

ADDENDUM No. 4
RFP 849, Municipal Parking Citation Processing and Collection Services
City of Ann Arbor
Due: Thursday, June 6, 2013 at 11:00 a.m.

The following changes, additions, and/or deletions shall be made to the Request for Proposal for Municipal Parking Citation Processing and Collection Services, RFP No. 849, on which proposals will be received on or before **Thursday, June 6, 2013 at 11:00 a.m.**

The information contained herein is to assist potential respondents in the review of the RFP. This Addendum includes 3 pages.

Respondents are directed to take note in its review of the documents of the following questions and City responses as they affect work or details in other areas not specifically referenced here.

Questions and Answers

The following Questions were received by the City. Responses are being provided in accordance with the terms of the RFP. Additional Q&A may be issued on questions submitted prior to the questions and clarifications deadline of Thursday, May 23, 2013 at 5:00pm.

1. Concerning connectivity allowing handhelds to instantly upload issued citations. Will the City pay for the wireless internet access separately, or should this be included as part of the cost proposal?
 - a. **The City currently pays for this connectivity separately. We are looking to continue that arrangement unless it is otherwise provided for.**
2. Please describe how University issued citations are transferred to Complus.
 - a. **Files are uploaded throughout the day via FTP with Complus.**
3. How/Why are University tickets marked as paid in processing system?
 - a. **Through our arrangement with the University, citations issued on license plates registered to the University of Michigan are deducted from citation revenue owed to the University. The current vendor does this by programmatically marking the citations as paid for the original fine amount and generating a monthly report to the City.**
4. Can the contractor set the fee per citation?
 - a. **This question had to do specifically with the convenience fee charged when customers pay online. The current convenience fee charged is \$3.50 per citation. The contractor can set this fee and we currently do not have authority over the amount of the fee. We will evaluate the proposed fee to be charged when we review proposals.**
5. Is there a preference as to how it's presented?
 - a. **This question had to do specifically with the cost proposal. Our current contract is paid on a 'per citation issued' basis. This would be our preference but we will work with other cost proposals if necessary.**
6. Does the contractor staff a local office with local personnel?

- a. No. The call and payment processing center with our current vendor is in Tarrytown, NY.
7. For the purposes of suspending or placing holds on driver licenses and vehicle registrations, does that interface go through the 15th District Court?
 - a. Complus does manage our DMV and Secretary of State's interfaces with the various states. If we were to place such a hold/suspension on driver's licenses within the State of Michigan, these records would have to be processed through the 15th District Court. We do not currently place holds on driver's licenses but may pursue that in the future. The Court was invited to be part of this RFP selection process but stated they will use whichever product is selected by the City.
8. Why don't you do placements for secondary collections after tickets life cycle?
 - a. This question had to do with assigning aged or uncollected parking citations to a collection agency. We have never considered it.
9. Does the Secretary of State charge for look ups?
 - a. We are not charged.
10. What is the current internet gateway?
 - a. This question had to do with the gateway we used for processing online payments. We use Complus' proprietary system.
11. Is the contractor responsible for issuing refunds?
 - a. No, The City will issue refunds associated with parking citations.
12. Is it the vision for the University to use the same handhelds or just continue to dump the data?
 - a. The University has committed to being a part of our RFP selection process. They will be reviewing the proposed handheld options of the respondents and plan to upgrade their handhelds provided they believe they provide additional functionality and reliability when compared to their current mobile devices.
13. What mobile devices are currently in use with the University?
 - a. Autocite.
14. What is the cost of looking up out of state plates? Is it included in the cost per ticket or is there an additional charge to the City?
 - a. We currently do not have any additional costs for looking up out of state plates. Our preference is that it is included in the cost per ticket issued proposal.
15. For University Citations, does the University withhold transcripts for outstanding violations? Have they considered it?
 - a. No they do not place holds. Yes, they have considered it.
16. Can there be two proposals for price per ticket and another?
 - a. The RFP does allow for alternative pricing proposals where services may differ.
17. Is the IVR system the contractor's or the City's?
 - a. Currently Complus. We would like to be able to restrict the type of citation that may be paid over the phone. Specifically, we would like to prevent customers who have been towed from paying over the phone since they need to provide proof of payment to recover their vehicle at the tow yard.
18. How do we handle if someone disputes a charge on the credit card they use on the street prior to being towed?

