

TOWN OF WESTON, CONNECTICUT

SPECIFICATIONS FOR
THE PURCHASE OF DELINQUENT MUNICIPAL TAX LIENS

1. THE TRANSACTION

The Town intends to sell and assign certain Delinquent Tax Liens (the "Delinquent Liens") to a third party in accordance with the provisions of Connecticut General Statute §12-195h, subject to the **Board of Selectman's** approval and the terms and conditions of this RFP, including the Contract. The amount due to the Town on these liens totals \$406,005.94. The sale will be conducted as a bulk sale transaction with one aggregate bid for all liens.

Standards of Conduct: Town officials, officers and employees, and members of Town elective or appointive boards, commissions and committees, whether temporary or permanent, are subject to standards of conduct and conflict of interest rules — including but not only those rules related to financial interest and personal interest — set forth in the Weston Charter and the Weston Code of Ethics. **Each proposer is responsible for compliance with those provisions, and no proposer may submit a proposal if an award to it would violate these provisions. Any contract made in violation of these provisions shall be voidable by action of the Town.**

2. WITHDRAWAL OF LIENS BY THE TOWN

Prior to Contract execution, the Town may withdraw, for any reason, any Delinquent Lien from the final list of Delinquent Liens to be assigned. For example only, withdrawals will be permitted in the event of payment in full or in part to the Town or in the event of an agreement between the Town and the successful proposer (the "Purchaser") that any lien on the list is legally unenforceable under any local, state or federal law, or it is mutually agreed that the Town for any reason is not lawfully or otherwise entitled to assign such Delinquent Lien. In the event of any withdrawal, the purchase price shall be reduced by the proportion that such lien bears to all liens to be assigned. The final list of Delinquent Liens to be assigned ("Final List") shall be confirmed by the authorized signatures of both parties on the closing date, as set forth in Section 9 of these Specifications, and shall be deemed final and binding. The Final List shall be incorporated into the form of the Assignment of Delinquent Tax or Sewer Use Liens (the "Assignment") attached to the Contract as Exhibit B.

3. PURCHASER'S DUE DILIGENCE

The Purchaser shall be solely responsible for exercising due diligence in evaluating any risk that may be associated with any Delinquent Lien or with any property listed on the Final List.

The Town makes no representations, assurances or warranties as to the title to any property or as to the collectability of any Delinquent Lien or Future Assigned Lien (as defined in Section 6 of these

Specifications) on the Final List. However, in the event that a court of competent jurisdiction determines, by a final, non-appealable judgment, that any Delinquent Lien or Future Assigned Lien (as defined in Section 6 of these Specifications) for any property on the Final List is unenforceable due to the Town's negligence or error, the Town agrees to refund to the Purchaser that portion of the purchase price allocated to that lien, without interest.

4. ADMINISTRATION ACCOUNTS

The Purchaser shall collect and process all accounts at its sole cost and expense. Such processing shall include the prompt recording, at the Purchaser's sole cost and expense, of the Assignment on the Weston Land Records. The Purchaser shall be responsible for all collection and enforcement efforts with respect to all liens on the Final List, including all lawful collection procedures and, as the Purchaser deems appropriate, lawful foreclosure proceedings.

The Purchaser shall not institute an action to foreclose any lien on the Final List for a period of one (1) year from the date the Assignment is recorded on the Weston Land Records; this prohibition does not apply to Future Assigned Liens (as defined in Section 6 of these Specifications).

The Purchaser shall provide the Town's Collector of Revenue with a monthly report, listing all accounts on the Final List and the status of the collection efforts for each account.

5. FURTHER ASSIGNMENT OF DELINQUENT AND FUTURE ASSIGNED LIENS

The Purchaser shall not, without the Town's prior written authorization, further assign, sell or convey in any manner any of its interest in the Delinquent Liens or the Future Assigned Lines (as defined in Section 6 of these Specifications).

6. PURCHASE OF FUTURE ASSIGNED LIENS

Until such time as the Delinquent Liens and any Future Assigned Liens (as defined below) have been paid in full, the Purchaser must also purchase all future liens on the 2012 and subsequent Grand Lists for properties on the Final List ("Future Assigned Liens"). The assignment of these Future Assigned Liens shall be done in the same manner as set forth in this RFP and shall be subject to all requirements of law existing at the time of purchase. Assignment and payment for each Future Assigned Lien is to be made within forty-eight (48) calendar days after the date of the Town's filing of the lien continuation certificate. Payment for each Future Assigned Lien is to be made at full value (without any premium), including the full amount of total tax and interest due as of the date of payment.

The terms of this RFP and all subsequent agreements between the Purchaser and the Town shall also apply to the sale of Future Assigned Liens.

Certificates Continuing Tax Liens on the Grand Lists of October 1, 2012 will be filed on June 17, 2013.

In the event a Future Assigned Lien is not purchased as required, the Purchaser agrees to each of the following conditions:

- (a) such Future Assigned Lien retained by the Town shall have priority over all prior Delinquent Liens assigned to the Purchaser with respect to such property;
- (b) the Town shall retain the right to enforce any such Future Assigned Lien in any manner provided by law, including tax sale under Conn. Gen. Stat. § 12-157 or assignment under Connecticut General Statute §12-195h; and
- (c) its receipt of any payment of Delinquent Liens must be paid over first to the Town in satisfaction of any such Future Assigned Liens retained by the Town, until such retained Future Assigned Liens are paid in full and their continuing certificates are released.

