



County of Los Angeles
Chief Executive Office

PUBLIC SAFETY CLUSTER AGENDA REVIEW MEETING

SACHI A. HAMAI
Chief Executive Officer

DATE: Wednesday, June 10, 2020
TIME: 11:00 a.m. **(New Start Time)**

**DUE TO CLOSURE OF ALL COUNTY BUILDING, TO PARTICIPATE IN THE MEETING CALL
TELECONFERENCE NUMBER: (323) 776-6996 ID: 976810969#**

AGENDA

Members of the Public may address the Public Safety Cluster on any agenda item by submitting a written request prior to the meeting. Two (2) minutes are allowed for each item.

1. CALL TO ORDER

2. INFORMATIONAL ITEM(S) [Any Information Item is subject to discussion and/or presentation at the request of two or more Board offices with advance notification]:

A. Board Letter:
ANNEXATION OF THE CITY OF VERNON TO THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY
Speakers: Debbie Aguirre (Fire)

B. Board Letter:
APPROVE AN AGREEMENT BETWEEN THE STATE OF CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION AND THE COUNTY OF LOS ANGELES FOR THE PROVISION OF FIRE PROTECTION SERVICES BY THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY
Speakers: Debbie Aguirre (Fire)

3. PRESENTATION/DISCUSSION ITEM(S):

A. Board Letter:
REQUEST FOR APPROVAL OF THE COUNTY OF LOS ANGELES SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES REVENUE ENHANCEMENT SERVICES CONTRACTS AND DELEGATED AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO CONTRACT WITH THE CALIFORNIA FRANCHISE TAX BOARD COLLECTION PROGRAMS
Speakers: Jeremy D. Cortez and Luke McDannel (Superior Court)

4. PUBLIC COMMENT
(2 minutes each speaker)

Wednesday, June 10, 2020

CLOSED SESSION

CS1 - CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Subdivision (a) of Government Code Section 54956.9)

The Estate of Sean West et al. v. County of Los Angeles, et al.
United States District Court Case No. 2:18-CV-05098

Department: Sheriff

CS2 - CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Subdivision (a) of Government Code Section 54956.9)

Andre McClelland v. County of Los Angeles, et al.
United States District Court Case No. 2:19-CV-6755-SVW

Department: Sheriff

CS3 - CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Subdivision (a) of Government Code Section 54956.9)

Jane Doe, a minor v. County of Los Angeles, et al.
Los Angeles Superior Court Case No. 19STCV29320

Department: Sheriff

5. ADJOURNMENT

6. UPCOMING ITEMS:

- A.** Board Letter:
APPROVAL OF COOPERATIVE LAW ENFORCEMENT AGREEMENT WITH U.S. FOREST SERVICE
Speakers: Ramona Zamora and Jennipher M. Baeza (Sheriff)
- B.** Board Letter:
APPROVAL OF AMENDMENT NUMBER TWO TO SCHOOL LAW ENFORCEMENT SERVICES AGREEMENT FOR THE SCHOOL RESOURCE DEPUTY PROGRAM
Speakers: Bryan Aguilera and Rudy Sanchez (Sheriff)
- C.** Board Letter:
APPROVE A MEMORANDUM OF UNDERSTANDING WITH CATHOLIC BIG BROTHERS BIG SISTERS FOR A YOUTH MENTORING PARTNERSHIP
Speakers: Bryan Aguilera and Jason R. Lee (Sheriff)
- D.** Board Letter:
APPROVE EXTENSION AND UPDATES TO THE MODEL MEMORANDUM OF UNDERSTANDING FOR EDUCATION SERVICES FOR ADULT OFFENDERS IN LOS ANGELES COUNTY JAILS
Speakers: Irma Santana and Abby Valdez (Sheriff)

Wednesday, June 10, 2020

- E.** Board Letter:
APPROVAL OF AN AFFILIATION AGREEMENT WITH SANTA CLARITA
COMMUNITY COLLEGE DISTRICT ON BEHALF OF COLLEGE OF THE CANYONS
TO PROVIDE EDUCATIONAL COURSES THROUGH THE SHERIFF'S
DEPARTMENT'S TRAINING PROGRAM
Speakers: Bryan Aguilera and Kevin Piper (Sheriff)
- F.** Board Letter:
APPROVAL OF A CONTRACT WITH SUSAN SAXE CLIFFORD, PH.D., ABPP, APC
TO PROVIDE PROFESSIONAL PSYCHOLOGICAL SCREENING AND
EVALUATION SERVICES FOR THE COUNTY OF LOS ANGELES PROBATION
DEPARTMENT
Speakers: Robert Smythe and Deanna Carlisle (Probation)



COUNTY OF LOS ANGELES FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401
www.fire.lacounty.gov

"Proud Protectors of Life, Property, and the Environment"

BOARD OF SUPERVISORS

HILDA L. SOLIS
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THIRD DISTRICT

JANICE HAHN
FOURTH DISTRICT

KATHRYN BARGER
FIFTH DISTRICT

DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

June 23, 2020

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

ANNEXATION OF THE CITY OF VERNON TO THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY (FIRST DISTRICT) (3 VOTES)

SUBJECT

The Consolidated Fire Protection District of Los Angeles County (District) is requesting the Board of Supervisors' (Board) approval of a Resolution Making Application to the Local Agency Formation Commission (LAFCO) for the Annexation of the City of Vernon (City) to the District, a Sphere of Influence Amendment for the District, and a Joint Resolution of the Board and the City Accepting Exchange of \$0 Property Tax Revenue Resulting from Annexation of the City to the District (Annexation No. 2020-03). The District is also requesting the Board delegate authority to the District Fire Chief to enter into the Agreement for Services by and between the District and the City (Agreement for Service) upon the successful conclusion of the LAFCO proceedings for the annexation of the City to the District.

IT IS RECOMMENDED THAT YOUR HONORABLE BOARD ACTING AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY:

1. Adopt the Resolution Making Application to LAFCO for the Annexation of the City to the District, Annexation No. 2020-03, the City of Vernon, and a Sphere of Influence Amendment for the District.
2. Adopt the Joint Resolution of the Board of Supervisors of the County of Los Angeles and the City Accepting Exchange of \$0 Property Tax Revenue Resulting from Annexation No. 2020-03 to the District.

3. Delegate authority to the Fire Chief, or his designee, to execute the attached Agreement for Service upon the successful conclusion of LAFCO's proceedings for the annexation of the City to the District, and authorize the Fire Chief to execute amendments, as approved as to form by County Counsel.
4. Find that this project is categorically exempt from the California Environmental Quality Act, Section 15320, Class 20 of the California Administrative Code.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 12, 2013, your Board approved a Feasibility Study prepared by the District for the provision of fire protection, paramedic, and incidental services to the City and authorized the District to provide an approved copy to the City. In this action your Board also authorized the District to proceed with negotiations at the City's request to develop an agreement for service. The District and the City have successfully concluded negotiations and the City of Vernon Council (City Council) voted on May 19, 2020, to proceed with annexation of the City to the District and to approve the Agreement for Service.