- a. To the best of our knowledge, this hasn't happened here. We anticipate we would reverse the payments on the associated citations, send correspondence to the customer giving them one week to pay prior to becoming tow eligible again.
19. There is a section where fee paid discusses sales tax, would the contractor have to pay sales tax on tickets collected?
- a. No, not at this time.
20. How is the 88% collection rate calculated?
- a. This was an estimated calculation done based on revenue.
 - b. As a follow up, we had our current vendor provide an updated calculation and a description of the collection rate. The rate we track is actually the closure rate. The closure rate is defined as (tickets paid+ tickets dismissed+tickets voided)/ tickets issued. For tickets issued in the calendar year 2011, we have closed 93% of those citations through May 20th, 2013. For tickets issued in the calendar year 2012, we have closed 92% of those citations through May 20th, 2013.
21. How would you like professional qualifications listed in the proposal?
- a. Professional Qualifications and References are listed in two separate locations: Once as Section A to the overall proposal and again as part of the technical proposal. Please follow the format of the technical proposal. A separate addendum to correct this page of the RFP will be issued.
22. Please confirm DPT model, age, and number of meters installed.
- a. The City's parking spaces and garages are managed by our Downtown Development Authority (DDA). We have 37 Luke Radius machines purchased in 2009. We purchased an additional 38 Luke Radius machines in 2010. We also purchased 3 Luke II machines in 2012.
23. Does the City plan to add, replace, or upgrade meters during the term of the agreement?
- a. The DDA would like to add more Digital Luke Stations in the next five years, but do not have the necessary funding for that yet.
24. Are there any other makes or models of meters in use in the City or at the University?
- a. The DDA has 1,583 Duncan Double Eagle II single space meters purchased in 2002. The University has their own e-park system but there is no wireless connectivity to those stations nor is that functionality to be added as part of this contract/proposal.
25. **RFP Language:** Process on-street credit card payments from customers eligible for towing. **Question:** How many payments are made this way now, or does the City now anticipate during the term of the contract?
- a. In the last 12 months, there were approximately 850 payments received via on-street credit card payments. We do not anticipate this number declining as it is an effective method of collection and is preferable for a customer who would otherwise have their vehicle impounded. This method of payment is only utilized if the impoundment of a vehicle is imminent.
26. **RFP Language:** A minimum of 23 functioning units must be onsite for use at all times. - 13 for Community Standards Officers and 10 for University Staff. **Question:** Please confirm that handhelds will be housed at only two different locations and the addresses of the locations. Does the total number of units, 23, include spares? If the total does not include spares, how many are required?

- a. Mobile devices provided to the University would be housed at the University of Michigan Police Department. Devices provided to the City would be housed with AAPD Community Standards division. The addresses for these locations are listed on the top of Page 14 of the RFP. The total number of units would include 3 spares for the City and 3 for the University based on current staffing levels.
27. **RFP Language:** Provide a system to capture issued citations from the University of Michigan's choice of mobile devices and import into citation processing system on a daily basis. **Question:** Please confirm that Contractor will be required to supply only one type of handheld solution to both the City and the University.
- a. If the University approves of the mobile devices proposed by the successful respondent, the contractor will provide one solution for both the City and the University. Otherwise, the contractor will be required to provide a means to capture issued citations from the University's current handheld system.
28. **RFP Language:** Citations associated with these plate numbers that remain outstanding are marked as paid at the original amount. **Question:** Please explain why outstanding citations, assuming outstanding means unpaid citations, from the University are marked as paid.
- a. This has to do specifically with citations that are issued on vehicles registered to the University of Michigan. The University will provide the contractor with a list of registered license plates. On a monthly basis, outstanding citations against these license plates are marked paid in the processing system and a report of the citations and dollar amounts is generated. The total amount of citations is deducted from the amount of parking revenue due to the University on a monthly basis.
29. Is the current vendor's handhelds that accept credit card payments today, PCI DSS Level 1 compliant?
- a. The current vendor maintains the merchant accounts associated with the handhelds are responsible for maintaining the required PCI compliance as it relates to the devices.
30. Are fees applied to Non-Sufficient Fund payments?
- a. Yes. This process, including the reversal of the payment and the adding of the fees is done in our Customer Service area.
31. What enforcement means are available other than impoundment?
- a. Impoundment is our primary means of enforcement. The only other enforcement/collection efforts undertaken would be notice generation as listed on Page 24 of the RFP.
32. **RFP Language:** WRIT NOTICE: When a violator has four (4) or more unpaid City and/or U of M citations in default for over twenty-one (21) calendar days a Writ of Execution is issued by the 15th District Court upon application by the City Attorney. Writs are renewed and notices mailed every 45 calendar days. **Question:** Is there a statute of limitations regarding qualifying for a Writ Notice?
- a. None that we are aware of.
33. **RFP Language:** NOTICE OF VEHICLE IMPOUNDMENT: The City shall provide written notice to the owner of any vehicle with six or more unpaid parking tickets, notifying the motorist that there are six or more unpaid tickets charged to the vehicle, and

