June 9, 2004

Commissioners Court Administration Building
Houston, Texas 77002

SUBJECT: Recommendation that a policy statement be adopted concerning review of tax payments before contracting with personal and professional services providers

Dear Court Members:

Recommendation that a policy statement be adopted concerning review of tax payments before contracting with personal and professional service providers. This policy will insure that the County, the Harris County Flood Control District, and the Harris County Hospital District take into account whether a prospective professional or personal service provider is delinquent in taxes owed to governmental entities and the circumstances of such delinquency in determining the provider's demonstrated competence and qualifications.

It is recommended this policy take effect July 1, 2004. The County Attorney has reviewed this policy.

Sincerely,

[Signature]

Arthur L. Storey, Jr., P.E.
Executive Director

Attachment
cc: Paul Bettencourt
    John Barnhill
    Mike Yancey
PROCESS FOR VERIFYING COMPLIANCE WITH POLICY

1. The contract administrator shall request the firm/individual to complete and return a "Residence Certification/Tax Form" as promulgated by the County Engineer and approved by the County Purchasing Agent and County Tax Collector. This process is to be completed prior to receiving authorization to negotiate, if such authorization is required.

2. The contract administrator shall then complete their section on the form and forward it to the Harris County Tax Office.

3. The Harris County Tax Office will verify the accounts and determine if the service provider has included all account numbers. The Harris County Tax Office will promptly return the form to the appropriate contract administrator indicating the tax status of each account. If a delinquent tax account is discovered, any recommendation to the applicable governing body that a contract be awarded to such vendor should be accompanied by an explanation as to why that vendor is the most competent and qualified despite such delinquency.
STATEMENT OF POLICY

In evaluating a proposed contract for personal or professional services with Harris County, the Harris County Flood Control District or Harris County Hospital District, the entity proposing to enter into such a contract with a vendor must seek to determine the demonstrated competence and qualifications of such person or firm to successfully perform services on behalf of the entity.

Among the elements to be taken into consideration in determining the ability of a proposed vendor to successfully perform under a personal or professional services contract with a Harris County, the Harris County Flood Control District or Harris County Hospital District are such factors as the financial solvency of such person or firm, including any history of any unpaid debts or judgments, the past history of the proposed vendor with respect to performance under other contracts it has had.

A prospective vendor is required to disclose any past history it may have of indebtedness or failure to perform under previous contracts that may adversely reflect on its ability to perform under a proposed personal or professional services contract. A Residence Certification / Tax Form, which will be required by order of the Harris County Commissioners Court, is part of the effort to ascertain whether a person or firm seeking to do business under contract with Harris County, the Harris County Flood Control District or Harris County Hospital District, is financially solvent and likely to be willing and able to successfully perform under the contract. This form will be considered along
with other materials reflecting on a proposed vendor's financial solvency, judgment and debt history, and performance history under other contracts. A Residence Certification / Tax Form must be completed before a personal or professional services agreement will be awarded by Harris County, Harris County Flood Control District or Harris County Hospital District. Failure to provide such Statement, or truthfully to answer the questions and provide the information requested therein will provide a sufficient basis for the awarding entity to reject a proposed personal or professional services contract with any person or firm failing to comply.