

Agreement Between the City of Cincinnati, on behalf of its Greater Cincinnati Water Works (GCWW), and the Lexington-Fayette Urban County Government (LFUCG) for Cincinnati to Provide Customer Services and Billing Services for the Lexington-Fayette Urban County Government.

THIS AGREEMENT made and entered into this _____ day of March, 2012 by and between the City of Cincinnati (“Cincinnati”), and the Lexington-Fayette Urban County Government (hereinafter “LFUCG” or “Lexington”).

WITNESSETH:

WHEREAS, the LFUCG, through the issuance of RFP No. 40-2011 Billing & Collection Services - Sewer, Landfill & Water Quality Fees (the “RFP”) and the related selection process, has selected Cincinnati as the preferred vendor to provide customer service, billing and payment collection services for sewer, landfill and water quality fees for LFUCG; and

WHEREAS, Cincinnati currently provides customer service and billing services for a number of political jurisdictions; and

WHEREAS, Cincinnati is authorized under the Ohio Revised Code and Section 401-90 (a) of the Cincinnati Municipal Code to provide customer service, billing and payment collection services.

NOW, THEREFORE, in consideration of the promises, covenants, terms and conditions contained herein, the parties hereby agree as follows:

1. Recitals; Order of Precedence. The above recitals are incorporated herein by reference as if fully stated. Both the RFP and Cincinnati’s response (the “Response”) are attached hereto as “Exhibits A” and “B”, respectively, and incorporated herein by reference as if fully stated. In the event of conflict of terms among and between these documents this agreement shall take precedence followed by the RFP and the Response.

2. Services.

On or before September 1, 2012 Cincinnati will begin to generate charges, produce and deliver print ready files to a print and mail vendor, receive and process payments, apply adjustments, audit accounts, provide customer service (including contact center services), and debt and collection services for LFUCG as further described herein. Services to be billed are related and limited to LFUCG’s sewer, landfill and water quality fees unless otherwise agreed to by the parties and shall be presented to each LFUCG customer as a single unified bill as data will allow.

Cincinnati shall propose a Change Request to develop and host a secured web portal to support LFUCG customer registration for a recurring electronic fund transfer (EFT) method of payment. Cincinnati will submit this Change Request for LFUCG’s approval within two weeks of the execution of this Agreement.

increased cost of services to LFUCG caused by the triggering event to be recovered over a reasonable period of time, as such time is defined by reasonable utility practices, but no longer than the remaining term of this Agreement. If the modification or change is of benefit to Cincinnati or its other customers, then the parties shall determine an equitable method of allocating the additional costs among and between the other parties, LFUCG and, if applicable Cincinnati.

c. If the parties cannot agree on the change in the service fee, then either party may terminate this Agreement upon at least one hundred and eighty (180) days advance written notice. In the event that LFUCG terminates this agreement for the above reason within its first two (2) years it shall reimburse Cincinnati for its start up costs as reflected in the Fee Schedule (Exhibit C) on a pro rata basis.

4. Business & Operations Procedures Plan; Customer Service, Billing and Payment Collections Procedures

The parties agree that an initial Business & Operations Procedures Plan (BOPP) further detailing the specific services and processes shall be developed by no later than June 1, 2012 in order to support the initiation of services by no later than September 1, 2012. The BOPP shall be in writing and as agreed to by the parties and shall be subject to further modification as necessary. The final BOPP shall be attached as Exhibit D and incorporated herein by reference as if fully stated. The Commissioner of Finance or his/her designee for LFUCG and the Director of GCWW or his/her designee shall be authorized to execute the BOPP and any amendments thereto.

a. Detailed processes and procedures outlined in the BOPP shall include, but may not be limited to, services and operations related to billing, new accounts, meter reading, the customer contact center and customer communications, payments, payment options and channels, invoicing/remittance, printing and mailing, including the creation of print files for bills and correspondence, delinquency and collections, reports, technology, record retention and security, training, and data and file exchange requirements, including data and file transmissions that would involve a third party.