- that the vehicle may be impounded at any time. **Question:** Is there a statute of limitations regarding qualifying for a Notice of Vehicle Impoundment?
- a. **None that we are aware of.**
34. **RFP Language:** The processing center submits monthly and quarterly requests for registration information to the appropriate states. Responses are electronically entered into the parking citation processing system. **Question:** Does the time line for noticing for Out-of-state violations start the day the DMV information is received (since queries only occur on a monthly or quarterly basis)?
- a. **We currently send notices for all violation on a set schedule. For example, delinquency notices are sent every other Monday. Whenever information is received from the DMV, the notice can be generated on the next scheduled notice date.**
35. **RFP Language:** The City of Ann Arbor has two full time parking referees who respond to contested citations. **Question:** How much time does a defendant have to file a citation appeal?
- a. **Citations may be appealed until that a default judgment has been entered with the District Court for that citation.**
36. **RFP Language:** The recipient of a citation may ask for an informal and/or formal hearing to contest a citation. If a citation is in default status, a motion to set aside the default judgment must be filed upon posting of a bond. **Question:** How much time does a defendant have to file a 15th District Court appeal?
- a. **There is no deadline for filing the appeal with the court.**
37. **RFP Language:** All vehicles registered to the same leasing company or company fleet are consolidated and the payment processing center takes appropriate actions to collect the fines on all citations related to that company. **Question:** Are leasing companies allowed to submit lessor information in lieu of corporate responsibility (similar process for rental companies)?
- a. **Yes.**
38. **RFP Language:** Parking citations are issued by Parking Enforcement Officers and Police Officers and the University Of Michigan Department Of Public Safety are responsible for parking enforcement on their respective properties. **Question:** Since parking citations are issued in both the City and on the UM campus, are there different processing rules and collections sanctions (i.e. such as transcript holds etc.) used for the unique ticket types?
- a. **There is a different set of violations for City and University citations with different fine schedules. The University does not impose collection sanctions such as transcript holds on their faculty, staff, and students.**
39. Does the City's current contractor staff a local office in Ann Arbor?
- a. **No.**
40. How much does this postage cost annually?
- a. **Not sure what postage this question refers to. All costs of noticing including postage are incurred by the current vendor. Vendor also supplies overnight envelopes for transferring drop box payments to the processing center.**
41. How many written citations are issued annually?
- a. **Approximately 900-1000.**

