet the current federal and state requirements related to background and fingerprint checks required by IRS Publication 1075.

2.4.5 Facilities

2.4.5.1

Contractor shall maintain a child support enforcement office with full-time staff in the city limits of New Hanover County, well-marked and appropriately designated, readily accessible by bus routes and other public transportation. Contractor shall, at a minimum, maintain the same hours of operation as New Hanover County Department of Health and Human Services; 8:00 a.m. to 5:00 p.m. Monday, Wednesday, Thursday, Friday and 8:00 a.m. to 6:00 p.m. on Tuesday. Contractor shall have a local telephone number. Telephone calls shall be answered locally. Contractor shall have the local telephone number listed and published in the telephone book, so clients reach the office directly without calling another agency or office to secure the telephone number. At a minimum, the telephone number shall be listed as New Hanover County Child Support Enforcement Office.

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The County DSS or other designated State or Federal agency or its rightfully authorized representative shall at all reasonable times have the right to enter, without notice, into the Contractor's premises, or such other places where duties under this contract will be performed, to inspect, monitor, or otherwise evaluate the work being performed. The Contractor and any subcontractors must give assistance to authorized State and Federal representative. All inspections and evaluations shall be performed in such a manner as will not unduly delay or disrupt the Contractor's work.

2.4.5.2 CONTRACTOR shall use its best efforts to ensure that its employees and agents, while on State and/or County premises shall comply with site rules and regulations of the State and/or County.

2.4.5.3 CONTRACTOR's services and facilities shall be in full compliance with any and all applicable State, Federal, Local, environmental and safety laws, regulations, ordinances and standards or any standards adopted by nationally recognized testing facilities regardless of whether or not they are referred to in the proposal documents.

2.4.6 Deficiencies

2.4.6.1 To revise and/or clarify within fifteen (15) working days any Corrective Action Plan which County or State determines to be unacceptable in addressing deficiencies.

2.4.6.2 CONTRACTOR shall advise County in writing within ten (10) days of the receipt by CONTRACTOR of any notice of deficiency from the State or Federal government or any adverse audit results.

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New Hanover County Contract # 24-0394**2.4.7 Customer Satisfaction**

- 2.4.7.1 To develop, with input and approval from County, a customer satisfaction survey which will be used to determine the customer satisfaction level. Any changes or modifications to the survey must also be approved by County in advance. Customer is defined as a client seeking services, the Court system, law enforcement agencies, and other governmental agencies with which CONTRACTOR interfaces on a regular basis. The results of this survey shall be reported to County on a quarterly basis.
- 2.4.7.2 CONTRACTOR shall cooperate with County in answering customer complaints related to Child Support Enforcement in a timely manner. It is the expectation that the Contractor will model the County's core shared values:
- Professional
 - Innovation
 - Integrity
 - Stewardship
 - Accountability
 - Equity
- 2.4.7.3 All employees of the contractor must maintain a pleasant, courteous, professional demeanor of all times. Complaints of rudeness or unprofessional behavior will not be tolerated.
- 2.4.7.4 The contractor shall ensure that services provided involving persons with disabilities is equivalent to the level and quality of service providing involving individuals without disabilities.

2.4.8 Confidentiality

- 2.4.8.1 During the transition, operation, and post operation of the program, CONTRACTOR shall adhere to all confidentiality laws, rules, and regulations pertaining to the child support enforcement program.

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- 2.4.8.2 CONTRACTOR further agrees that any information obtained through the Federal Parent Locator Services, as well as address and asset information obtained through the Internal Revenue Service must be safeguarded according to 45 CFR 303.70 and 26 U.S.C. 6103(p)4. All personnel authorized to handle such tax related information will sign an IRS Confidentiality Form, to be provided by the State, and will return the signed original to the State. CONTRACTOR will comply with all other applicable laws and regulations in addition to those specifically set forth.
- 2.4.8.3 CONTRACTOR acknowledges that much of the material and information which shall come into its possession or knowledge in connection with this Contract or its performance, consists of information confidential to County or third parties, which disclosure to or use by third parties may be damaging.
- 2.4.8.4 Accordingly, all materials and information provided to CONTRACTOR by County, or acquired by CONTRACTOR on behalf of County, whether verbal, written, magnetic tape, card or otherwise and which have been identified by County as confidential, shall be regarded as confidential. Personal data of clients and others associated with County shall be confidential, without being identified as confidential. Any business or technical information which County considers confidential must be identified as such to CONTRACTOR in writing.
- 2.4.8.5 Confidential information shall be protected from disclosure in accordance with North Carolina and Federal Law.
- 2.4.8.6 No obligation of confidentiality applies to CONTRACTOR for any ideas, concepts, know-how or techniques contained in confidential information.