The District is now requesting that your Board approve the Resolution Making Application to LAFCO which is required to commence annexation proceedings. The Joint Resolution Accepting Exchange of \$0 Property Tax Revenue is statutorily required for annexations and will result in no exchange of revenues since funding for service will be provided for in the attached Agreement for Service. Once the annexation is approved by LAFCO, the Fire Chief will execute the Agreement for Service with the City of Vernon.

Implementation of Strategic Plan Goals

This action addresses the County's Strategic Plan Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability, Objective III.3.2, Manage and Maximize County Assets, as the annexation of the City of Vernon to the District would provide reciprocal benefits to both agencies.

FISCAL IMPACT/FINANCING

The initial estimated annual 2020-21 City service cost is \$14.1 million as detailed in the Agreement for Services. In recognition of the regional benefits to the District of the additional on-duty paramedics and truck company which will be assigned in the City, the District has agreed to share 50% of the annual cost of the paramedic squad and the annual staffing cost of one firefighter post position assigned to the truck company. The District's full year's estimated 2020-21 cost for these added resources would be \$1.5 million. As part of the City's annual cost of \$14.1 million, the City will pay the District \$3.7 million to offset overhead costs.

There is no impact to net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The City Council voted on May 19, 2020, to proceed with the annexation of the City to the District. The highlights of the Agreement for Service are as follows:

- The initial agreement term shall be a minimum of ten (10) years.
- The District will provide emergency services to the City from two of the City's fire stations with one engine company staffed with four personnel, one engine company staffed with three personnel, one truck company staffed with four personnel, and one paramedic squad staffed with two fire fighter paramedics, for a total operations staffing of thirteen uniformed personnel on duty daily. The City will also fund 0.5 of a Fire Prevention Captain position, 3 Fire Prevention Inspectors (Fire Fighter Specialist), and 0.5 of a Plan Checker (Fire Prevention Engineering Assistant) position.
- All medically qualified City firefighting personnel will transfer into District service in accordance with the current provisions of State law, County Charter, County Codes, and blanketing-in policies.
- All City apparatus, equipment, and inventory as needed to provide service to the City will be transferred from the City to the District with a reversionary clause should the City ever withdraw from the District.
- The initial estimated annual 2020-21 City service cost of \$14.1 million will be adjusted annually to reflect actual costs of service.
- A maximum annual fee increase (payment cap) which permits a carryover from year to year of the fee increase that exceeds the payment cap is set at 4% per year for the first 5 years and is adjusted in subsequent years based on a formula that ensures all deferred amounts shall eventually be paid to the District.

County Counsel has approved both resolutions as to form.

ENVIRONMENTAL DOCUMENTATION

This project is categorically exempt from the California Environmental Quality Act, Section 15320, Class 20 of the California Administrative Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Annexation of the City to the District would provide benefits to both agencies, including:

Specialized District resources such as hazardous materials and urban search and rescue squads are constantly staffed and would be available to respond within the City as needed.

Within 5 miles of the City, 31 Fire District units are constantly staffed and would respond to major or simultaneous incidents within the City.

The paramedic squad and truck company assigned in the City would be available to respond to the adjacent Fire District areas which experience high call volumes. Specifically, the Fire District served cities of Huntington Park, Maywood, Bell, and Commerce, as well as the unincorporated communities of Florence, Walnut Park and East Los Angeles would benefit from the proximity of the resources assigned to the Vernon fire stations which would be available as second due and back up units when simultaneous or large-scale incidents occur within the vicinity.

CONCLUSION

Please instruct the Executive Officer of the Board to submit one (1) adopted copy of this Board letter, one certified copy of the Resolution making Application to LAFCO and one originally executed Joint Property Tax Transfer Resolution to the Local Agency Formation Commission, and two (2) adopted copies of this Board letter and two (2) executed copies of both resolutions to the following:

Consolidated Fire Protection District of Los Angeles County
Attention: Debbie Aguirre, Chief of Staff
1320 North Eastern Avenue
Los Angeles, CA 90063

The District's contact may be reached at (323) 881-6180.

Respectfully submitted,

DARYL L. OSBY, FIRE CHIEF

DLO:mv

Enclosures

c: Chief Executive Officer
County Counsel
Auditor-Controller

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF LOS ANGELES AS THE BOARD OF DIRECTORS OF THE
CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY
MAKING APPLICATION FOR THE ANNEXATION OF TERRITORY TO
SAID DISTRICT FOR ANNEXATION _____, THE CITY OF VERNON**

WHEREAS, the Board of Directors of the Consolidated Fire Protection District of Los Angeles County (District) desires to initiate a proceeding for the annexation to said District of the territory hereinafter described pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 commencing with Section 56000 of the California Government Code;

NOW, THEREFORE, the Board of Directors of the Consolidated Fire Protection District of Los Angeles County DOES HEREBY RESOLVE AND ORDER as follows:

SECTION 1. Application and a proposal are hereby made to the Los Angeles County Local Agency Formation Commission for an amendment to the Consolidated Fire Protection District of Los Angeles County's sphere of influence to include the City of Vernon.

SECTION 2. Application and a proposal are hereby made to the Los Angeles County Local Agency Formation Commission for the annexation of the City of Vernon to the Consolidated Fire Protection District of Los Angeles County. The boundaries of such territory are as described in the attached legal description.

- (a) The reason for this proposal is to provide fire protection, emergency medical, and related services to the City of Vernon.
- (b) The following are affected counties, cities, and districts: the City of Vernon and the Consolidated Fire Protection District of Los Angeles County.

SECTION 3. The proposed annexation is subject to the following:

- (a) The general terms and conditions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 commencing with Section 56000 of the California Government Code and the applicable sections of the Revenue and Taxation Code pertaining to special districts, in particular, Section 95, et seq., of the Revenue and Taxation Code (Allocation of Property Tax Revenues) of which Section 99 pertains to jurisdictional changes.
- (b) Agreement for Services between the City of Vernon and the

Consolidated Fire Protection District of Los Angeles County.

SECTION 4. The Executive Officer-Clerk of the Board of Supervisors is hereby authorized and directed to file a certified copy of this resolution with the Executive Officer of the Los Angeles County Local Agency Formation Commission.

APPROVED AND ADOPTED THIS _____ DAY OF _____, _____,
BY THE FOLLOWING VOTE:

Ayes:

Noes:

Absent:

ATTEST:

LORI GLASGOW, EXECUTIVE OFFICER-
CLERK OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF LOS ANGELES

By _____
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
COUNTY COUNSEL

By _____
Deputy

1 **AGREEMENT FOR SERVICES BY AND BETWEEN THE**
2 **CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY**
3 **AND THE CITY OF VERNON**

4 **THIS AGREEMENT** is made and entered into this ____ day of _____, _____, by
5 and between the Consolidated Fire Protection District of Los Angeles County, hereinafter
6 referred to as the "FIRE DISTRICT," and the City of Vernon, hereinafter referred to as the
7 "CITY."