42. Does the City use any type of pay-by-cell phone service at the parking meters? Would the City be interested in implementing such a service?
- a. City metered spaces are managed by the DDA who currently utilizes Verrus for pay by phone at e-park stations. The traditional, single head meters are coin payment only.
43. Can the City be more specific about the number of point-of-sale cashiering work stations required and at what locations?
- a. Our desired configuration would be that point of sale cashiering stations would be software/hardware (receipt printer) that could be installed on existing computers located at these workstations. We need 5 collection stations in our Customer Service area in City Hall and 2 collection stations in our Police Department which is located next door in the Justice Center.
44. Which bank does the City deposit parking funds into?
- a. JPMorgan Chase Bank.
45. Please clarify the vehicle impoundment and release process – in one instance it sounds as if the Police Department accepts payment for parking citations and tow fees. Is this an accurate understanding?
- a. Customers whose vehicles have been towed typically contact either the police department or dispatch where they are notified their vehicle was towed and what they must do to recover their vehicle. The police department will notify them of the citations that need to be paid. The customer can pay these citations in person at the police department or Customer Service during open hours. They may also elect to pay the citations online or by phone. Once the citations are paid, they are instructed to go to the towing company in possession of their vehicle. The towing company verifies they are authorized to release the vehicle and collects a towing fee, plus their storage fees, from the customer prior to release.
46. Are POS cashiering work stations required at the Police Department? If payments are taken by the Police Department using a different system, how are the payment transactions sent to the citation processing system?
- a. Yes, they are required. No they will not use a different system. Payments accepted by front line staff are entering by command staff into the citation processing system then verified by Police Records staff responsible for balancing cash receipts.
47. Please clarify who pays overnight postage for items that are sent to/from the current contractors processing center (i.e., new handwritten tickets, drop box payments, mail-in appeals, etc.)?
- a. The current contractor.
48. How many records are on the current system with no name and address?
- a. We do not track this information.
49. Current 24 month collection rate (i.e. what percentage of tickets issued in a month were paid within 24 months)
- a. We do not currently track the 24 month collection rate. Please see #20 above for the overall closure rate.
50. Current 24 month closure rate (i.e. what percentage of tickets issued in a month were closed (paid or otherwise resolved within 24 months)

a. Please see #20 for the overall closure rate.

51. What is the current citation fee schedule including any add-on charges and timelines?

a. City

C O D E	V I O L A T I O N	I F P A Y M T R E C D B Y E N D N E X T B U S. D A Y	F I N E	A F T E R 1 4 D A Y S	A F T E R 3 0 D A Y S
1	EXPIRED METER	10.00	20.00	40.00	60.00
2	PARKED OVER LEGAL LIMIT	25.00	35.00	55.00	75.00
4	NO PARKING ANY TIME	25.00	35.00	55.00	75.00
6	NO PARKING M TO M	25.00	35.00	55.00	75.00
7	NO STOPPING OR STANDING	25.00	35.00	55.00	75.00
8	LOADING ZONE	35.00	45.00	65.00	85.00
9	BUS STOP	25.00	35.00	55.00	75.00
10	TAXI STAND	25.00	35.00	55.00	75.00
11	NO PARKING FOOTBALL DAYS 8 A.M. TO 8 P.M.	25.00	35.00	55.00	75.00
12	LAWN EXTENSION	25.00	35.00	55.00	75.00
13	AHEAD OF SET BACK LINE	25.00	35.00	55.00	75.00
14	DOUBLE PARKING	40.00	50.00	70.00	90.00
15	WITHIN 15 FT. OF FIRE HYDRANT	40.00	50.00	70.00	90.00
16	PARKED ON WALK	40.00	50.00	70.00	90.00
17	LEFT TO CURB	40.00	50.00	70.00	90.00
19	NO PERMIT CITY LOTS	25.00	35.00	55.00	75.00
20	BLOCKING DRIVEWAY	25.00	35.00	55.00	75.00
21	BLOCKING CROSSWALK	25.00	35.00	55.00	75.00
22	BLOCKING ALLEY	25.00	35.00	55.00	75.00
23	BLOCKING TRAFFIC	40.00	50.00	70.00	90.00
24	BACKED INTO STALL	25.00	35.00	55.00	75.00
25	ABANDONED VEHICLE	40.00	50.00	70.00	90.00
26	NO PARKING STREET MAINT. 7:00 A.M. TO 3:30 P.M.	40.00	50.00	70.00	90.00
27	HANDICAPPED	115.00	125.00	145.00	165.00
28	OVER 12 INCHES FROM CURB	25.00	35.00	55.00	75.00
29	OTHER	25.00	35.00	55.00	75.00
31	IMPROPER PARKING	25.00	35.00	55.00	75.00
32	MOTORCYCLES ONLY	25.00	35.00	55.00	75.00
34	PARKING UPON OR ACROSS LINE	25.00	35.00	55.00	75.00
37	NO PARKING FIRE LANE	40.00	50.00	70.00	90.00
41	PRIVATE PROPERTY PARKING	25.00	35.00	55.00	75.00
42	NO PARKING IN DRIVEWAY	25.00	35.00	55.00	75.00
43	SNOW REMOVAL	115.00	125.00	145.00	165.00
44	ODD/EVEN PARKING	115.00	125.00	145.00	165.00

b. University

4M
Beginning January 1, 1997, the following rates will be in effect:

Corresponding #s on U of M web site

Violation	In Person within 1 hour	Within 14 Days	After 14 Days
M-01- Expired Meter	6.00	10.00	15.00
M-02- Parked over 48-hour legal limit		20.00	25.00
M-03- No parking here to corner		20.00	25.00
M-04- No parking any time		20.00	25.00
		20.00	25.00
M-07- No stopping or standing		20.00	25.00
M-08- Loading zone		20.00	25.00
M-09- Bus stop		20.00	25.00
M-14- Double parking		20.00	25.00
M-15- Withing 15 ft. of fire hydrant		20.00	25.00
M-16- Parked on walk		20.00	25.00
M-17- Left to curb		20.00	25.00
M-20- Blocking driveway		20.00	25.00
M-21- Blocking crosswalk		20.00	25.00
		20.00	25.00
M-27- Handicapped		100.00	100.00
M-28- Over 12 inches from curb		20.00	25.00
M-29- Other		20.00	25.00
M-30- No permits U of M lots		20.00	25.00
M-32- Motorcycles only		20.00	25.00
M-34- Parked upon or across line		20.00	25.00
M-37- No parking - fire lane		25.00	25.00
M-39- U of M vehicles only		20.00	25.00
M-42- No parking in driveway		20.00	25.00
M-43- SNOW REMOVAL			

52. Current volume and dollar value of citations over 15 days from issuance, 90 days from issuance, 180 from issuance, over 1 year from issuance and over 5 years from issuance broken out by issuance year
- There are 2,519 outstanding citations with a total value of 157,210.00 that are 15-90 days from issuance.
 - There are 2,007 outstanding citations with a total value of 149,190.00 that are 91-180 days past issuance.
 - There are 3,390 outstanding citations with a total value of 255,319.00 that are 181-365 days past issuance.
 - There are 29,752 outstanding citations with a total value of 1,567,388.00 that are between 1-4 years past issuance.
 - There are 79,692 outstanding citations with a total value of 2,512,857.00 that are 5 years past issuance.
53. Is credit reporting permitted on delinquent violations?
- We believe it is permitted however it is not something we currently do or wish to pursue at this time.
54. Has outbound calling been performed on the delinquent population and if so by whom?
- No outbound calling has been performed.

55. Please describe the degree of access that enforcement personnel have to RPP permit data. Are they accessing the permit database in real-time from the field or checking plates against a list of valid permits?
- Checking plates against a list of valid permits. The list is loaded on the handheld devices but is not communicating in real time with the database.
56. The RFP requires the mobile devices to automatically assign citation numbers. Does the City and UM use unique sets of citation numbers?
- The do currently but that is likely because the University is using its own handheld devices. As mentioned earlier, the University has a different fine schedule from the City. If these two fine schedules could be established under the same citation number scheme that would be acceptable.
57. Please clarify the contractor's role in processing refunds. Will the contractor be required to actually issue refund checks?
- Refunds will be processed by City Staff, not the contractor with the possible exception of when an online payment might need to be reversed.
58. Are convenience fees charges for each citation paid in a single transaction or by transaction for multiple citations paid in one transaction?
- Currently, it is for each citation paid in a single transaction. This is at the discretion of the vendor. We will be evaluating the proposed convenience fee structure during the selection process.
59. Approximately how many phone calls does the processing center receive each year?
- We do not track this information.
60. Is there a time limitation for how long Writs of Execution are sent? Based on the RFP requirement to renew every 45 days one could receive 8 in a year. With postage prices absorbed by the contractor, this seems to be excessive if there is no response after one or two mailings. Will the City reconsider the business rule?
- Every 45 days, The City updates the Writ of Execution with the court to add eligible plates and citations. This list sent by our current vendor to our Community Standards Staff electronically. Community Standards then works with the City Attorney and District Court to record the updates to the Writ. Our current business practice has been to mail a writ notice to the entire Writ list every 45 days. The City is willing to reconsider this business rule to allow for a minimum of 2 writ notices to all items on the writ list per calendar year.
61. There is a reference to required interfaces to police, court, and financial systems. Can the City provide more specific information about the file formats to be exchanged?
- We believe the section you are referencing is on Page 30, System Description, where it states 'Detailed list of proposed hardware and software necessary to perform all required or appropriate interfaces with City financial records, police records, and court records.' If your proposed solution includes interfaces to existing systems at the City, your proposal should include any hardware or software that would necessary to perform the interface. The main file formats used for interfaces between City systems include .xml and .csv file formats.
62. Why is the contract out to bid at this time?
- The contract with our current vendor is set to expire in November, 2013.

