

# Request for Proposals

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**City of Minneapolis  
Community Planning & Economic Development**

## **Loan Servicer**

RFP 2016-94 Issue Date: May 26, 2016

**Proposals Due by: Thursday, June 16, 2016 at 4:00pm**

May 26, 2016

To whom it may concern:

Attached is a Request for Proposal to identify a loan servicer to service mortgage and home improvement loan on behalf of the City of Minneapolis. The types of loan the City will normally offer generally fall into three categories:

- Regular amortizing loans with terms up to 20 years.
- Loans that are forgiven after five or ten years.
- Loans with deferred repayments that may be repaid after they cease to occupy or they sell the home.

Please consider submitting a proposal for providing these services if your firm meets the qualifications and is available. Please review the RFP for details.

Proposals are due by June 16, 2016.

Thank you for your consideration.

Sincerely,

/s/ D. Craig Taylor

D. Craig Taylor  
Director  
Community Planning & Economic Development

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# REQUEST FOR PROPOSALS

## FOR Loan Servicing

### I. INVITATION:

The City of Minneapolis (the “City”) makes this Request for Proposals (“RFP”) in order to select a qualified loan servicing company (the “Servicer”) for providing servicing for City of Minneapolis loans (“Servicing”). The Servicing is generally described in the “Scope of Services” (Attachment B), contained within this RFP, including descriptions of roles, responsibilities and relationship of the Servicer, City, and other parties involved in the Servicing.

### II. PROPOSAL DUE DATE and LOCATION: The Organization must submit **six (6) copies** of their proposals to the City of Minneapolis Procurement Office, labeled:

City of Minneapolis - Procurement  
Request for Proposals for: Loan Servicing  
330 2<sup>nd</sup> Avenue South, Suite 552  
Minneapolis, MN 55401

All responses to this RFP must be submitted no later than **4:00 P.M. (Minneapolis Time), June 16, 2016. Late Proposals may not be accepted.**

### III. PROPOSAL FORMAT: The Servicer shall provide the appropriate information in sufficient detail to demonstrate that the evaluation criteria has been satisfied as specified in Section V – “EVALUATION OF PROPOSALS”.

To allow for easier comparison of proposals during evaluation, proposals should contain the following sections and appendices and be arranged in consecutive order.

1. Completed form Attachment C to this RFP.
2. Executive Summary - The Executive Summary should include a clear statement of the Servicer’s understanding of the RFP including a brief summary of the Scope of Work. Include, at a minimum, an outline of the contents of the proposal, an identification of the proposed Servicing team, a description of the responsibilities of the Servicing team, and a summary of the proposed services.
3. Scope of Services – The Scope of Services is listed on Attachment B to this RFP. Describe in detail how services will be provided. Include a detailed listing and description of tasks and deliverables.
4. Experience and Capacity - Describe background and related experience demonstrating ability to provide required services. Indicate if company expansion is required to provide service.
5. References - List references from contracts similar in size and scope.
6. Personnel Listing - Show involved individuals with resumes and specific applicable experience. Sub-Servicers should also be listed, including the identification of any that are certified in the City of Minneapolis Small & Underutilized Business Program.

7. Cost/Fees – The City may require that some fees be paid by the City through an invoice submitted by the Servicer and other fees may be netted from principal and interest payments attributable to a type of loan. The City will work with the approved Servicer to clearly identify the manner of payment. Provide a breakdown of your proposed fees as follows:
  - a. Servicing set-up fee per loan.
  - b. Servicing cost per month or per year for each loan type.
    - i. Amortizing loans – these are loans that have regularly scheduled payments.
    - ii. Deferred forgivable loan – loans that are forgiven based upon terms identified in the promissory note.
    - iii. Deferred repayable loans – loans that have no regularly scheduled payments and stay with the property until the borrower no longer occupies it or until the loan matures (other terms may be imposed).
  - c. Other fees or charges, if any:
    - i. Satisfactions
    - ii. Processing fee for requests for forgiveness of all or a portion of the City’s debt which in all cases will require the City’s approval.
    - iii. Subordination processing – this fee must be paid by the borrower, but the City imposes its own fee which must be paid be collected by the Servicer and submitted to the City. The City’s present fee is \$125 and \$50 for each additional loan. The Servicer will be required to provide this fee to the City at the time of the request for approval. No personal check from the borrower will be accepted.
    - iv. Assignment and assumption.
    - v. Document replacement.
    - vi. Other (specify).
8. Company Financial Information – The Servicer must disclose information relating to any pending lawsuits on the part of the company or its principal officers that has the potential to impact the Servicer’s ability to deliver or perform the services identified in this RFP.