b. The BOPP will detail processes for communicating utility rates for sewer, landfill and water quality fees and specify to which LFUCG accounts Cincinnati is to deposit utility billing payments as well as how accounts receivable are to be reported to the LFUCG financial staff. The BOPP shall also specify measurable customer service performance requirements for Cincinnati and a process for service enhancement should the performance standards not be reliably achieved.

c. It is anticipated that over the life of this Agreement, LFUCG may decide to change billing methodologies for one or more of its utility services or add billing services. LFUCG will advise Cincinnati as soon as practical of such anticipated changes and will work with Cincinnati to develop a reasonable implementation schedule for the changes. Cincinnati will advise LFUCG how best to achieve the methodology change within the baseline software and the on-going operational costs, if any. If

Business Process Analysis	System Orientation Training Functional Specification Technical Specification Reports Specification Walk-in Customer Payment Processing Requirements Recommendation by Cincinnati Debt Collection Process Design by Cincinnati IVR Process and Design by Cincinnati Business & Operations Procedures Plan
Data Conversion	Data files provided to Cincinnati Initial data load and analysis Iterative data load and analysis
Systems and Interfaces	Bills and correspondence specification Establish remote access to Cincinnati's systems Interfaces design and review Data transfer specifications with KAWC
Testing	Fully executed test scenarios Completion of user acceptance testing Completion of parallel testing Completion of stress testing Completion of system acceptance testing
Training	Training materials Conduct training
Go-Live	Final data conversion including a match of counts and balances as defined in the BOPP Go-Live Verification Checkpoint Debt collection process finalized and in place IVR in place and operating for LFUCG customers Walk-in Customer Payment Processing Implementation
Transition/Stabilization	Completed punch list

- Specify Requirements - define requirements, view and modify requirements, convert requirements to tests, and track project progress
- Plan Tests - create a test plan tree, design test steps, copy test steps and link tests to the requirements. The test plan also includes the expected result for the test
- Running Tests – organize test sets, perform test runs and analyze the results of these runs
- Adding and Tracking Defects - add new defects that were detected, search for similar defects, update defects, link defects to tests and trace changes.
- Alerting on Changes –create alerts automatically and send an email notification when certain changes occur. Cincinnati will track changes made to LFUCG requirements, tests, and defects as project testing is performed
- Analyzing the Testing Process – monitor the testing process by creating reports and graphs to assist with decisions about application readiness
- Customizing Projects – set up project users, and create project fields and lists
- Status reporting – for testing, requirements, defects/issues or change requests

6. LFUCG Responsibilities

a. LFUCG shall be responsible for support of all utility deposits, charges and receivables due LFUCG which were assessed prior to the earlier of September 1, 2012 or the actual service initiation date by Cincinnati. The parties will agree to the final status and treatment of the initial account set ups and document the same in the BOPP. Cincinnati will propose a Change Request to convert non-zero balances of LFUCG customer non-water services. Cincinnati will submit this Change Request for LFUCG’s approval within two weeks of the execution of this Agreement.

b. LFUCG shall set the rates for sewer, landfill and water quality services. It will be LFUCG’s responsibility to inform Cincinnati of any changes in rates or rate structure changes in accordance with the timelines and procedures to be set forth in the BOPP.

c. LFUCG shall be responsible for ensuring that Cincinnati receives the meter readings and all data necessary to bill for sewer services. LFUCG shall also be responsible for transmitting to Cincinnati the data necessary to bill for the landfill and water quality fees. Cincinnati will in no way be responsible for any customer service field operations including meter reading, meter maintenance, service inspections, field investigations and service turn on or turn offs. LFUCG will provide all service records and data in a timely manner and as may be specified in the BOPP as necessary to support billing and customer services. Cincinnati shall not be responsible for any delays or billing errors in providing sewer, landfill and water quality bills as a result of inaccurate or delayed meter readings or other records and data provided by LFUCG.

payments, and conduct general review of account information. Account access and security features for LFUCG's access to Cincinnati's billing system shall be set forth in the BOPP.