8 **W I T N E S S E T H**

9 WHEREAS, the CITY has decided to contract with the FIRE DISTRICT for fire
10 protection, hazardous materials, emergency medical, and all related services as authorized by
11 California Government Code Section 54981, and the FIRE DISTRICT is authorized to provide
12 such services pursuant to California Health and Safety Code Section 13800, et. seq;

13 WHEREAS, it is the desire of the CITY to receive regional fire protection services from
14 the FIRE DISTRICT due to the benefits afforded by regional service delivery; and

15 WHEREAS, it is the desire of the parties hereto to address, by this Agreement, all
16 matters which are related to a contract for services to be provided to the CITY by the FIRE
17 DISTRICT.

18 **SECTION I. AGREEMENT EFFECTIVE DATE AND TERM**

19 (A) The effective date of this Agreement shall be the date of approval by the FIRE
20 DISTRICT, which is _____, and this Agreement shall continue in
21 effect until such time as this Agreement is terminated or otherwise renegotiated.

22 (B) The provision of services by the FIRE DISTRICT to the CITY shall commence on
23 the date stated in Schedule 1 established by the FIRE CHIEF of the FIRE DISTRICT,
24 hereinafter referred to as "commencement date of services".

25 (C) The date of annexation of the CITY to the FIRE DISTRICT shall be the date of
26 recordation of annexation documents which shall be on or near the commencement date of
27 services.

28 (D) This Agreement shall remain in effect for a minimum of ten (10) years from the

1 commencement date of services (“Initial Ten-Year Term”). Subsequent to this Initial Ten-Year
2 Term, this Agreement shall be automatically renewed for one-year periods. Either party may
3 terminate this Agreement any time after the expiration of the Initial Ten-Year Term upon one
4 year’s written notice as provided in Subsection (E) of this Section I, subject to the terms and
5 conditions of this Agreement.

6 (E) Subsequent to the ninth (9) year of the Initial Ten-Year Term, the FIRE DISTRICT
7 or the CITY may terminate this Agreement by giving at least one year's written notice to the
8 other for termination of this Agreement and the CITY’s detachment from the FIRE DISTRICT in
9 accordance with this Section I. Notice shall be sent to the addresses listed in Section III,
10 Subsection (I), herein, or as subsequently changed by either party in writing.

11 (F) Should either party give written notice of its intent to terminate this Agreement, that
12 party shall initiate detachment proceedings through the Los Angeles County Local Agency
13 Formation Commission (LAFCO). The party who terminates this Agreement, including any
14 subsequent amendments, shall bear the cost of all fees associated with detachment of the
15 CITY from the FIRE DISTRICT, unless CITY becomes delinquent or defaults in its Annual Fee
16 payment to the FIRE DISTRICT for FIRE DISTRICT services pursuant to Section III,
17 Subsection (O), in which instance CITY shall bear the costs. Such fees shall be defined as
18 LAFCO fees, the State Board of Equalization fees, and any similar fees of this nature but shall
19 not include any Board of Supervisors’ or any CITY administrative fees or attorneys’ fees.

20 (G) A review of the Agreement terms may be initiated at any time by either party, upon
21 five (5) days written notice to the other. Any modifications made to this Agreement shall be
22 upon written consent of both parties by the Fire Chief of the FIRE DISTRICT and the City
23 Administrator of the CITY. The parties agree to negotiate in good faith and deal fairly with
24 respect to performance under this Agreement and with respect to any proposed modifications
25 to this Agreement.

26 **SECTION II. SERVICES**

27 (A) Services to be provided by the FIRE DISTRICT to the CITY shall include fire
28 protection, hazardous materials services, emergency medical services which include

1 paramedic services, fire code and related code enforcement, fire cause and arson
2 investigation, plus all FIRE DISTRICT support services including, but not limited to,
3 supervision, dispatching, training, equipment maintenance, supplies, and procurement,
4 collectively referred to as "Services." The CITY will not be charged for on-duty personnel
5 reassigned from fire stations outside of the CITY to staff events in the CITY. The FIRE
6 DISTRICT's reasonable and cost for Fire Safety Officers (FSOs) or augmented staffing
7 assigned to special events held in the CITY will be charged to the CITY for CITY-sponsored
8 events or to non-CITY entities, whichever is the appropriate organization, as the cost for such
9 augmented services is not included in the CITY's Annual Fee.

10 (B) The power and authority relating to the provision of Services, the standards of
11 performance, the discipline of personnel, and other matters related to the performance of such
12 Services and control of personnel so employed by the FIRE DISTRICT shall be within the sole
13 discretion and responsibility of the FIRE DISTRICT.

14 (C) The engine companies assigned to the CITY Fire Stations as listed on Schedule 3
15 attached hereto shall carry automatic external defibrillators, and all firefighting personnel shall
16 be certified as Emergency Medical Technician-1. The minimum daily staffing level (on a
17 24-hour basis) in the CITY as indicated on Schedule 2 herein is as follows: one engine
18 company staffed with four personnel (one fire captain, one fire fighter specialist, and two fire
19 fighters); one engine company staffed with three personnel (one fire captain, one fire fighter
20 specialist, and one fire fighter); one truck company staffed with four personnel, (one fire
21 captain, one fire fighter specialist and two fire fighters); and one paramedic squad staffed with
22 two fire fighter paramedics, for a total operations staffing of thirteen uniformed personnel on
23 duty daily in the CITY. This staffing level may be modified by mutual written agreement of the
24 Fire Chief of the FIRE DISTRICT and City Administrator of the CITY pursuant to Section XI.

25 (D) All CITY code enforcement, plan check approval, and other fire prevention
26 activities shall be in accordance with the County of Los Angeles Fire Code and FIRE
27 DISTRICT ordinances, regulations, standards, policies and procedures, except as may be
28 amended pursuant to Section X herein.

1 (E) Transportation of a patient to a hospital in a medical emergency is not provided by
2 the FIRE DISTRICT. Emergency medical transportation is provided under a County of
3 Los Angeles contractual arrangement with a private ambulance company licensed to operate
4 within Los Angeles County. If the CITY opts to continue to provide medical transportation in
5 the CITY during the term of this Agreement, the CITY and FIRE DISTRICT will enter into a
6 Memorandum of Understanding which will outline the CITY's responsibilities in the
7 administration of its ambulance program, including the location of the housing of the
8 ambulance program's personnel and equipment.

9 (F) The FIRE DISTRICT will participate in and support community emergency
10 preparedness, education, training, and exercises at the reasonable request of and at no
11 additional cost to the CITY. The CITY shall retain responsibility for the CITY's internal
12 emergency management and related programs.

13 (G) Without cost to the FIRE DISTRICT, the CITY shall, within the legal boundaries of
14 the CITY, retain responsibility for providing a water system including fire hydrants capable of
15 supplying adequate water fire flow to the FIRE DISTRICT. The CITY shall ensure that the
16 CITY's water purveyors provide adequate water and hydrants for fire protection purposes
17 within the CITY without cost to the FIRE DISTRICT.