**IV. EVALUATION OF PROPOSALS – SELECTION OF SERVICER:** Proposals will be reviewed by an Evaluation Panel made up of representatives of the City of Minneapolis, Department of Community Planning & Economic Development and other City staff. The Evaluation Panel may select a "short list" of qualified Servicers who will be formally interviewed as part of the final selection, as deemed necessary by the City. Evaluations will be based on the required criteria listed in Section IV “PROPOSAL FORMAT”, and the following:

1. Quality, thoroughness, and clarity of proposal.
2. Qualifications and experience of staff (includes a review of references).
3. How well the Scope of Services offered meets department objectives.
4. Financial responsibility and capacity of company including whether or not the company, any affiliates, subsidiaries, officers or directors have filed for federal bankruptcy protection within seven years of the date of this RFP.
5. Organization and management approach and involvement for a successful Servicing.
6. Small & Underutilized Business participation.
7. Cost of services proposed.

8. Insurance coverage as defined for the services.

If an interview of those on the short list becomes necessary, those selected Servicers will be provided information about what will be discussed and information they may need to bring to the interview.

V. **SCHEDULE:** The following is a listing of key Proposal and Servicing milestones:

RFP Release	<i>May 26, 2016</i>
Questions on RFP Due by	<i>June 6, 2016</i>
Responses to Questions posted by	<i>June 10, 2016</i>
Proposals due by	4:00 PM on June 16, 2016
Estimated Servicer selection	<i>June 21, 2016</i>
Estimated services start date	<i>August 1, 2016</i>
Estimated services end date	<i>July 31, 2026</i>

VI. **CONTRACT:** The contracting parties will be the City of Minneapolis and the Servicer selected to provide the services as described herein. The selected proposal, along with the RFP and any counter proposal will be incorporated into a formal agreement after negotiations. It is the intent of the City to award a single contract for a term of ten (10) years.

VII. **DEPARTMENT CONTACT/REQUESTS FOR CLARIFICATION:** The Servicer's primary interface with the City will be with the Contract Manager who will act as the City's designated representative for the Servicing. Questions or inquiries will only be accepted ***in writing*** to:

Contract Manager: Mark S. Anderson  
Community Planning & Economic Development  
Minneapolis, MN 55401-2534  
105 5<sup>th</sup> Avenue South, Suite 200  
Email address: mark.anderson@minneapolismn.gov

All questions are due no later than **4:30 PM (Minneapolis Time), June 6, 2016**. Responses to the Questions will be posted by **June 10, 2016** on City's RFP website at:

<http://www.minneapolismn.gov/finance/procurement/rfp>

The Contract Manager is the only individual who can be contacted regarding the Servicing before proposals are submitted. The Contract Manager cannot vary the terms of the RFP.

VIII. **REJECTION OF PROPOSALS:** The City reserves the right to reject any Servicer on the basis of the proposals submitted. The City reserves the right to reject all proposals or any Servicer on the basis of the proposal submitted.

IX. **ADDENDUM TO THE RFP:** If any addendum is issued for this RFP, it will be posted on the City of Minneapolis web site at:

<http://www.minneapolismn.gov/finance/procurement/rfp>

The City reserves the right to cancel or amend the RFP at any time.

# **ATTACHMENT A**

## **RFP Terms & Conditions**

### **General Conditions for Request For Proposals (RFP)**

(Revised: Dec, 2015)

The General Conditions are terms and conditions that the City expects all of its Servicers to meet. The Servicer agrees to be bound by these requirements unless otherwise noted in the Proposal. The Servicer may suggest alternative language to any section at the time it submits its response to this RFP. Some negotiation is possible to accommodate the Servicer's suggestions.

#### **1. City's Rights**

The City reserves the right to reject any or all proposals or parts of proposals, to accept part or all of proposals on the basis of considerations other than lowest cost, and to create a Servicing of lesser or greater expense and reimbursement than described in the Request for Proposal, or the respondent's reply based on the component prices submitted.