b. Cincinnati shall render a monthly invoice to LFUCG for services provided according to the terms described in Section 2, "Cincinnati Fee for Customer Service, Billing and Payment Collection Services" in this Agreement. The first invoice shall be sent on or about October 5, 2012 and then every month thereafter before the 10th of each month. Statements from Cincinnati shall be accompanied by detailed descriptions of any and all charges, including details for Service Fee and any charges for approved change controls. Payment shall be made by LFUCG within thirty (30) days of receipt of a statement. If such invoices are not paid by the due date, a service charge may be added pursuant to Kentucky law.

c. Cincinnati will make all financial records relative to the billing of LFUCG sewer, landfill and water quality service charges available for audit purposes by LFUCG as requested.

d. Cincinnati shall provide debt collection services according to the time frames set forth by LFUCG in the BOPP to include the following steps:

- 1) Second notice when payment in full not received by due date plus any grace period. This notice may be printed and mailed or may be generated electronically based upon the customer's preferred way to receive billing statements and correspondence.
- 2) Outbound blaster call as a reminder that payment has not been made. The verbiage for this call is to be approved by LFUCG.
- 3) Service order file generation for disconnection and subsequent reconnection of water service according to LFUCG business rules as set forth in the BOPP.
- 4) Collection letter(s) following disconnection of water service and/or account becoming inactive according to LFUCG business rules as set forth in the BOPP. The verbiage for letters is to be approved by LFUCG.
- 5) Transfer of unpaid balance on customer's inactive account to customer's active account.
- 6) Place accounts in bad debt according to LFUCG business rules as set forth in the BOPP.
- 7) Refer accounts to collection agency according to LFUCG business rules as set forth in the BOPP.
- 8) Prepare files for liens according to LFUCG business rules as set forth in the BOPP.
- 9) Process bankruptcy, insolvency and receivership filings as received and provide claims for LFUCG signature and submittal.
- 10) Write off uncollectible balances according to LFUCG business rules as set forth in the BOPP.

Cincinnati shall provide reports and access to data for LFUCG to monitor the collections process according to the business rules as set forth in the BOPP. LFUCG shall be responsible for all legal proceedings, including the initiation of proceedings for recovery of fraudulent payments (e.g. returned checks, unauthorized use of credit cards). Cincinnati shall provide assistance to LFUCG for in-person responses to subpoenas or for other matters when LFUCG is required to respond to or appear in court. Cincinnati however will not appear with or on behalf of LFUCG unless specifically required to do so by court order OR specifically requested to do so in writing by LFUCG. In all such cases, LFUCG will compensate Cincinnati for all expenses incurred, including Cincinnati hourly rates, standard overhead charges and travel expenses.

information security policy prohibits the connection of non-City of Cincinnati information technology assets to the Cincinnati network. Ten (10) full access licenses are to be provided to LFUCG to be used at its sole discretion. Cincinnati will provide full remote access for at least ten (10) LFUCG employees. All full access license fees that are associated with the above will be at the expense of Cincinnati. Additional remote connections for LFUCG employees will be provided at the prorated cost of \$2000.00 over the four-year duration of this Agreement. All of Cincinnati's remote access security policies must be followed.

k. Cincinnati will interface with, at no extra charge, any bill print vendor chosen by LFUCG. Cincinnati will deliver the required data to the chosen vendor at no extra charge to LFUCG.

l. Cincinnati shall leverage its existing retail payment processing agreements to provide customers living within the LFUCG service area additional options to make payments on outstanding bills.

8. Cincinnati Support Services.

a. During implementation, direct communication with the Cincinnati Project Manager (PM) and project staff will be provided to answer any business, technical and support questions that may arise.

b. After Go Live, LFUCG users can contact the Cincinnati Service Desk by phone, email or web form. The Cincinnati Service Desk will log the call into our automated call logging and tracking system. A ticket will then be generated and forwarded to the appropriate Cincinnati Customer Service and Billing (CS&B) support personnel for review. The individual responsible for the task will perform the research and promptly respond to LFUCG, usually within hours of receiving the assignment. Customer Service and Billing will quickly determine if the question needs additional resources while communicating the expected timeframe for resolution to LFUCG.

c. Cincinnati shall provide toll-free access to Service Desk staff from 6:00AM-9:00PM Monday – Friday. Emergency support will be available 24x7x365. Additional details related to support services will be outlined in the BOPP.

