

Addendum No. 1 to RFP #23-01



CITY OF SOMERVILLE, MASSACHUSETTS
Department of Procurement and Contracting Services
KATJANA BALLANTYNE
MAYOR

To: All Parties on Record with the City of Somerville as Holding RFP #23-01
Nonprofit Support Program

From: Jordan T. Remy

Date: 10/26/2022

Re: Extension of Deadlines

Addendum No. 1 to RFP #23-01

Please acknowledge receipt of this Addendum by signing below and including this form in your proposal package. Failure to do so may subject the proposer to disqualification.

NAME OF COMPANY / INDIVIDUAL: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

TELEPHONE/FAX/EMAIL: _____

SIGNATURE OF AUTHORIZED INDIVIDUAL: _____

ACKNOWLEDGEMENT OF ADDENDA:

Addendum #1 _____ **#2** _____ **#3** _____ **#4** _____

Addendum No. 1 to RFP #23-01

Addition of Escrow Account Contract

The City of Somerville hereby incorporates the attachment as part of the RFP solicitation. The attachment adds contractual language regarding how program funds will be transferred from the City to the selected vendor.

ESCROW AGREEMENT

This Escrow Agreement (the “Agreement”) entered into by and among _____, a Massachusetts corporation (“Vendor”) and the City of Somerville, a Massachusetts municipal corporation (the “City”) effective upon the date of execution by the City and the Vendor set forth below and entered into pursuant to the contract for vendor services between the City and the Vendor pursuant to the City’s RFP Number 23-01 and in relation to the Nonprofit Support Program (the “Contract”), of which this Agreement is an integrated part, as follows:

WHEREAS the City is the recipient of Federal funding through the American Rescue Plan Act’s State and Local Fiscal Recovery Fund; and

WHEREAS the City has elected to use a portion of such funds for the purpose of providing grants and aid to nonprofits impacted by the COVID-19 pandemic (the “Grant Program”); and

WHEREAS the City has procured the services of the Vendor for the purpose of administering and processing payments for the Grant Program, and Vendor has agreed to provide such services pursuant to the terms of the Contract; and

WHEREAS the City and Vendor have agreed that the City shall transfer all funds available for the Grant Program, except for funds available for payment of the Vendor’s Services under the Contract, to the Vendor in advance, and the Vendor shall hold such funds in escrow pursuant to the terms of this Agreement until such time as distribution can be made to eligible Grant Program recipients pursuant to the terms of the Contract, including, without limitation, Appendix A (Scope of Work) thereto.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Vendor hereby agree as follows:

1. Vendor Services. The Vendor shall provide the grant administration and payment processing services set forth in Appendix A (Scope of Work) to the Contract (the “Vendor Services”), and the City shall pay the Vendor for these services consistent with the terms and conditions provided for in the Contract, including, without limitation, the procedures set forth in Appendix B (Cost Details), in an amount not to exceed \$ _____. In addition to the requirements set forth in Appendix B to the Contract, invoices shall include the approved applications for all distributions of escrow funds covered by this Agreement made during the period covered by the invoice. A copy of each invoice with supporting documentation shall be submitted to the Project Manager identified on the first page of the Contract and arpa@somervillema.gov.

The City reserves the right to withhold any payments due for invoices submitted for Vendor Services in the event that the Vendor breaches the terms of the Contract, including, but not limited to, distribution of funds to ineligible persons or entities, as set forth for in Appendix A, or the failure to include all of the information and documentation set forth in this Section 1.

2. Escrow Account. The Vendor shall create and maintain during the term of the Contract an escrow account for the receipt and maintenance of funds to be distributed by the Vendor to the program participants contemplated by the Contract (the “Escrow Funds”) and pursuant to the terms of Appendix A (Scope of Work) (the “Escrow Account”). The Escrow Funds shall be maintained separate and apart from all payments made by the City for Vendor Services and all other Vendor funds, and the Vendor shall not use Escrow Funds for any administrative costs incurred under the Contract or commingle Escrow Funds with any other funds. The Escrow Account shall be established with a fully insured financial institution prior to the City’s transfer of any Escrow Funds to the Vendor. The Vendor shall provide proof of deposit of the Escrow Funds into the Escrow Account to the Project Manager identified on the first page of the Contract and arpa@somervillema.gov within seven (7) calendar days of the date of the City’s issuance of the Escrow Funds to the Vendor.
3. Escrow Agent. The Town hereby appoints the Vendor as Escrow Agent for the Escrow Account, and the Vendor hereby agrees to serve as Escrow Agent under this Agreement. Upon establishment of the Escrow Account, as set forth in Section 2 of this Agreement, the City shall transfer the Escrow Funds directly into the Escrow Account. Vendor agrees to hold in escrow, release and otherwise deal with the Escrow Funds in strict conformity with the terms and provisions of this Agreement and the Contract, including without limitation, the General Conditions set forth therein and Appendix A (Scope of Work) thereto. The Escrow Funds shall be released and distributed from the Escrow Account to eligible Grant Program recipients in strict conformity with Appendix A of the Contract and all other terms thereof.