#### **2. Equal Opportunity Statement**

The Servicer agrees to comply with applicable provisions of applicable federal, state and city regulations, statutes and ordinances pertaining to the civil rights and non-discrimination in the application for and employment of applicants, employees, subcontractors and suppliers of the Servicer. Among the federal, state and city statutes and ordinances to which the Servicer shall be subject under the terms of this Contract include, without limitation, Minnesota Statutes, section 181.59 and Chapter 363A, Minneapolis Code of Ordinances Chapter 139, 42 U.S.C Section 2000e, et. seq. (Title VII of the Civil Rights Act of 1964), 29 U.S.C Sections 621-624 (the Age Discrimination in Employment Act), 42 U.S.C Sections 12101-12213 (the Americans with Disability Act or ADA), 29 U.S.C Section 206(d) (the Equal Pay Act), 8 U.S.C Section 1324 (the Immigration Reform and Control Act of 1986) and all regulations and policies promulgated to enforce these laws. The Servicer shall have submitted and had an "affirmative action plan" approved by the City prior to entering into a Contract.

#### **3. Insurance**

Insurance secured by the Servicer shall be issued by insurance companies acceptable to the City and admitted in Minnesota. The insurance specified may be in a policy or policies of insurance, primary or excess. Such insurance shall be in force on the date of execution of the Contract and shall remain continuously in force for the duration of the Contract.

Acceptance of the insurance by the City shall not relieve, limit or decrease the liability of the Servicer. Any policy deductibles or retention shall be the responsibility of the Servicer. The Servicer shall control any special or unusual hazards and be responsible for any damages that result from those hazards. The City does not represent that the insurance requirements are sufficient to protect the Servicer's interest or provide adequate coverage. Evidence of coverage is to be provided on a current ACORD Form. A thirty (30) day written notice is required if the policy is canceled, not renewed or materially changed. The Servicer shall require any of its subcontractors, if sub-contracting is allowable under this Contract, to comply with these provisions, or the Servicer will assume full liability of the subcontractors.

The Servicer and its subcontractors shall secure and maintain the following insurance:

- a) **Workers Compensation** insurance that meets the statutory obligations with Coverage B-Employers Liability limits of at least \$100,000 each accident, \$500,000 disease - policy limit and \$100,000 disease each employee.
- b) **Commercial General Liability** insurance with limits of at least \$2,000,000 general aggregate, \$2,000,000 products - completed operations \$2,000,000 personal and advertising injury, \$100,000 each occurrence fire damage and \$10,000 medical expense any one person. The policy shall be on an "occurrence" basis, shall include contractual liability coverage and the City shall be named an additional insured. The amount of coverage will be automatically increased if the Servicing amount is expected to exceed \$2,000,000 or involves potentially high risk activity.
- c) **Commercial Automobile Liability** insurance covering all owned, non-owned and hired automobiles with limits of at least \$1,000,000 per accident.
- d) **Professional Liability** Insurance or Errors & Omissions Insurance providing coverage for 1) the claims that arise from the errors or omissions of the Servicer or its subcontractors and 2) the negligence or failure to render a professional service by the Servicer or its subcontractors. The insurance policy should provide coverage in the amount of \$2,000,000 each claim and \$2,000,000 annual aggregate. The insurance policy must provide the protection stated for two years after completion of the work.
- e) **Network Security and Privacy Liability** for the duration of this agreement providing coverage for, but not limited to, Technology and Internet Errors & Omissions, Security and Privacy Liability, and Media Liability. Insurance will provide coverage against claims that arise from the disclosure of private information from files including but not limited to: 1) Intentional, fraudulent or criminal acts of the Servicer, its agents or employees. 2) Breach of the City's private data, whether electronic or otherwise. The insurance policy should provide minimum coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If written on a Claims-Made basis, the policy must remain in continuous effect for at least 3 years after the service is provided or include a 3 year extended reporting period.

#### 4. **Hold Harmless**

The Servicer will defend, indemnify and hold harmless the City and its officers and employees from all liabilities, claims, damages, costs, judgments, lawsuits and expenses, including court costs and reasonable attorney's fees regardless of the Servicer's insurance coverage, arising directly from any negligent act or omission of the Servicer, its employees, agents, by any sub-contractor or sub-Servicer, and by any employees of the sub-contractors and sub-Servicers of the Servicer, in the performance of work and delivery of services provided by or through this Contract or by reason of the failure of the Servicer to perform, in any respect, any of its obligations under this Contract.