d. Cincinnati will abide by the guidelines described below for determining the category and corresponding response for support services items. Ticket priorities range from 1-5 based on the impact of the issue and the urgency to business operations. Based on these two elements, priorities and corresponding resolution times are assigned to each ticket. Priorities and targeted response times are indicated in the table below, subject to change per the agreed upon provisions included in the BOPP.

selections, Cincinnati will provide LFUCG customers the ability to make credit/debit card payments based on a convenience fee model via Cincinnati's third party payment processing vendor and the ability to check account information, including account balance and history information. The IVR solution will be customized to indicate to LFUCG callers that it is an LFUCG IVR.

b. IVR installation and configuration requirements for LFUCG customers shall be provided to LFUCG on a no cost basis. Should LFUCG request special or additional IVR options for the benefit of LFUCG customers at anytime during the term of this Agreement, the cost to LFUCG would be outlined in the BOPP.

c. Cincinnati shall provide to LFUCG standard IVR reports that include number of calls to the IVR, number of calls to Customer Service Representatives, and the number of payments made through the IVR. Cincinnati will also provide additional customized IVR reports by request of LFUCG subject to the additional services language outlined in Section 3.a of this Agreement.

10. LFUCG Call Processing and Reporting.

Cincinnati shall follow the procedures outlined in this Section related to the processing of LFUCG phone calls:

a. LFUCG calls will be received via a published toll-free phone number and routed to a Customer Service Representative (CSR) with an assigned priority to ensure established performance level goals are achieved. LFUCG calls will be identified for the CSR through a 'whisper tone' indicating an LFUCG call arrival. CSRs will represent themselves throughout each call as LFUCG representatives. LFUCG calls will be tracked through the Aspect phone system. Call activity will be tracked on an intraday, real-time basis, enabling management to make adjustments as needed regarding call handling and staffing to meet performance goals. Historical reporting options will also be available to review and evaluate call and staffing data, in line with performance goals.

b. Established Cincinnati Key Performance Indicators (KPI) which support Contact Center objectives are outlined in Exhibit E of this Agreement.

c. Cincinnati shall meet the following monthly Contact Center performance levels to include: less than 3% call abandoned rate; less than 30 seconds average speed of answer (ASA). Cincinnati does not block calls. Additional performance measures will be determined through mutual agreement and outlined further in the final BOPP.

11. Change Control Process.

a. Requests by either party for changes during the implementation project shall be submitted in writing to the Cincinnati Project Manager. Such requests shall include a description of the change, reason for the change, and any information available to assist the project team in determining the impacts of the requested changes. The Cincinnati

year. For the purpose of this Agreement, the term “CPI Index” shall refer to the Consumer Price Index, All Urban Consumers (CPI-U), Cincinnati-Hamilton, OH-KY-IND CMSA (1982-84 = 100) published by the U.S. Department of Labor, Bureau of Labor Statistics. In the event that the CPI Index is no longer published, the parties shall agree on another comparable index in writing with approval of the GCWW Director and LFUCG Commissioner of Finance.

13. Cincinnati Representations to LFUCG

Cincinnati represents to LFUCG in connection with the performance of this Agreement that:

- (a) Payments received by Cincinnati within the municipal limits of Cincinnati for LFUCG pursuant to this Agreement are not “income” that is subject to Cincinnati’s municipal income tax.
- (b) Increases in the cost of expenses of providing this service have been taken into account in arriving at the billing fee rate for this Agreement outlined on the “Fee Schedule” Exhibit A of this Agreement.
- (c) There is no separate or additional or unexpressed “expense” recovery component due from LFUCG in addition to the service fee established by Paragraph 1 of this Agreement.
- (d) To the extent applicable, Cincinnati agrees to fully comply with the Fair Debt Collection Practices Act and any other federal or state laws or regulations applicable to agencies collecting accounts and debts of another and from which Cincinnati is not exempt.
- (e) Cincinnati has and will during the term of this Agreement continue to maintain an adequate number of competent employees to prudently, accurately, politely and efficiently provide the services defined herein to LFUCG.
- (f) Cincinnati has and will during the term of this Agreement continue to comply fully with all applicable state and federal laws and regulations in the performance of this Agreement.
- (g) Cincinnati will perform its duties under this Agreement in a reasonable, prudent, accurate, polite, efficient, and professional manner.
- (h) Cincinnati will maintain accurate and complete records of its efforts and the results of its efforts on behalf of LFUCG.