18 (H) The FIRE DISTRICT shall annually inspect all fire hydrants within the CITY to
19 ensure that fire hydrants are mechanically operable and capable of delivering water. The FIRE
20 DISTRICT shall notify the CITY's water purveyors, in writing, of any maintenance requirements
21 as soon as possible after such inspections and at any other times the FIRE DISTRICT
22 becomes aware of maintenance or repair requirements. The FIRE DISTRICT shall not be
23 liable to pay any CITY water purveyor for hydrant installation, use, repair, maintenance, or
24 rental fees or any other related costs or expenses except if damage results from the FIRE
25 DISTRICT'S negligent use of said fire hydrants.

26 (I) The transference of applicable 9-1-1 calls to the FIRE DISTRICT shall be done
27 immediately upon receipt by the CITY's Public Safety Answering Point (PSAP) and shall be
28 performed without cost to the FIRE DISTRICT. The CITY shall be responsible for all costs

1 associated with connecting ring-down circuits from its PSAP to the FIRE DISTRICT's circuit.

2 (J) The FIRE DISTRICT shall provide to the CITY quarterly and annual statistical
3 response information reports. The criteria utilized in the preparation of such reports shall be
4 determined by the CITY ADMINISTRATOR and the FIRE DISTRICT's jurisdictional Assistant
5 Fire Chief.

6 (K) Nothing in this Agreement shall preclude the future expansion or relocation of the
7 CITY'S Fire Stations referenced on Schedule 3 herein if such action is mutually agreed upon in
8 writing by both the CITY and the FIRE DISTRICT's Fire Chief.

9 (L) Any agreed-upon adjustments in staffing pursuant to Section XI, Subsection (B)
10 herein may cause adjustments in the determination of the Annual Fee, as specified in
11 Schedule 2 attached hereto and made a part hereof.

12 **SECTION III. ANNUAL FEE FOR SERVICES**

13 (A) The CITY shall pay an Annual Fee for FIRE DISTRICT Services, hereinafter
14 referred to as "Annual Fee." As provided for in the California Health and Safety Code Section
15 13878, the FIRE DISTRICT shall be paid monthly, in advance, from funds of the CITY for the
16 performance of the services referred to in Section II, hereof. The Annual Fee shall be
17 determined by the method specified in Schedule 2, attached hereto and made a part hereof.
18 The CITY shall pay the FIRE DISTRICT one-twelfth (1/12) of the estimated or actual Annual
19 Fee monthly, in advance, on or before the first day of each month. The one-year period for
20 payment of the Annual Fee is defined as July 1 through June 30, herein referred to as "Fiscal
21 Year."

22 (B) At least ninety (90) days prior to the commencement of each Fiscal Year, the FIRE
23 DISTRICT shall submit a preliminary estimate of the Annual Fee ("Preliminary Annual Fee") for
24 providing Services to the CITY for the ensuing fiscal year. The Preliminary Annual Fee shall
25 include estimated costs of FIRE DISTRICT salary and employee benefits and overhead, and
26 shall be used for billing purposes until actual cost information is available.

27 (C) As soon as actual cost information is available, the FIRE DISTRICT shall provide
28 the CITY a statement of the actual Annual Fee for providing Services during the current fiscal

1 year. If the Annual Fee is less than the Preliminary Annual Fee, the FIRE DISTRICT shall
2 credit the CITY for the difference, which amount shall be deducted from the first monthly
3 invoice and, if applicable, the following monthly invoices subsequent to the statement of the
4 Annual Fee. If the Annual Fee is greater than the Preliminary Annual Fee, the additional
5 amount due the FIRE DISTRICT will be paid by the CITY during the subsequent fiscal year as
6 follows: One-twelfth (1/12) of such additional Annual Fee amount due to the FIRE DISTRICT
7 shall be added and paid in each of the CITY's subsequent twelve (12) monthly payments.

8 (D) A limitation shall be placed on increases in the amount of Annual Fee to be paid by
9 the CITY each year, hereinafter referred to as "Annual Fee Limitation." For purposes of
10 calculation of the Annual Fee Limitation, the Annual Fee shall not include any conversion
11 costs, credits, or rebates of any kind. The Annual Fee Limitation shall be subject to annual
12 changes after the initial five-year period of this Agreement commencing with the
13 commencement date of services ("Initial Five-Year Period") as described below. During the
14 Initial Five-Year Period, the Annual Fee Limitation shall not exceed four percent (4%) per
15 Fiscal Year. At the conclusion of the Initial Five-Year Period, the FIRE DISTRICT will meet
16 with the CITY to discuss cost trends and increases that will impact the CITY's Annual Fee.
17 During the sixth year of this Agreement, the Annual Fee Limitation shall be the average of the
18 immediately preceding four years' percentage increases in the Annual Fee plus one percent
19 (1%). During the seventh year of this Agreement and each subsequent Fiscal Year, the
20 Annual Fee Limitation shall be the average of the immediately preceding five years'
21 percentage increases in the Annual Fee plus one percent (1%).

22 (E) In any year where the CITY's Annual Fee, as specified in Section III, Subsection (C)
23 hereinabove, exceeds the preceding Fiscal Year's Annual Fee plus the applicable Annual Fee
24 Limitation, hereinafter referred to as "Annual Fee Limitation Excess," payment of the Annual
25 Fee Limitation Excess shall be deferred to a subsequent future Fiscal Year(s) where the
26 increase in the Annual Fee for that Fiscal Year over the preceding Fiscal Year is less than the
27 Annual Fee Limitation. The Annual Fee Limitation Excess will be paid by the CITY in any
28 subsequent Fiscal Year(s) to the extent the Annual Fee increase in that Fiscal Year is less

1 than the Annual Fee Limitation for that Fiscal Year. One-twelfth (1/12) of such Annual Fee
2 Limitation Excess shall be added and paid in each of the CITY's twelve (12) monthly payments
3 for the subsequent Fiscal Year(s).

4 In the event the CITY detaches from the FIRE DISTRICT, any unpaid Annual Fee
5 Limitation Excess together with any outstanding Annual Fee payments due by the CITY as of
6 the effective date of detachment shall be due and payable to the FIRE DISTRICT no later than
7 the effective date of detachment. Should a credit be due the CITY from the FIRE DISTRICT, a
8 refund shall be paid to the CITY no later than the effective date of detachment.

9 (F) In addition to the Annual Fee, conversion costs as specified in Schedule 4 attached
10 hereto and made a part hereof shall be charged to the CITY and shall be paid to the FIRE
11 DISTRICT by the CITY in thirty-six (36) equal monthly payments. This amount shall be added
12 to each monthly invoice for the Annual Fee commencing with the first month's Annual Fee
13 invoice. Upon the final determination of the actual conversion costs as approved by the CITY
14 ADMINISTRATOR and the FIRE CHIEF of the FIRE DISTRICT, the CITY's conversion cost
15 balance will be adjusted as will all subsequent monthly invoices for the Annual Fee to reflect
16 the actual conversion costs.