The City will defend, indemnify and hold harmless the Servicer and its employees from all liabilities, claims, damages, costs, judgments, lawsuits and expenses including court costs and reasonable attorney's fees arising directly from the negligent acts and omissions of the City by reason of the failure of the City to perform its obligations under this Contract. The provisions of

the Minnesota Statutes, Chapter 466 shall apply to any tort claims brought against the City as a result of this Contract.

Except as provided in the section titled Data Practices, neither party will be responsible for or be required to defend any consequential, indirect or punitive damage claims brought against the other party.

**5. Subcontracting**

The Servicer shall provide written notice to the City and obtain the City's authorization to subcontract any work or services to be provided to the City pursuant to this Contract. As required by Minnesota Statutes, Section 471.425, the Servicer shall pay all subcontractors for subcontractor's undisputed, completed work, within ten (10) days after the Servicer has received payment from the City.

**6. Assignment or Transfer of Interest**

The Servicer shall not assign any interest in the Contract, and shall not transfer any interest in the same either by assignment or novation without the prior written approval of the City. The Servicer shall not subcontract any services under this Contract without prior written approval of the City Department Contract Manager designated herein.

**General Compliance**

The Servicer agrees to comply with all applicable Federal, State and local laws and regulations governing funds provided under the Contract.

**7. Performance Monitoring**

The City will monitor the performance of the Servicer against goals and performance standards required herein. Substandard performance as determined by the City will constitute non-compliance with this Contract. If action to correct such substandard performance is not taken by the Servicer within a reasonable period of time to cure such substantial performance after being notified by the City, Contract termination procedures will be initiated. All work submitted by Servicer shall be subject to the approval and acceptance by the City Department Contract Manager designated herein. The City Department Contract Manager designated herein shall review each portion of the work when certified as complete and submitted by the Servicer and shall inform the Servicer of any apparent deficiencies, defects, or incomplete work, at any stage of the Servicing.

**8. Prior Uncured Defaults**

Pursuant to Section 18.115 of the City's Code of Ordinances, the City may not contract with persons or entities that have defaulted under a previous contract or agreement with the City and have failed to cure the default.

**9. Independent Servicer**

Nothing contained in this Contract is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Servicer shall at all times remain an independent Servicer with respect to the work and/or services to be performed under this Contract. Any and all employees of Servicer or other persons engaged in the performance of any work or services required by Servicer under this Contract shall be considered employees or subcontractors of the Servicer only and not of the

City; and any and all claims that might arise, including Worker's Compensation claims under the Worker's Compensation Act of the State of Minnesota or any other state, on behalf of said employees or other persons while so engaged in any of the work or services to be rendered or provided herein, shall be the sole obligation and responsibility of the Servicer.

#### **10. Accounting Standards**

The Servicer agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by generally accepted accounting practices (GAAP) to properly account for expenses incurred under this Contract.

#### **11. Retention of Records**

The Servicer shall retain all records pertinent to expenditures incurred under this Contract in a legible form for a period of six years commencing after the later of contract close-out or resolution of all audit findings. Records for non-expendable property acquired with funds under this Contract shall be retained for six years after final disposition of such property.

#### **12. Data Practices**

The Servicer agrees to comply with the Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13) and all other applicable state and federal laws relating to data privacy or confidentiality. The Servicer and any of the Servicer's sub-Servicers or sub-contractors retained to provide services under this Contract shall comply with the Act and be subject to penalties for non-compliance as though they were a "governmental entity." The Servicer must immediately report to the City any requests from third parties for information relating to this Contract. The City agrees to promptly respond to inquiries from the Servicer concerning data requests. The Servicer agrees to hold the City, its officers, and employees harmless from any claims resulting from the Servicer's unlawful disclosure or use of data protected under state and federal laws.

All Proposals shall be treated as non-public information until the Proposals are opened for review by the City. At that time, the names of the responders become public data. All other data is private or non-public until the City has completed negotiating the Contract with the selected Servicer(s). At that time, the proposals and their contents become public data under the provisions of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13 and as such are open for public review.

