

March 7, 2025

Mr. Hunter Alley
Senior Buyer
Collin County Purchasing Department
2300 Bloomdale, Suite 3160
McKinney, TX 75071

RE: Proposal for Performance Bond Requirement Reduction

Greetings Mr. Alley:

Wellpath values its partnership with Collin County and remains committed to providing high-quality healthcare services to the individuals in our care. In line with our commitment to operational efficiency and cost savings, we propose a modification to the performance bond requirement outlined in our current contract.

Proposed Modification

Currently, the contract requires a performance bond equal to 100% of the second-year contract price, which amounts to \$12,077,613.85 as of 2024. We respectfully propose reducing the performance bond requirement to \$1,800,000. In exchange for this reduction, Wellpath will adjust the total contract price from \$17,511,559 to \$16,783,032. This modification results in a cost reduction of \$728,528 to Collin County.

Justification for the Proposed Adjustment

Unlike construction projects, which have a defined beginning and end, healthcare services are continuous. Performance bonds are typically used to ensure project completion, whereas healthcare is an ongoing service regulated through licensing, accreditation, and performance reviews. Since healthcare providers are already subject to extensive federal, state, and local oversight, requiring an unnecessarily high performance bond increases contract costs without adding tangible protections. Additionally, the proposed adjustment benefits Collin County in the following ways:

- **Financial Benefit to the County:** The proposed bond reduction directly translates into significant cost savings for Collin County, freeing up resources for other essential services.
- **Operational Integrity:** Wellpath remains committed to fulfilling all contractual obligations with the highest standards of service, and this adjustment will not impact the quality or efficiency of care.
- **Fiscal Responsibility:** A lower bond requirement reduces administrative and financial burdens while maintaining adequate assurance of contract performance.
- **Established Contractual Stability:** Wellpath has a proven track record of fulfilling contracts and delivering services, including an uninterrupted history of Wellpath companies providing services to Collin County since October 1, 2008.



We kindly request that the County review and consider this proposal. We are prepared to discuss this matter further and provide any necessary documentation to facilitate a timely decision. We appreciate the relationship we have established over the years and look forward to continued success. Please do not hesitate to contact Greg Roberts, Regional Director of Operations, at (469) 989-8371 with any questions or concerns.

Sincerely,



Kesha Poland
Regional Vice President

Cc: *Cole Casey, Senior Vice President*
Greg Roberts, Director of Operations
John Roth, Director, Partner Services
Christi Cunningham, Contract Administrator