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- 3.6.7.1 In accordance with IRS publication 1075, Section 4.7.1., the selected vendor must maintain ownership and control over the security policies and system configuration (including cryptographic keys) for all hardware, software, and telecommunication equipment on which FTI resides or transverses. To meet this requirement, for the duration of contracts in which the use of FTI is involved, the selected vendor must meet all requirements as listed in IRS Publication 1075.

2.4.9 Record Storage and Retrieval, Retention, Inspection, and Audits

- 3.6.7.1 Storage and Retrieval: The CONTRACTOR shall maintain sufficient space for storage of records produced under this contract. The CONTRACTOR will maintain an inventory of all documents warehoused in order to expedite retrieval. The CONTRACTOR will assure that access to the stored documents is available to the County within two (2) workdays of the request. The County, State, Federal, or any of their duly authorized representatives, will have access to any books, documents, papers, and records of the CONTRACTOR which are directly pertinent to that specific contract, for the purpose of making audit, examination, excerpt, and transcriptions.
- 3.6.13.4 Record Retention: Any records created as a result of this contract shall become the property of the County and must be retained by the Contractor for a period of five (5) years after completion of the contract if the records are not returned to the County. At the end of the five-year period, the County, at its option, may take possession of the records. Under no circumstances are the records to be disposed of, within this three-year period, without the County's written consent. Records involving matters in litigation shall be kept until the later of the following two dates: one (1) year following the termination of litigation or for five (5) years from the date of Contract termination.

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2.4.9.1.1 Financial Records

CONTRACTOR agrees to maintain fiscal books, records, documents, and other evidence which reflect all direct and indirect costs expended under this Contract. CONTRACTOR shall maintain an accounting system in accordance with generally accepted accounting principles. County, State, or Federal government shall have the right to inspect such records at its convenience.

It is understood and agreed by CONTRACTOR that the CONTRACTOR shall be liable for any State or Federal audit exceptions and shall return to County all payments made under the Contract to which exception has been taken or which has been disallowed because of such an exception.

CONTRACTOR shall agree to the conditions of 45 CFT, Part 74.24(a), (b), (d) and the Department of Social Services Records Retention and Disposition Schedule regarding retention and access requirements relating to all financial and programmatic records, support documents, statistical records, and other records of the Contract. In addition, CONTRACTOR shall agree to the following terms regarding record retention of Contract records and access for government officials:

Unless County specified in writing a shorter period of time, CONTRACTOR agrees to preserve and make available all other pertinent books, documents, papers, and records of CONTRACTOR involving transactions related to the Contract for a period of five (5) years from the date of expiration of termination of Contract.

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The parties agree that the records subject to audit shall be limited to records related to this project, and specifically excludes records relating to CONTRACTOR's general policies and information on CONTRACTORs overhead and project rates, unless such records are required for Federal or State auditor program oversight/review purposes.

2.4.9.1.2 Program Records

To maintain all records as required by any laws, or regulations enacted by County, State, and/or Federal governments. CONTRACTOR will follow all standards for retention of files after case closure. No records will be destroyed.

2.4.9.2 To return all case and automated files to County at the time of contract termination.

2.4.9.3 CONTRACTOR agrees that all Title IV-D case files will be maintained and used solely for child support purposes and safeguarded as provided in 45 CFR 303.21, N. C. General Statutes 110-139 and 108A-80. CONTRACTOR shall comply with all other applicable laws and regulations in addition to those specifically set forth.

2.4.9.4 Upon request of any State or County Official, CONTRACTOR shall make case files immediately available for audit or case review sampling purpose. The Contract shall comply with any corrective action as set forth in any non-compliance letter received from County, State, or Federal government within thirty (30) days of receiving the letter.

2.4.10 Permits, Licenses, Taxes, and State Regulation

2.4.10.1 CONTRACTOR shall procure all necessary permits and licenses and abide by all applicable laws, regulations, and ordinances of all Federal, State, and Local governments in which work under this Contract is performed.