#### **13. Inspection of Records**

Pursuant to Minnesota Statutes, Section 16C.05, all Servicer payroll and expense records with respect to any matters covered by this Contract shall be made available to the City and the State of Minnesota, Office of the State Auditor, or their designees upon notice, at any time during normal business hours, as often as the City deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data.

#### **14. Living Wage Ordinance**

The Servicer may be required to comply with the "[Minneapolis Living Wage and Responsible Public Spending Ordinance](http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/conv_ert_255695.pdf)" ([http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/conv\\_ert\\_255695.pdf](http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/conv_ert_255695.pdf)), Chapter 38 of the City's Code of Ordinances (the "Ordinance"). Unless otherwise exempt from the ordinance as provided in Section 38.40 (c), any City contract for

services valued at \$100,000 or more or any City financial assistance or subsidy valued at \$100,000 or more will be subject to the Ordinance's requirement that the Servicer and its subcontractors pay their employees a "living wage" as defined and provided for in the Ordinance.

#### **15. Applicable Law**

The laws of the State of Minnesota shall govern all interpretations of this Contract, and the appropriate venue and jurisdiction for any litigation which may arise hereunder will be in those courts located within the County of Hennepin, State of Minnesota, regardless of the place of business, residence or incorporation of the Servicer.

#### **16. Conflict and Priority**

In the event that a conflict is found between provisions in this Contract, the Servicer's Proposal or the City's Request for Proposals, the provisions in the following rank order shall take precedence: 1) Contract; 2) Proposal; and last 3) Request for Proposals (only for Contracts awarded using RFP).

#### **17. Travel**

If travel by the Servicer is allowable and approved for this Contract, then Servicer travel expenses shall be reimbursed in accordance with the City's [Servicer Travel Reimbursement Conditions](http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/wcms1p-096175.pdf) (<http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/wcms1p-096175.pdf>).

#### **18. Billboard Advertising**

City Code of Ordinance 544.120, prohibits the use of City and City-derived funds to pay for billboard advertising as a part of a City Servicing or undertaking.

#### **19. Conflict of Interest/Code of Ethics**

Pursuant to Section 15.250 of the City's Code of Ordinances, both the City and the Servicer are required to comply with the City's Code of Ethics. Chapter 15 of the Code of Ordinances requires City officials and the Servicer to avoid any situation that may give rise to a "conflict of interest." A "conflict of interest" will arise if Servicer represents any other party or other client whose interests are adverse to the interests of the City.

As it applies to the Servicer, the City's Code of Ethics will also apply to the Servicer in its role as an "interested person" since Servicer has a direct financial interest in this Agreement. The City's Code of Ethics prevents "interested persons" from giving certain gifts to employees and elected officials.

#### **20. Termination, Default and Remedies**

The City may cancel this Contract for any reason without cause upon thirty (30) days' written notice. Both the City and the Servicer may terminate this Contract upon sixty (60) days' written notice if either party fails to fulfill its obligations under the Contract in a proper and timely manner, or otherwise violates the terms of this Contract. The non-defaulting party shall have the right to terminate this Contract, if the default has not been cured after ten (10) days' written notice or such other reasonable time period to cure the default has been provided. If termination shall be without cause, the City shall pay Servicer all compensation earned to the

date of termination. If the termination shall be for breach of this Contract by Servicer, the City shall pay Servicer all compensation earned prior to the date of termination minus any damages and costs incurred by the City as a result of the breach. If the Contract is canceled or terminated, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by the Servicer under this Contract shall, at the option of the City, become the property of the City, and the Servicer shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or materials prior to the termination.

Notwithstanding the above, the Servicer shall not be relieved of liability to the City for damages sustained by the City as a result of any breach of this Contract by the Servicer. The City may, in such event, withhold payments due to the Servicer for the purpose of set-off until such time as the exact amount of damages due to the City is determined. The rights or remedies provided for herein shall not limit the City, in case of any default by the Servicer, from asserting any other right or remedy allowed by law, equity, or by statute. The Servicer has not waived any rights or defenses in seeking any amounts withheld by the City or any damages due the Servicer.

## **21. Ownership of Materials**

All finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials resulting from this Contract shall become the property of the City upon the City's payment for and final approval of the final report or upon payment and request by the City at any time before then. The City at its own risk, may use, extend, or enlarge any document produced under this Contract without the consent, permission of, or further compensation to the Servicer.