14. Cincinnati Representations to LFUCG – Receipts/Revenue/Remittance

Cincinnati will remit the receipts it has received for the benefit of LFUCG as detailed in the BOPP. Along with the remittance, Cincinnati will provide LFUCG with an accurate and complete account of those receipts. The BOPP will detail revenue reporting from Cincinnati to LFUCG. The BOPP will also provide for the manner in which receipts from revenue will be used to provide for refunds, returned check collections, and other appropriate adjustments.

15. Relationship of LFUCG to Cincinnati under this Agreement

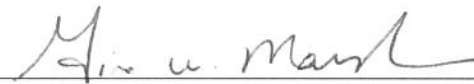
IN WITNESS WHEREOF, the Director of Greater Cincinnati Water Works, as authorized by Section 401-90 (a) of the Cincinnati Municipal Code and the Lexington-Fayette Urban County Government of Lexington, Kentucky, as authorized by _____ have hereto set their hands as of the date first written above.

RECOMMENDED and APPROVED:
CITY OF CINCINNATI:



Biju George, Interim Director
Greater Cincinnati Water Works

APPROVED AS TO FORM:



City of Cincinnati
Assistant City Solicitor

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Jim Gray
Mayor

Exhibit A:

RFP#40-2011: Billing Collection Services – Sewer, Landfill, Water Quality Fees

Exhibit B:

LFUCG Billing Services RFP Response from Greater Cincinnati Water Works
(GSWW Proposal)

EXHIBIT C – FEE SCHEDULE

Total Monthly Per Bill Fee

Year One	\$1.12
Year Two	\$1.10
Year Three	\$0.83
Year Four	\$0.85
Year Five	Optional – Price to be based on increase in CPI Index
Year Six	Optional – Price to be based on increase in CPI Index

The Year One and Year Two Monthly Per Bill Fee includes \$0.27 for start-up costs incurred by Greater Cincinnati Water Works (GCWW).

Based on the provisions outlined in Section 12.d., "Term of Agreement," for optional years five and six, the price per bill will be based on the existing price at the end of that term year of the agreement (year four for the first optional year and year five for the second optional year) adjusted up (if applicable) in accordance with the percentage change, if any, in the "CPI Index" experienced from January 1 through December 31 of the immediately preceding calendar year. The "CPI Index" shall refer to the Consumer Price Index, All Urban Consumers (CPI-U), Cincinnati-Hamilton, OH-KY-IND CMSA (1982-84 = 100) published by the U.S. Department of Labor, Bureau of Labor Statistics. In the event that the "CPI Index" is no longer published, the parties shall agree on another comparable index in writing with the approval of the GCWW Director and the LFUCG Commissioner of Finance.

Modification to the Monthly Per Bill Fee

The Monthly Per Bill Fees outlined above for years one through six are subject to change based on the provisions and events outlined in Section 3, "Cincinnati Fee for Customer Service, Billing and Payment Collection Services," of the attached Agreement.

Print and Mail Services

The provision of bill printing and mailing services, utilizing Greater Cincinnati Water Works print and mail contract, during the first year of the contract, would add an additional \$0.54 to the per bill fee, bringing the Total Monthly Per Bill Fee to \$1.66.

After Year One, the printing and mailing services portion of the Total Monthly Fee would be \$0.54 plus the addition of any postage increases, on a percentage basis, incurred by Greater Cincinnati Water as a result of United State Postal Service postage rate increases. Percentage Basis shall be defined as the percentage increase in the postage rate from the current year to the next year. For example, a postage increase from \$0.44 cents to \$0.46 cents would be a 4.5% increase and therefore, the postage rate portion of the printing and mailing fee would increase by 4.5%. In addition to any postage rate increases, any increases related to the cost of printing and mailing production, such as, but not limited to, cost increases for paper and envelopes, will necessitate an adjustment to the per bill fee for printing and mailing services.