17 (G) The CITY shall pay all annexation processing fees by check directly to and upon
18 request by the FIRE DISTRICT. Such fees are anticipated to be:

19 State of California Board of Equalization \$ 500.00

20 County of Los Angeles Local Agency
21 Formation Commission \$ 8,500.00

22 (H) Fire protection, hazardous materials, emergency medical, and all related services
23 as set forth in Section II, herein, shall not be performed by the FIRE DISTRICT hereunder
24 unless the CITY shall:

- 25 1. Have available funds previously appropriated to cover the Annual Fee; and
26 2. Have paid in advance, when due to the FIRE DISTRICT, the monthly
27 payments or the Annual Fee from the previously appropriated funds.

28 (I) The FIRE DISTRICT shall invoice the CITY at least thirty (30) days in advance of any

1 scheduled monthly payment. Payment of all invoices under this Agreement shall be due and
2 payable thirty (30) days from the date of invoice (hereinafter referred to as "due date").

3 Invoices and general notices shall be sent to the CITY at:

4 City of Vernon
5 4305 Santa Fe Avenue
6 Vernon, CA 90058
7 Attention: Carlos Fandino, City Administrator

8 Payments shall be sent to the FIRE DISTRICT at:

9 Los Angeles County Fire Department
10 P. O. Box 54740
11 Los Angeles, CA 90054-0740

12 General notices shall be sent to the FIRE DISTRICT at:

13 Fire Chief Daryl L. Osby
14 Los Angeles County Fire Department
15 1320 North Eastern Avenue
16 Los Angeles, CA 90063-3294

17 Either party shall notify the other, in writing, of an address change.

18 (J) If the commencement date of services is in the middle of any month, the pro rata
19 share for that month and full payment for the following month shall be paid in advance. The
20 pro rata monthly share shall be calculated as follows:

21 Divide the Annual Fee by 365 days (daily rate) and multiply
22 the daily rate by the number of days remaining in the month
23 as of the commencement date of services.

24 (K) Interest shall be added to any payment invoiced by the FIRE DISTRICT and that is
25 received by the FIRE DISTRICT more than fifteen (15) calendar days after the due date (late
26 payment). The interest rate on any late payment shall be established as the prevailing prime
27 lending rate for Bank of America, or any successor financial institution, as of the first day
28 payment is late. The period for computing this interest shall commence the day following the
payment due date and end the date of receipt of payment by the FIRE DISTRICT.

The interest payment shall be computed as follows:

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1 $\frac{\text{No. of Days Late}}{365 \text{ Days}} \times \text{Prime Lending Rate} \times \$ \text{ Amount of Payment} = \text{Late Payment Interest Charge}$
2

3 (L) The Annual Fee in this Agreement is based upon current CITY boundaries and
4 service requirements. During the term of this Agreement, should the CITY annex any area
5 from which the FIRE DISTRICT does not receive property taxes (such as from a non-FIRE
6 DISTRICT-served city), staffing levels shall be adjusted to adequately serve the annexed area
7 and the CITY's Annual Fee shall be adjusted accordingly as determined by the FIRE
8 DISTRICT and reviewed by the CITY.

9 (M) All revenues generated from fees established or implemented by the FIRE
10 DISTRICT shall be FIRE DISTRICT revenues with the exception of 1) any applicable
11 paramedic on-board/advanced life support (ALS) fees which will be passed through to the
12 CITY by the FIRE DISTRICT via credits on the CITY's monthly invoices or 2) any applicable
13 fire prevention fees related to Fire Prevention staffing allocated to the CITY which will be
14 passed through as an annual credit to the CITY by the FIRE DISTRICT via a credit on the
15 CITY's Annual Fee (minus a five percent administrative charge retained by the FIRE
16 DISTRICT). Any revenue generated by fees that the CITY charges as the administering
17 agency for the CITY's Hazardous Materials Release Response Plan and Inventory program
18 and through a CITY-operated emergency medical transportation program in arrangement with
19 a private ambulance firm would remain CITY revenues. Fees of any nature collected by CITY
20 on behalf of the FIRE DISTRICT shall be passed-through to the FIRE DISTRICT by the CITY
21 as FIRE DISTRICT revenues. The CITY shall be authorized to retain a five percent (5%)
22 administrative charge for any fees collected by the CITY on behalf of the FIRE DISTRICT. Any
23 fees charged and collected by the CITY subsequent to the commencement date of services
24 shall remain as revenues of the CITY provided that such fees are not identified as fees for
25 FIRE DISTRICT services. The FIRE DISTRICT shall be authorized to retain a five percent
26 (5%) administrative charge for any fees collected by the FIRE DISTRICT on behalf of the
27 CITY. Excluding any State, Federal, or judicially mandated programs or fees, any fees
28 established by the FIRE DISTRICT to be imposed in the CITY after the commencement date

1 of services shall require the prior approval of the City Council. Neither the FIRE DISTRICT nor
2 the CITY shall be legally obligated to collect fees on behalf of the other party.

3 In the event that an incident occurs within the CITY while this Agreement is in effect
4 during which the FIRE DISTRICT may be required to deploy a substantial number of FIRE
5 DISTRICT apparatus and personnel to such incident as determined by the FIRE DISTRICT, to
6 the extent authorized by law, the FIRE DISTRICT reserves the right to pursue cost recovery
7 within its sole discretion against the party that caused the incident but not against the CITY.
8 Costs recovered by the FIRE DISTRICT for CITY-paid resources (as detailed in Schedule 2
9 herein) deployed on such an incident within the CITY, less the cost of the FIRE DISTRICT's
10 recovery efforts, shall be credited to the CITY.

11 In the event the CITY were to pursue cost recovery for FIRE DISTRICT resources
12 deployed to an incident within the CITY to which the FIRE DISTRICT deploys a substantial
13 number of apparatus and personnel, to the extent authorized by law, the CITY shall promptly
14 pay to the FIRE DISTRICT all such FIRE DISTRICT costs recovered by the CITY less the cost
15 of the CITY's recovery efforts. Costs for FIRE DISTRICT resources paid for by the CITY
16 through this Agreement as detailed on Schedule 2 herein and deployed to such an incident
17 shall not be recoverable by the FIRE DISTRICT from the CITY. Neither the FIRE DISTRICT
18 nor the CITY shall be legally obligated to seek cost recovery on behalf of the other party.

19 (N) In the event that a billing/payment dispute arises between the FIRE DISTRICT and
20 the CITY, the parties will negotiate in good faith to resolve the dispute and the following
21 procedures will be taken to resolve the dispute:

22 (1) The dispute will be specified, in writing, and presented to the FIRE DISTRICT's
23 Chief Deputy of Business Operations if a CITY dispute, or to the CITY ADMINISTRATOR if a
24 FIRE DISTRICT dispute, within thirty (30) days of the receipt of a disputed invoice or disputed
25 payment. The CITY shall pay in full any disputed invoice "under protest."