## **22. Intellectual Property**

All Work produced by the Servicer under this Contract is classified as "work for hire" and upon payment by the City to the Servicer will be the exclusive property of the City and will be surrendered to the City immediately upon completion, expiration, or cancellation of this Contract. "Work" covered includes all reports, notes, studies, photographs, designs, drawings, specifications, materials, tapes or other media and any databases established to store or retain the Work. The Servicer may retain a copy of the work for its files in order to engage in future consultation with the City and to satisfy professional records retention standards. The Servicer represents and warrants that the Work does not and will not infringe upon any intellectual property rights of other persons or entities.

Each party acknowledges and agrees that each party is the sole and exclusive owner of all right, title, and interest in and to its services, products, software, source and object code, specifications, designs, techniques, concepts, improvements, discoveries and inventions including all intellectual property rights thereto, including without limitations any modifications, improvements, or derivative works thereof, created prior to, or independently, during the terms of this Contract. This Contract does not affect the ownership of each party's pre-existing, intellectual property. Each party further acknowledges that it acquires no rights under this Contract to the other party's pre-existing intellectual property, other than any limited right explicitly granted in this Contract.

## **23. Equal Benefits Ordinance**

Minneapolis Code of Ordinances, Section 18.200, relating to equal benefits for domestic partners, applies to each Servicer and subcontractor with 21 or more employees that enters into a “contract”, as defined by the ordinance that exceeds \$100,000. The categories to which the ordinance applies are personal services; the sale or purchase of supplies, materials, equipment or the rental thereof; and the construction, alteration, repair or maintenance of personal property. The categories to which the ordinance does not apply include real property and development contracts.

Please be aware that if a “contract”, as defined by the ordinance, initially does not exceed \$100,000, but is later modified so the Contract does exceed \$100,000, the ordinance will then apply to the Contract. A complete text of the ordinance is available at: [http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/convert\\_261694.pdf](http://www.minneapolismn.gov/www/groups/public/@finance/documents/webcontent/convert_261694.pdf)

It is the Servicer’s and subcontractor’s responsibility to review and understand the requirements and applicability of this ordinance.

#### **24. City Ownership and Use of Data**

The City has adopted an Open Data Policy (“Policy”). The City owns all Data Sets as part of its compliance with this Policy. Data Sets means statistical or factual information: (a) contained in structural data sets; and (b) regularly created or maintained by or on behalf of the City or a City department which supports or contributes to the delivery of services, programs, and functions. The City shall not only retain ownership of all City Data Sets, but also all information or data created through the City’s use of the software and /or software applications licensed by the Servicer (or any subcontractor of sub-Servicer of the Servicer) to the City.

The City shall also retain the right to publish all data, information and Data Sets independently of this Contract with the Servicer and any of Servicer’s subcontractors or sub-Servicers involved in providing the Services, using whatever means the City deems appropriate.

The City shall have the right to access all data, regardless of which party created the content and for whatever purpose it was created. The Servicer shall provide bulk extracts that meet the public release criteria for use in and within an open data solution. The Servicer shall permit and allow free access to City information and Data Sets by using a method that is automatic and repeatable. The Data Sets shall permit classification at the field level in order to exclude certain data.

#### **25. Cardholder Data and Security Standards**

Should the Servicer collect revenue on behalf of the City through the acceptance of credit cards offered by cardholders to pay for services offered under the terms of this Contract, then Servicer represents and acknowledges that the Servicer will comply with Payment Card Industry (PCI) regulatory standards including the Data Security Standards (DSS). Servicer represents that it will protect cardholder data. Servicer will be annually certified as a PCI compliant service provider and agrees to provide evidence of said certification to the City upon request. Servicer agrees at reasonable times to provide to the City or to its assigns, the audit rights contained herein for all physical locations, systems or networks that process credit cards on behalf of the City. Servicer also agrees to provide written notice to the City of any breach of a system owned, operated or maintained by the Servicer that contains cardholder data or information.