The Vendor, as Escrow Agent, shall transmit to the City Escrow Account statements with each invoice submitted to the City under Section 1 of this Agreement. The Vendor shall keep records of the Escrow Account in a manner consistent with reasonable accounting standards and practices, and provide the City on a quarterly basis, or upon reasonable request, complete Escrow Account distribution reports identifying all Escrow Fund distributions and the remaining funds in the Escrow Account. Such reports shall include, at minimum, the remaining account balance and, for each distribution, (1) the name of the Escrow Funds recipient, (2) the amount of Escrow Funds distributed to the recipient, (3) the eligibility criteria satisfied by the recipient, (4) the supporting documentation relied upon to make an eligibility determination, and (5) the date on which the Escrow Funds were distributed. Upon reasonable request of the City, the Vendor shall provide supporting documentation for such distributions of Escrow Funds, including, but not limited to, the Escrow Fund recipient’s application and supporting documentation, the Vendor award letter, or proof of payment.

4. Recordkeeping. All Vendor records relative to the Contract, Escrow Funds, and conduct of the Vendor as Escrow Agent shall be retained by the Vendor until December 31, 2031, or until the completion of any audit, investigation, regulatory action, or litigation relative to the Contract or the distribution of Escrow Funds, whichever is later. Should the Vendor cease to exist prior to the expiration of the 5-year record retention period, Vendor shall transmit all Contract and Escrow Account documents to the City prior to dissolution. The City, its employees, agents, and representatives shall have the right to inspect all Vendor records relative to this Agreement, the Contract, and the Escrow Account, and the Vendor shall cooperate with the City’s efforts to monitor the Vendor’s performance under the Contract and

inspect Vendor’s records. The provisions of this Section 4 shall survive termination of the Contract or this Agreement.

5. Return of Escrow Funds; Wrongful Distributions. The Vendor shall distribute all Escrow Funds to eligible program participants, as set forth in Appendix A (Scope of Work) of the Contract within the time permitted under the Contract, and shall return all funds not distributed as such to the City. In the event the Vendor fails to fulfill all of its obligations under the terms of the Contract, including, but not limited to, distribution of all Escrow Funds to eligible program participants within the term of the Contract, distribution of Escrow Funds to ineligible recipients, as provided for in Appendix A, or violation of any state or federal law or regulation applicable to the Escrow Funds and/or the American Rescue Plan Act’s State and Local Fiscal Recovery Fund (“SLFRF”), all remaining Escrow Funds shall be returned to the City forthwith by means provided by the City. If any Escrow Funds have been distributed by the Vendor to ineligible persons, as set forth in Appendix A, or in violation of any state or federal law or regulation applicable to the Escrow Funds and/or the SLFRF, due to the negligence, willful misconduct, fraud, misrepresentation, deceptive acts, malfeasance, theft, embezzlement, conversion, or other intentional wrongful act, the Vendor shall reimburse the City for such improperly distributed Escrow Funds. In the event the City is required to take legal action under the Contract to recover Escrow Funds, the Vendor shall pay any and all costs, including reasonable attorneys’ fees, expended for the enforcement of the Contract.
6. General Conditions. The General Conditions set forth in the Contract are hereby incorporated into this Agreement to the same extent as if set forth in full herein.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this ____ day of _____, 2022.

[VENDOR]

CITY OF SOMERVILLE

By:

By: Katjana Ballantyne, Mayor

By: Edward Bean, City Auditor

By: Angela M. Allen, Chief Procurement Officer

Approved as to form:

By: David Shapiro, Acting City Solicitor