26 (2) The FIRE DISTRICT and the CITY shall meet and confer in good faith to
27 expeditiously resolve the dispute. If the FIRE DISTRICT and the CITY cannot fully resolve the
28 dispute within ninety (90) days of receipt of written notification of this dispute (impasse), the

1 impasse will be sent to an independent arbitrator for resolution. Said arbitrator shall be
2 selected jointly by the CITY and the FIRE DISTRICT within forty-five (45) days of impasse and
3 shall be paid for equally by the CITY and the FIRE DISTRICT. If the FIRE DISTRICT and the
4 CITY cannot agree on an arbitrator, each party shall, at its own expense, retain an arbitrator
5 within thirty (30) days after the jointly selected arbitrator should have been selected. These
6 two arbitrators will, within thirty (30) days of their retention, mutually select a third arbitrator.
7 The mutually agreed-upon arbitrator will resolve the matter within thirty (30) days after his/her
8 selection. The FIRE DISTRICT and the CITY shall share equally the cost of the third
9 arbitrator. The arbitrator's resolution of the impasse shall be final and binding.

10 (3) If the FIRE DISTRICT prevails in arbitration, all money owed and not paid to
11 the FIRE DISTRICT will be forwarded to the mailing address identified in Section III,
12 Subsection (I), herein, within thirty (30) calendar days from the date of the issuance of the
13 arbitrator's decision. In addition, the CITY will be assessed and pay the interest payment
14 amount for a late payment as calculated in Section III, Subsection (K) of this Agreement.

15 (4) If the CITY prevails in arbitration and has paid the FIRE DISTRICT the
16 disputed amount, a refund to the CITY will be forwarded to the mailing address identified in
17 Section III, Subsection (I), herein, within thirty (30) calendar days from the date of the issuance
18 of the arbitrator's decision. In addition, the FIRE DISTRICT will pay to the CITY an interest
19 payment, as calculated for late payments in Section III, Subsection (K) of this Agreement.

20 (5) Each party is required to pay its own legal fees associated with such arbitration
21 and is not entitled to recovery of those fees from the other party.

22 (O) CITY understands and agrees that in the event the CITY becomes delinquent or
23 defaults in its Annual Fee payment (except for any fees then in dispute between the CITY and
24 the FIRES DISTRICT as provided for in paragraph (N) hereinbelow) to the FIRE DISTRICT for
25 FIRE DISTRICT service, the County Auditor-Controller is authorized, at the direction of FIRE
26 DISTRICT, to withhold CITY's unencumbered annual property tax revenue in an amount equal
27 to the outstanding payment for FIRE DISTRICT Service and credit the withheld amounts to the
28 FIRE DISTRICT's revenue account. FIRE DISTRICT shall comply with the procedures in

1 County Fiscal Manual section 10.2.12, "Procedures for Collection of Accounts Receivable for
2 Services Performed for Cities and Special Districts" for collecting CITY's delinquent or
3 defaulted Annual Fee payments. Such withholding by the Auditor-Controller shall continue
4 until such time as CITY resumes payment to the FIRE DISTRICT directly and all delinquent or
5 defaulted Annual Fee payments have been recovered.

6 (P) The FIRE DISTRICT shall credit to the CITY's Annual Fee billing the cost expended
7 by the CITY to fulfill the requirements of Section VII, Subsection (C), paragraph (12), Health
8 Insurance, herein, in the invoice subsequent to the FIRE DISTRICT's receipt of cost
9 documentation. The CITY shall present documentation satisfactory to the FIRE DISTRICT of
10 the amount expended prior to credit being made.

11 (Q) Vacation and sick benefit days, as provided for in Section VII, Subsection (C),
12 paragraphs (6) and (7) herein and as detailed on Schedules 8, 9, 11, and 12 attached hereto
13 and made a part hereof, shall be charged to the CITY and shall be paid in thirty-six (36) equal
14 monthly payments which shall be a separate and distinct charge added to the monthly invoice
15 for the Annual Fee commencing with the first month's Annual Fee invoice or as soon as
16 practicable after the finalization of these Schedules. Such charges will be excluded from the
17 Annual Fee Limitation calculation.

18 **SECTION IV. EQUIPMENT, FURNITURE, FURNISHINGS, AND EXPENDABLE**
19 **EQUIPMENT/FIRE APPARATUS AND EQUIPMENT**

20 (A) On the commencement date of services, the CITY shall transfer to the FIRE
21 DISTRICT all fire apparatus, vehicles, fire equipment, and fire station furnishings, furniture,
22 equipment and expendable tools incidental to fire station operations, as inventoried and
23 identified by the FIRE DISTRICT in writing, and listed in Schedules 5 and 6 attached hereto.
24 Items not listed in Schedules 5 and 6, shall not be transferred to the FIRE DISTRICT and will
25 remain with the CITY.

26 (B) All right, title, and interest in said CITY apparatus and vehicles shall be conveyed to
27 FIRE DISTRICT free and clear of any encumbrances. The CITY shall be responsible for any
28 and all outstanding loans or liens against said apparatus and vehicles existing as of the date of

1 conveyance. All right, title and interest of any apparatus for which the CITY is currently leasing
2 shall be conveyed to the FIRE DISTRICT free and clear of any encumbrances upon the
3 termination of the lease(s). If the CITY does not avail itself of the ability to purchase, and thus
4 does not retain ownership of, the vehicle(s) at the termination of the lease(s), the CITY shall be
5 responsible for the cost of new replacement apparatus to be placed in service in the CITY.
6 The replacement cost of the apparatus shall be added to the CITY's Annual Fee invoices to be
7 paid in twelve (12) equal monthly installments.

8 (C) All fire apparatus, vehicles, and related apparatus/vehicular equipment transferred
9 to the FIRE DISTRICT by the CITY shall be in good working order. The CITY shall pay for any
10 fire apparatus and vehicle repairs necessary due to deferred or deficient maintenance. Prior to
11 the commencement date of services, the FIRE DISTRICT shall inspect all such fire apparatus
12 and vehicles and identify any repairs required due to deferred or deficient maintenance,
13 subject to the CITY's reasonable review and approval. The FIRE DISTRICT shall add the cost
14 for such repairs to the conversion costs and modify Schedule 4 accordingly.

15 **SECTION V. FIRE STATIONS**

16 (A) Upon the commencement date of services, CITY Fire Stations identified on
17 Schedule 3 attached hereto and made a part hereof shall be used and occupied by the FIRE
18 DISTRICT. In the event that during the term of this Agreement the CITY and FIRE DISTRICT
19 mutually agree to staff a new fire station facility, the staffing levels in Schedule 2 of this
20 Agreement will be updated as necessary and Schedule 3 will be updated accordingly. All
21 terms and conditions contained in this Agreement applicable to the lease and maintenance of
22 CITY fire stations shall apply to the new fire station.

23 (B) This Agreement constitutes a lease whereby the CITY shall lease to the FIRE
24 DISTRICT the CITY Fire Stations as identified on Schedule 3 herein for one dollar (\$1)
25 annually per station. Fire Stations 76 and 77 shall be used for the purpose of providing fire
26 protection and emergency medical and related services as described herein. The FIRE
27 DISTRICT may also lease CITY Fire Station 78 for one dollar (\$1) per year to accommodate
28 the FIRE DISTRICT's placement of an Urban Search and Rescue (USAR) or Hazardous

1 Materials (HazMat) team within the CITY by giving the City Administrator of CITY written
2 confirmation of its intent to do so within a year from the effective date of this Agreement. All
3 costs incurred by the FIRE DISTRICT for any modifications and/or repairs to Fire Station 78
4 necessary for the purpose of accommodating the above uses shall be at the FIRE DISTRICT's
5 expense. The lease of Fire Station 78 may be terminated at the FIRE DISTRICT's sole
6 discretion with thirty (30) days' written notice.