63. Who are the incumbents, and how long have the incumbents been providing the requested services?
- a. **Complus Data Innovations (CDI) has been providing the requested services since 2003.**
64. Has the current contract gone full term? Have all options to extend the current contract been exercised?
- a. **The original contract with CDI went from 2003-2008. At that time, we issued an RFP and CDI was again selected. The contract was for 3 years with the option to extend for an additional 2 year which the City chose to exercise.**
65. What current contingency fees or other fees are currently being billed by any incumbent(s), by category?
- a. **We are unclear what is considered a contingency fee. CDI is currently paid \$2.28 per citation issued for their entire scope of services.**
66. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?
- a. **We do not place accounts or citations with collection agencies. The RFP is soliciting proposals from qualified clients to host a municipal parking citation system for the purposes of enforcement, citation processing, notice generation, and citation payments.**
67. What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?
- a. **The last invoiced amount for March, 2013 was \$25,077.72.**
68. What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement?
- a. **This question is not applicable as this is not the purpose of the RFP. The RFP is soliciting proposals from qualified clients to host a municipal parking citation system for the purposes of enforcement, citation processing, notice generation, and citation payments.**
69. If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up?
- a. **The incumbent is not a debt collection agency. All historical data would be converted to the awarded contractor's system who would continue to provide the services on that data as outlined throughout the RFP.**
70. To what extent will the location of the bidder's call center and/or corporate headquarters have a bearing on any award(s)?
- a. **Location of the bidder's call center or corporate headquarters is not included in the evaluation of respondent's proposals.**
71. **RFP Language:** Accurately record all details surrounding individual payments including, but not limited to Payer Name **Question:** Is the selected vendor required to record the Payer name for all payment transaction including cash and payments made at walk-in facilities?
- a. **The selected vendor would be required to provide a field(s) to capture payer information for payments made at walk-in facilities within the software.**
72. What are the current vendor's fees?
- a. **\$2.28 per citation issued.**

73. Page 11, Payments, what is the current online convenience fee and is it per transaction or per ticket paid?
- a. **The vendor charges \$3.50 per ticket paid online.**
74. Page 11, Payments, what bank does the city require daily deposits to be made to?
- a. **JPMorgan Chase Bank.**
75. Page 24, Driver and Vehicle Registration Maintenance, is the current contractor able to obtain Driver's License number and VIN for Michigan, Indiana, OH, Illinois, New York, Pennsylvania and Texas?
- a. **The current contractor is able to obtain license plate and VIN information for these states. Driver's License Information is provided when available.**
76. What is the percentage of out of state plates for each of the following IN, OH, IL, NY, PA and TX?
- a. **We do not track the information in the format requested. We can state that as of 3/31/2013, the number of outstanding citations since 2007 for IN=2,416, OH=6,486, IL=4,954, NY=1,703, PA=1,231, and TX=1,026.**
77. What is the average ticket value?
- a. **We do not track this information currently. The average revenue per city ticket issued is approximately 23.32.**
78. Are citations manually issued each month? If so, how many citations are manually issued each month and who is responsible for the data entry?
- a. **Yes. Patrol Officers issue manual citations and do not carry handheld devices. They issued 81 citations in the month of March. The vendor is responsible for data entry.**
79. Approximately how many citations are paid online (web/IVR) each month?
- a. **4,931 citations were paid online in the month of March, 2013 out of a grand total of 11,140. Looking at the past 6 months, we average between 4,800 to over 5,100 citations paid online.**
80. Are operations such as customer service call center and lockbox payment processing, staffed outside of the State of Michigan, subject to the Living Wage requirements outlined in the City's RFP?
- a. **Yes, they are subject to the requirements.**