



# Maryland Department of Budget & Management

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*Office of the Secretary  
Division of Policy Analysis*

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Deputy Secretary*

**Request for Proposals (RFP)  
CALL CENTER SERVICES # 050R4800165  
Addendum # 8  
April 30, 2004**

Ladies/Gentlemen:

This Addendum is being issued to amend and clarify certain information contained in the above named RFP. All information contained herein is binding on all offerors who respond to this RFP. Specific parts of the RFP have been amended. The following changes/additions are listed below; new language has been double underlined and marked in bold (i.e., **word**) and language deleted has been marked with a ~~strikeout~~ (i.e., ~~worð~~).

- Please delete 1.33 and substitute as follows:

### **1.33 Performance Bond**

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**The successful Offeror must submit a Performance Bond or other suitable securities as identified within COMAR 21.06.07 for the following amounts depending on the functional area proposed. The security must be the period of the contract (including renewal options):**

**Functional Area One General Call Center Services - \$400,000**

**Functional Area Two for Reservations/Cancellations/Credit Card Payment, etc. Services - \$100,000**

**Note: If an Offeror receives an award for both functional areas then security would be required in the total amount of \$500,000.**

**An Offeror may elect to provide an automatically renewable Letter of Credit or other security. The initial Letter of Credit, which shall be effective upon the award of the Contract, and all subsequent Letters of Credit shall automatically renew unless the Department receives written notice of non-renewal from the issuer of the Letter of Credit at least one hundred twenty (120) days before the expiration of the then-effective Letter of Credit. In the event the Department receives a notice of non-renewal, the Contractor must provide the Department with a substitute Letter of Credit for the next Contract year, substantially in the form of RFP Attachment Q, at least ninety (90) days prior to the expiration of the Letter of Credit then in effect. Failure to provide a substitute Letter of Credit shall authorize the Department to draw down the Letter of Credit up to the maximum amount of the Letter of Credit.**

If another form of security is used, the other form of security must be on the same terms: it is effective upon award of the Contract, renews automatically, contains the same provisions regarding failure to renew, notice to the State and provision by the Contractor of substitute security, and authorizes the Department to collect the entire secured amount in the event that a substitute security is not provided to the Department as required. A performance bond that meets these requirements must either authorize the Department to collect the entire secured amount from the surety or require the surety to perform in place of the Contractor for the remaining period of the bond if a renewal is not provided or if a substitute bond is not provided within 120 days of the expiration of the performance bond during the term (including renewal options) of the Contract.

Attachment F is the performance bond form required for this solicitation. Attachment Q is the Letter of Credit form required for this solicitation. In the event that a renewable Letter of Credit in the form required is provided to the State by the Contractor as security for the Contractor's performance, the Contract shall include additional language identified in Attachment P regarding State's rights to draw down the Letter of Credit. If a renewable performance bond, with the same provisions permitting the State to collect against the entire amount of the bond in the event that the Contractor does not provide a replacement bond as required during the Contract term (including renewal options).

Acceptable security shall be as described below, identified within and excerpted from COMAR 21.06.07:

"Acceptable security for bid, performance, and payment bonds is limited to:

(1) A bond in a form satisfactory to the State underwritten by a surety company authorized to do business in this State;

(2) A bank certified check, bank cashier's check, bank treasurer's check, cash, or trust account;

(3) Pledge of securities backed by the full faith and credit of the United States government or bonds issued by the State;

(4) An irrevocable letter of credit in a form satisfactory to the Attorney General and issued by a financial institution approved by the State Treasurer"

The cost of this bond, or other suitable security, is to be included in the total prices proposed and is not to be proposed and will not be recoverable as a separate cost item. The successful Offeror shall deliver the Performance Bond, or other suitable security, to the State within 5 working days after being notified of the proposed contract award.

- Add Attachments P & Q :

## **ATTACHMENT P**

\_\_\_\_. Letter of Credit .

\_\_\_\_.1 The Contractor agrees that it shall maintain a Letter of Credit, as provided herein, throughout the Contract Term and one year thereafter.

\_\_\_\_.2 The initial Letter of Credit, which shall be effective on \_\_\_\_\_, 2004, shall automatically renew unless the Department receives written notice of non-renewal from the issuer of the current Letter of Credit at least one hundred twenty (120) days before the expiration of the current Letter of Credit. In the event the Department receives a notice of non-renewal, the Contractor must provide the Department with a substitute Letter of Credit for the next Contract year, substantially in the form of RFP Attachment \_\_\_\_ at least one-hundred (100) days prior to the expiration of the Letter of Credit then in effect. If the Contractor fails to provide a substitute Letter of Credit for the next Contract year, substantially in the form of RFP Attachment \_\_\_\_\_, then the State may draw down the Letter of Credit as provided in this Section \_\_\_\_.

\_\_\_3 The initial Letter of Credit, any renewal thereof, and any substitute Letter of Credit shall be issued by a financial institution the long-term debt of which is rated Aa or better by Moody's, AA or better by Standard & Poor's, or other comparable ratings if the indicated ratings are no longer in use. Any substitute Letter of Credit shall be subject to the approval of the Department, which approval shall not be unreasonably withheld.

\_\_\_4 The initial Letter of Credit shall be in the amount of \$ \_\_\_\_\_  
[100,000/400,000/500,000].