7 (C) The CITY represents and warrants that it has performed all environmental cleanup
8 of hazardous materials at all CITY Fire Station sites identified on Schedule 3 as required by all
9 applicable Federal, State, and local laws as detailed in Section VIII, Subsection (C) herein.
10 The CITY represents and warrants that the CITY has, as federally mandated, at its own
11 expense, properly removed and replaced, if applicable, all underground fuel tanks and all other
12 environmental hazards from all CITY Fire Station sites identified on Schedule 3 in accordance
13 with all applicable Federal, State, and local requirements and standards. The FIRE DISTRICT
14 assumes no responsibility for any and all contamination or environmental damage, including
15 personal injury or property damage, or liability of any nature whatsoever arising from said fuel
16 tanks or their removal. The CITY shall indemnify, defend, and hold harmless the FIRE
17 DISTRICT from any claims, liabilities, damages, costs, or expenses of any nature whatsoever
18 related to any fuel tanks, hazardous materials and related ancillary equipment, located at the
19 CITY Fire Station sites prior to the commencement date of services under this Agreement.

20 (D) The CITY shall indemnify, defend, and hold harmless the FIRE DISTRICT for any
21 liability, cost, expense, claims, or damages arising from any contamination or environmental
22 damage, including personal injury or property damage of any kind whatsoever at or adjacent to
23 the CITY Fire Station sites in any way related to asbestos, if any, at any of the CITY Fire
24 Station sites, or in any way related to hazardous materials or dangerous conditions caused or
25 created or contributed to by the CITY prior to the commencement date of services at any of the
26 CITY Fire Station sites.

27 (E) The FIRE DISTRICT shall be responsible for utility payments related solely to the
28 FIRE DISTRICT's use of the CITY Fire Stations. In the event any of the CITY Fire Stations'

1 utility connections are shared jointly by others, an equitable formula to determine sharing of
2 utility costs shall be set forth in a Memorandum of Understanding, included herein as Schedule
3 13, attached hereto and made a part hereof entered into by the CITY and the FIRE DISTRICT
4 and executed by the CITY ADMINISTRATOR and FIRE CHIEF of the FIRE DISTRICT,
5 respectively, prior to the commencement date of services or as soon as practicable thereafter.

6 (F) The FIRE DISTRICT shall inspect the CITY Fire Stations prior to acceptance and
7 occupancy. After the FIRE DISTRICT's acceptance of the CITY Fire Stations, the FIRE
8 DISTRICT shall be responsible for minor and routine station repairs as described in this
9 Section.

10 (1) The FIRE DISTRICT shall perform all routine, day-to-day maintenance, and
11 minor repairs (collectively referred to as "routine repairs") on the CITY Fire Stations leased
12 from the CITY identified on Schedule 3. The FIRE DISTRICT shall be responsible for routine
13 repairs not to exceed \$60,000 for each of the CITY Fire Stations during the first year after the
14 commencement date of services of this Agreement (the FIRE DISTRICT's maximum share);
15 for the second through fifth years of this Agreement after the commencement date of services,
16 the FIRE DISTRICT's maximum share for routine repairs for each of the CITY Fire Stations
17 shall be as follows:

18	Year 2	\$65,000
19	Year 3	\$70,000
20	Year 4	\$75,000
21	Year 5	\$80,000

22 (2) The FIRE DISTRICT shall notify the CITY in writing if the total cost for routine
23 repairs for CITY Fire Stations in any one year is anticipated to exceed the FIRE DISTRICT's
24 maximum share for that year in accordance with Subsection (F) herein. If the FIRE DISTRICT
25 expends less than the FIRE DISTRICT's maximum share on the CITY Fire Stations in any
26 year, any amount less than the FIRE DISTRICT's maximum share for the CITY Fire Stations
27 shall not be carried forward from year to year. Routine repairs and minor remodeling shall
28 include but not be limited to the following: repair or replacement of apparatus room doors;

1 floor replacement; ceiling replacement; incidental plumbing and electrical repairs; heating and
2 air conditioning repairs; exhaust fan replacement; and minor remodeling such as shower
3 refurbishment, installation of stainless steel countertops, and additional cabinets for offices
4 and/or lockers that do not exceed \$100,000 per project. All routine repairs or portions thereof
5 in excess of the FIRE DISTRICT's maximum annual share for CITY Fire Stations shall be the
6 responsibility of the CITY. The FIRE DISTRICT shall obtain CITY written approval for any
7 discretionary remodeling or refurbishing that exceeds the annual repair limits. The FIRE
8 DISTRICT may elect to replace or upgrade appliances or furnishings at any of the CITY Fire
9 Stations at its own expense. The CITY shall not be responsible for any such upgrades or
10 replacements, and such upgrades and replacements shall not reduce the FIRE DISTRICT's
11 maximum share provided above, unless the items being replaced are no longer functioning or
12 repairable at a reasonable cost as determined by the FIRE DISTRICT, in which event such
13 costs incurred by the FIRE DISTRICT shall reduce the FIRE DISTRICT's maximum share.
14 Any proposed modifications to the exterior of any of the CITY's fire stations shall require
15 advance written approval of the CITY ADMINISTRATOR.

16 (3) Any non-routine repairs, defined as repairs in excess of \$100,000, hereinafter
17 shall be referred to as "major repairs" and shall be identified, in writing, by the FIRE DISTRICT
18 and presented to the CITY. Major repairs shall be undertaken by the CITY within twelve (12)
19 months of the FIRE DISTRICT's notification to the CITY, or other time period as mutually
20 agreed upon by the FIRE CHIEF of the FIRE DISTRICT and the CITY ADMINISTRATOR,
21 unless said major repair is deemed an emergency, hereinafter referred to as "emergency
22 major repair." In the event of a dispute regarding the existence of major repairs, the general
23 arbitration procedures stated in Section III, Subsection (N) shall be utilized. Emergency major
24 repairs shall be defined as conditions that if left unrepaired would compromise the health,
25 welfare, or security of the fire station inhabitants or the public, as reasonably determined by the
26 FIRE DISTRICT. The FIRE DISTRICT shall commence emergency major repairs immediately
27 and make reasonable effort to notify the CITY's designated emergency contact person. The
28 CITY shall provide the FIRE DISTRICT with the name and telephone number of a designated

1 contact person for such emergency major repairs, which may occur after-hours. The FIRE
2 DISTRICT will undertake the emergency major repairs and invoice the CITY for the costs of
3 such repairs. The CITY shall be invoiced for one-twelfth (1/12) of the cost of such repairs
4 monthly for a period of twelve (12) months. All invoices for emergency major repairs
5 undertaken by the FIRE DISTRICT shall be due and payable thirty (30) days from the date of
6 invoice and shall be subject to the terms contained in Section III, Subsections (K) and (N)
7 herein.