#### **26. Audit Requirements for Cloud-Based Storage of City Data**

If the Servicer's services include the storage of City data using a cloud based solution, then the Servicer agrees to secure the data as though it were "private data" as defined in Minnesota Statutes, Chapter 13. The Servicer shall provide the City with the annual copy of the Federal Standards for the Statement on Standards for Attestation Engagements (SSAE) No. 16 or the International Standard on Assurance Engagements (ISAE) No. 3402. The Servicer agrees to provide a .pdf copy to the City's Contract Manager, upon the Servicer's receipt of the audit results.

## **27. Small & Underutilized Business Program (SUBP) Requirements**

The City of Minneapolis policy is to provide equal opportunities to all businesses, with an effort to redress discrimination in the City's marketplace and in public contracting against Minority-Owned Business Enterprises (MBEs) and Women-Owned Business Enterprises (WBEs). The SUBP requirements detailed in the Minneapolis Code of Ordinances Chapter 423.50 applies to any professional or technical Service contract in excess of \$100,000. SUBP goals are set on contracts based on Servicing scope, subcontracting opportunities and availability of qualified MBEs/WBEs.

There are no SUBP goals on this RFP. However, if there are subcontracting opportunities later identified, Servicer shall inform the Contract Manager to obtain authorization as stated under the section titled "Subcontracting" of the Terms and Conditions. Servicer shall take action to afford MBEs and WBEs full and fair opportunities to compete on this contract and resulting subcontracts. To locate certified MBEs and WBEs under the Minnesota Uniform Certification Program (MnUCP), please visit <http://mnuccp.metc.state.mn.us/> or contact [contractcompliance@minneapolismn.gov](mailto:contractcompliance@minneapolismn.gov).

## ATTACHMENT B

### **SCOPE OF SERVICES**

It is the intent of this document to outline a general description of the Servicing, the extent of services required, and the relationship of this Servicing to other work, and the agencies or other parties that will interact with the Servicer. The contents of this document are considered representative of the Servicing as a whole, but are by no means conclusive.

The Servicer selected by the City will be expected to perform and carry out in a satisfactory and professional manner the following services:

#### Loan Servicing

- A. Service loans that have terms and conditions that may have regularly scheduled payments or may defer payment of the loan over time. The actual number of loans is not known at this time, but is estimated at 850. The terms of the loans include, but are not necessarily limited to:
  - 1) Amortizing.
  - 2) Forgiven over time.
  - 3) Deferred until the borrower no longer owns the property. Some deferred loans bear simple interest that must be calculated at the time of payoff.
  - 4) Some combination of the above.
- B. Work with a borrower, lender, or title company seeking assistance and documentation relating to a City loan that has been or is being paid off or for which subordination of the City's loan is requested. All requests for loan subordination will be subject the City's approval and policy then in effect.
- C. Hold funds received from payoff of a loan in a trust account for the benefit of the City.
- D. Remit funds to the City each month any funds that have accumulated in the trust account, together with specific data regarding the loan(s) that were paid off.
- E. Answer calls from current borrowers, title companies, and lenders who may want a satisfaction, loan subordination, or other similar action relating to their loan.
- F. Prepare satisfaction or subordination documents so they are in recordable form and in accordance with City policy and state and federal lending and servicing laws.
- G. The contractor will be responsible any required Internal Revenue Service reporting.

#### Loan Defaults and Foreclosures

- A. At the request of the City, process any foreclosure in connection with one a defaulted loan. The selected contractor will be responsible for any Internal Revenue Service reporting.
- B. When requested by the City, manage any property maintenance and boarding problems on foreclosed properties during any time for which the City owns a property until the time the property has been sold.

#### Reporting and Data Practices

- A. The Servicer must provide online access to routine reports such as trial balance, income, set up of new loans, default status and other reports as needed.
- B. The contractor will be required to be fully compliant with all state and federal data practices laws and regulations, including the Minnesota Government Data Practices Act.

**Attachment C**  
**PROPOSAL FORM**  
**(Cover Sheet for Proposal)**

**The Principal(s) of the Organization (is) (are):**

Name \_\_\_\_\_ Name \_\_\_\_\_

Title \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_ Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ City, State, Zip Code + 4 City, State, Zip Code + 4

Firm name of Organization \_\_\_\_\_

Type of entity \_\_\_\_\_

Official Business Street address \_\_\_\_\_

City, State, Zip Code + 4 \_\_\_\_\_

Federal Tax I.D. Number \_\_\_\_\_

Telephone number \_\_\_\_\_

Signature of Organization \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_