\_\_\_5 The State shall have the right to draw upon the Letter of Credit in one or more drawings upon the following events: (A) the Contractor has failed to perform or is in default with respect to its obligations under this Contract, the State has provided the Contractor with notice of the default in performance and its intention to draw under the Letter of Credit; and the Contractor has failed to cure the default or reach an agreement with the State regarding the default within 10 business days from the date of the Contractor's receipt of the notice regarding the default unless such default occurs within the last 10 business days of the term of the Letter of Credit in which case there will be no cure period; or (B) the Letter of Credit is not renewed and a substitute Letter of Credit is not provided to the State as required under section \_\_.2. The State may draw upon the Letter of Credit as often as any of the foregoing events occur. For purposes of this provision, notices shall be sent by certified mail return receipt requested or overnight delivery to the Contractor at the address provided in Section \_\_ (Administrative Provisions) of this Contract.

\_\_\_6 If the events described in section \_\_.5 occur, the State may draw upon the Letter of Credit as follows. If the events described in \_\_.5 (A) occur, the State may only draw upon the Letter of Credit to the extent of the default by the Contractor. If the events described in \_\_.5 (B) occur, the State may draw down the Letter of Credit up to the maximum amount of the Letter of Credit, provided, however, that any funds not used to pay damages to the State in the event any damages are due and to procure substitute performance for the remainder of the Contract year(s) in which the Letter of Credit was in effect shall be refunded to the Contractor within one hundred twenty (120) days of the termination date of the Contract.

**ATTACHMENT Q**

Bank of XXXXXXXX

**UNCONDITIONAL IRREVOCABLE RENEWABLE  
LETTER OF CREDIT**

State of Maryland  
Maryland Department of Budget and Management  
45 Calvert Street  
Annapolis, Maryland 21401

Letter of Credit No.:xxxxxxx  
Date: xxxxxxxxxxxxxxxxxxxxx

Ladies and Gentlemen:

At the request of \_\_\_\_\_(the "Borrower") we hereby establish this Unconditional Irrevocable Letter of Credit in favor of the State of Maryland (the "Beneficiary") authorizing you to draw on us by one or more sight drafts in an aggregate amount not exceeding amount set forth below.

1. Credit Amount. The credit available under this Letter of Credit is U.S. \$400,000(the "Maximum Credit").

2. Expiration and Automatic Renewal. This Letter of Credit automatically shall expire at the close of business on the first Business Day on or after xxxxxxxxxxxxxxxxxxxx(the "Expiration Date"); provided, however, this Letter of Credit shall be renewed automatically on the Expiration Date and on such date annually thereafter for a period of 4 years thereafter (the "Annual Renewal Date") unless at least 120 days prior to the Expiration Date or any Annual Renewal Date you receive written notice from us of our election not to renew this Letter of Credit. Any such notice or any other communication to you shall be sent certified mail, return receipt requested, to:

Maryland Department of Budget and  
Management  
45 Calvert Street  
Annapolis, Maryland 21401  
Attention: Secretary of the Department

3. Documents To Be Presented. Funds under this Letter of Credit are available to you upon presentation, in accordance with paragraph 4 hereof, to us of a certificate signed by you substantially in the form of Exhibit A attached hereto, appropriately completed (a "Demand for Payment") and made a part hereof.

4. Method and Notice of Presentment. A Demand for Payment may be delivered to us in person, by mail, by an express delivery service or by telecopy. A Demand for Payment shall be presented during our business hours on any Business Day prior to the expiration of this Letter of Credit at our office at 10 Light Street, Baltimore, Maryland. A Demand for Payment shall be deemed to have been presented on the date actually received by us. "Business Day" means any day other than a Saturday, Sunday or legal holiday on which banking institutions in Maryland are authorized or required by law to close.

5. Time and Method for Payment. Notwithstanding any provisions to the contrary in the Uniform Commercial Code or the Uniform Customs and Practices for Documentary Credits, if a Demand for Payment is made by you at or prior to 11:00 A.M. on a Business Day, and provided that such Demand for Payment is accompanied by the certificate specified in paragraph 3 hereof, payment shall be made to you of the amount demanded on or before 3:00 P.M. on the same Business Day; if any demand for payment is made by you after 11:00 A.M., such demand shall be deemed to have been received prior to 11:00 A.M. on the next Business Day.

Payments made in accordance with this paragraph 5 shall be made with the Bank's own funds in immediately available funds by federal reserve wire transfer unless the Beneficiary agrees to accept payment by cashier's check.

Multiple drawings may be made under this Letter of Credit; provided, however, that each drawing which is honored by us shall reduce the amount available to be drawn under this Letter of Credit.

6. Irrevocability. This Letter of Credit is irrevocable.
7. Governing Law. This Letter of Credit shall be governed by the laws of the State of Maryland.
8. Complete Agreement. This Letter of Credit sets forth in full the terms of our undertaking, and this undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein or in which this Letter of Credit is referred to or to which this Letter of Credit relates, except for the exhibits attached hereto and made a part hereof, and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such exhibits or any amendment to which you consent.

We hereby confirm to you that a demand for payment presented in compliance with the terms and conditions of this Letter of Credit will be honored on sight in accordance with the provisions of this Letter of Credit.

Very truly yours,

Bank of XXXXXXXXXXXX

By: \_\_\_\_\_  
Title:

\_\_\_\_\_

Should you require clarification of the information provided in this addendum, please contact me at (410) 260-7678 as soon as possible.

By \_\_\_\_\_  
Gisela Blades  
Procurement Officer