7. **PROPOSAL REQUIREMENTS**

Each proposal shall describe in detail the proposer's proposal for the purchase of all of the Delinquent Liens on all of the properties on the Final List, as one single transaction. Each proposal shall specify the dollar amount offered as the aggregate purchase price for the liens on the properties.

All of the Delinquent Liens on the Final List must be included in the proposal. **A proposer cannot submit an offer for an individual parcel on the Final List, nor for individual liens separately, nor for selected liens only on a subject property (e.g., for particular years only).**

Each proposal shall be signed by an authorized agent of the proposer and include the name, title and telephone number of the person to whom the Town may direct questions concerning the proposal.

Each proposal must contain, at a minimum, the following information and documents:

- (a) A letter of transmittal setting forth the proposal's specific terms, including the information requested in this Section 7;
- (b) The proposer's qualifications, including but not limited to: the number of years in the municipal lien servicing business; the total number of its employees; a listing of the states in which it currently conducts that business; the total number of Connecticut municipalities in which it currently conducts that business; the total number of liens it currently manages; and the redemption value of its lien assets;
- (c) The qualifications of the proposer's staff members who will be responsible for the management of the Town account, and an acknowledgement that the Town shall be notified prior to the change or replacement of any staff member involved in the management of the Town account. Such notification shall include the name of the proposed new staff member and a statement of his/her qualifications;
- (d) The full names and residence addresses of the Purchaser's principals;
- (e) A list of all similar engagements with other Connecticut municipalities entered into over the past five (5) years, with references, including names, telephone numbers and email addresses of the principal contact;

- (f) Information/documentation concerning the scope of the Purchaser's administrative support in place to facilitate the collection, execution, payment, accounting, allocation, distribution, release and recording of release of Delinquent Liens and Future Assigned Liens;
- (g) A proposed format of the monthly collection status report required to be furnished to the Collector of Revenue under Section 4 of these Specifications;
- (h) The completed Proposal Form that is a part of this RFP. The Town expects the minimum proposal price will be the full amount of taxes, interest and other additional fees due the Town for the Delinquent Liens on the Final List.

A proposer's failure to disclose in its Proposal Form any exceptions to, or modifications or clarifications of, this RFP shall be deemed to be its acceptance of each and every requirement, term, provision and condition of this RFP, including the Contract;

- (i) The completed Proposer's Legal Status Disclosure Form;
- (j) The completed Proposer's Certification Form Concerning Equal Employment Opportunities and Affirmative Action Policy; and
- (k) The completed Proposer's Non Collusion Affidavit Form.

8. AWARD CRITERIA; PRELIMINARY NOTICE OF AWARD

All proposals will be publicly opened and read aloud as received on the date, at the time, and at the place identified in this RFP. Proposers may be present at the opening. The Town may, in its sole discretion, post the proposal prices on its website, www.westonct.gov, under "Bids & RFPs."

The Town reserves the right to correct, after proposer verification, any mistake in a proposal that is a clerical error, such as a price extension or decimal point error. In the event of a discrepancy between the price quoted in words and in figures, the words shall control.

The Town expects to conduct interviews of some, but not all, proposers.

The Town reserves the rights to accept all or any part of a proposal, reject all proposals, and waive any informalities or non-material deficiencies in a proposal.

The Town will accept the proposal that, all things considered, the Town determines is in its best interests. Although price will be an important factor, it will not be the only basis for award. Due consideration may also be given to a proposer's experience, reputation, history and qualifications, references, service, ability to respond promptly to requests, past performance, and other criteria relevant to the Town's interests, including compliance with the procedural requirements stated in this RFP.

The Town will not award the contract to any business that or person who is in arrears or in default to the Town with regard to any tax, debt, contract, security or any other obligation.

The Town will select the proposal that it deems to be in the Town's best interest and issue a Preliminary Notice of Award. The award may be subject to further discussions with the proposer and such other terms as the Town in its sole discretion deems to be in its best interests. **The making of a preliminary award to a proposer does not provide the proposer with any rights and does not impose upon the Town any obligations. The Town is free to withdraw a preliminary award at any time and for any reason. A proposer has rights, and the Town has obligations, only if and when a Contract is executed by the Town and the Purchaser.**

9. **CONTRACT EXECUTION/CLOSING**

Within seven (7) calendar days after the date of the Preliminary Notice of Award, unless extended by the Town, the Purchaser and the Town shall execute the Contract. If the Purchaser does not execute the Contract within that time frame, the Town may call the proposal security provided by the Purchaser and may enter into discussions with another proposer.

No later than 2:00 PM local time on November 30, 2012, **time being of the essence**, there shall be a closing between the Town and the Purchaser. At the closing, (1) the Purchaser shall pay the Town the purchase price for the Delinquent Liens on the Final List as adjusted in accordance with Section 2 of these Specifications and as adjusted by the payment of any liens prior to closing, minus the proposal (bid) security retained by the Town; and (2) the Town shall provide the Purchaser with the executed Assignment in the form attached to the Contract as Exhibit B.

The Purchaser shall make its payment as described by: (a) tender of a certified or immediately negotiable cashier's check drawn upon a solvent bank or trust company payable to the order of the "Collector of Revenue, Town of Weston"; (b) wire funds to an account specified by the Tax Collector; or (c) such other form of payment that is acceptable to the Tax Collector.

END OF SPECIFICATIONS