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2.4.10.2 CONTRACTOR shall pay all taxes, assessments, premiums and fees and shall file all reports and returns required by law and arising out of its operations under this agreement. CONTRACTOR's service under this agreement shall be performed in conformity with all applicable laws and regulations, Federal, State or Local.

2.4.12 Conflict of Interest

The Board of Directors/Trustees or other governing persons, officers, employees or agents are to avoid any conflict of interest, even the appearance of a conflict of interest.

2.4.12 Payment to County for Services

CONTRACTOR shall pay for Sheriff's services and Register of Deeds services, in advance, on a per service fee schedule as established in the North Carolina General Statutes.

2.4.13 State and/or County Property

CONTRACTOR shall be responsible for the proper custody and care of any County or State owned or furnished property, and/or properties reimbursed by public funds, for CONTRACTOR's use in connection with the performance of this Contract, and CONTRACTOR shall reimburse County and/or State for its loss or damage, normal wear and tear excepted. Any such property or equipment will be returned to County at the end of the contract or when no longer used. CONTRACTOR shall maintain a fixed asset inventory of all items of equipment and furniture purchased at public expense. County may provide asset tags and CONTRACTOR shall affix tags to such equipment and furniture. CONTRACTOR shall not dispose of any equipment or furniture purchased at public expense unless directed to do so by County.

Contract Language for General Services

I. Performance

In performance of this contract, the CONTRACTOR agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

(1) All work will be performed under the supervision of the CONTRACTOR or the CONTRACTOR'S responsible employees.

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(2) The CONTRACTOR and the contractor's employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.

(3) Any Federal tax returns or return information (hereafter referred to as returns or return information) made available shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone other than an officer or employee of the CONTRACTOR is prohibited.

(4) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output and products will be given the same level of protection as required for the source material.

(5) No work involving returns and return information furnished under this contract will be subcontracted without prior written approval of the IRS.

(6) The CONTRACTOR will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.

(7) The agency will have the right to void the contract if the CONTRACTOR fails to provide the safeguards described above.

(8) Include any additional safeguards that may be appropriate.

II. CRIMINAL/CIVIL SANCTIONS

(1) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

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(2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone without an official need-to-know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000.00 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000.00 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRCs 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1.

(3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

(4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors must be advised of the provisions of IRCs 7431, 7213, and 7213A (see Exhibit 4, Sanctions for Unauthorized Disclosure, and Exhibit 5, Civil Damages for Unauthorized Disclosure). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

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New Hanover County Contract # 24-0394**III. INSPECTION**

The IRS and the Agency, with 24-hour notice, shall have the right to send its inspectors into the offices and plants of the contractor to inspect facilities and operations performing any work with FTI under this contract for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process or transmit FTI. On the basis of such inspection, corrective actions may be required in cases where the contractor is found to be noncompliant with contract safeguards.

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New Hanover County Child Support Enforcement

In-Office Survey

Thank you for visiting our office today. As one of our customers, you are very important to us and we want to give you the best service possible. Please take a few minutes to answer the questions below about your experience today. Your responses will help us improve our services to you and others.

1. Please tell us why you visited our office today (Please circle all that apply).

- a. To give information about my case.
- b. To clarify information, the office sent to me.
- c. To ask about progress on my case.
- d. To get information to help me complete a form.
- e. To speak with a case manager directly.
- f. Other (please specify): _____

2. Below is a list of statements about your experience today. Please tell us how strongly you agree or disagree with each statement. (Please circle only one for each statement).

	Strongly Agree	Agree	Disagree	Strongly Disagree
a. Everyone in the office treated me with respect.	4	3	2	1
b. The person I spoke with was able to answer my questions.	4	3	2	1
c. The person I spoke with explained things to me clearly and in language I could understand.	4	3	2	1
d. I believe the person I spoke with was trying to help me as best as they could.	4	3	2	1
e. I am satisfied with the service I received today.	4	3	2	1
f. I was able to get all the services I needed today.	4	3	2	1
g. I believe appropriate action will be taken on my case in a timely manner.	4	3	2	1

3. Please tell us the name of the person who helped you today. _____

4. Please tell us who you are: Custodial parent _____ Non-custodial parent _____ Other _____

5. Additional comments:

Name & Phone number where you can be reached (optional)

DATE