8 (4) The FIRE CHIEF of the FIRE DISTRICT may authorize, with the written
9 approval of the CITY, improvements to any of the CITY Fire Stations for the FIRE DISTRICT's
10 benefit at no cost to the CITY. Such improvements shall not be subject to the FIRE
11 DISTRICT's maximum share provisions as contained herein, and FIRE DISTRICT's maximum
12 share shall not be reduced by the costs of any such improvements.

13 (G) Without limiting each party's indemnification of the other and during the term of this
14 Agreement, each party agrees to maintain the programs of insurance as set forth below. Each
15 party shall retain the option of satisfying its insurance obligations herein through use of a
16 program of commercial or self-insurance coverages, or any combination thereof. Each party's
17 insurance shall be primary to and not contributing with any insurance or self-insurance
18 programs maintained by the other, and shall be maintained at each party's own expense.

19 (1) The CITY shall maintain: General Liability insurance (written on ISO policy
20 form CG 00 01 or its equivalent) with limits of not less than \$1 million per occurrence and \$2
21 million aggregate; Workers Compensation insurance to meet statutory requirements, and
22 including Employers' Liability coverage with limits of not less than \$1 million each; Professional
23 Liability covering liability arising from any error, omission, negligent or wrongful act of the CITY
24 with limits of not less than \$1 million per occurrence and \$2 million aggregate; and Property
25 Coverage providing Special form ("all-risk") coverage in an amount equivalent to the full
26 replacement value of the CITY Fire Stations and applying to CITY- owned and leased real
27 property. The CITY agrees to name the FIRE DISTRICT as an additional insured on its
28 insurance policies.

1 (2) The FIRE DISTRICT shall maintain: General Liability insurance (written on ISO
2 policy form CG 00 01 or its equivalent) with limits of not less than \$1 million per occurrence
3 and \$2 million aggregate; Automobile Liability insurance (written on ISO policy form CA 00 01
4 or its equivalent) with a limit of liability of not less than \$1 million for each accident; Workers
5 Compensation insurance to meet statutory requirements, and including Employers' Liability
6 coverage with limits of not less than \$1 million each incident; and Professional Liability
7 covering liability arising from any error, omission, negligent or wrongful act of the FIRE
8 DISTRICT with limits of not less than \$1 million per occurrence and \$2 million aggregate. The
9 FIRE DISTRICT agrees to name the CITY as an additional insured on its insurance policies.

10 (H) The FIRE DISTRICT shall not be liable for any damages to any of the CITY Fire
11 Stations which results from any seismic events, natural disasters, civil disturbances, or acts of
12 God. Should any such event occur that makes any of the CITY fire stations uninhabitable
13 and/or non-operational, the CITY shall immediately find temporary quarters for the FIRE
14 DISTRICT to operate out of until the CITY can repair the affected CITY fire station(s).

15 (I) The FIRE DISTRICT and the CITY, respectively, shall be fully responsible for any
16 repairs or any damages arising from the intentional or negligent acts of their respective
17 personnel. Disputes regarding implementation of this provision shall be resolved pursuant to
18 Section III, Subsection (N).

19 **SECTION VI. INDEMNIFICATION**

20 Except as specifically otherwise provided in this Agreement, neither party shall be liable
21 for the negligent, intentional, or wrongful acts of the other in the performance of this
22 Agreement.

23 (A) The CITY agrees to indemnify, defend, and hold harmless the FIRE DISTRICT and
24 the County of Los Angeles, hereinafter referred to as "COUNTY", their elected and appointed
25 officials, officers, agents, and employees from any and all liability and expenses, including
26 defense costs and legal fees, arising from or connected with claims and lawsuits arising from
27 the negligent, intentional, or wrongful acts of the CITY in the performance of this Agreement
28 including any matters relating to the separation from CITY service by the CITY employees

1 transferring to the FIRE DISTRICT as specified on Schedules 7 and 10 herein.

2 (B) The FIRE DISTRICT agrees to indemnify, defend, and hold harmless the CITY, its
3 elected and appointed officials, agents, officers, and employees from any and all liability and
4 expenses, including defense costs and legal fees, arising from or connected with claims and
5 lawsuits arising from the negligent, intentional, or wrongful acts of the FIRE DISTRICT in the
6 performance of this Agreement.

7 **SECTION VII. PERSONNEL**

8 (A) **SWORN EMPLOYEES**

9 (1) **Appointment** – Subject to the provisions of the California Government Code,
10 Section 1031 and the Los Angeles County Code Section 6.02.040, the FIRE DISTRICT agrees
11 to appoint, without further civil service examination, those CITY firefighter series employees,
12 hereinafter referred to as "sworn employees," specified on Schedule 7, attached hereto and
13 made a part hereof, who have successfully completed six (6) months service with the CITY,
14 exclusive of temporary or reserve fire fighters. Sworn employees' service with the CITY must
15 include actual firefighting experience in a permanent fire fighter position. The date of hire that
16 establishes the sworn CITY employees' continuous service date in a safety capacity with the
17 CITY shall be utilized for purposes of the mandatory retirement age for transferring safety
18 employees.

19 (2) **Probation** – All CITY sworn employees on probation will remain on probation until
20 completing the FIRE DISTRICT probationary period and requirements.

21 (3) **Positions** – CITY sworn employees qualified pursuant to this Section VII are
22 fully identified on Schedule 7 attached hereto and are subject to the terms and conditions of
23 this Agreement. CITY sworn employees shall be employed by the FIRE DISTRICT in the
24 number and status as follows:

<u>Number</u>	<u>Fire District Status</u>
9	Captain
12	Fire Fighter Specialist
Remaining	Fire Fighter

1 The actual number of transferring CITY employees employed by the FIRE DISTRICT
2 as a Fire Fighter will be based on the number of transferring employees at the time of
3 transition to FIRE DISTRICT service.

4 The CITY shall designate sworn employees to be assigned to the Captain, Fire
5 Fighter Specialist, and Fire Fighter positions indicated above. Any CITY designated employee
6 shall be eligible for the assigned position if the employee has held the position being
7 designated to or a higher position in the service of the CITY. A duly authorized representative
8 from the Vernon Firefighter's Association, Local 2312 (VFA) and the Vernon Fire Management
9 Association (VFMA) shall approve, in writing, the appointment of the personnel designated to
10 the ranks of Captain and Fire Fighter Specialist as listed on Schedule 7 attached. Once
11 approved by the VFA and VFMA, these designations shall become final and not subject to
12 change unless a CITY sworn employee designated on the list does not transfer to the FIRE
13 DISTRICT. The CITY shall indemnify, defend, and hold harmless the FIRE DISTRICT from
14 any claims, liabilities, damages, costs, or expenses of any nature whatsoever related to the
15 designation of transferring employees' ranks by the CITY.

16 (4) **Firefighting Experience** – CITY sworn employees to be assigned to the position of
17 Fire Captain shall have a minimum of five (5) years' firefighting experience. The CITY
18 represents and warrants that those employees assigned Fire Captain positions have a
19 minimum of five (5) years' firefighting experience.

20 (5) **Driving Skills** – All CITY sworn employees who are to be assigned fire apparatus
21 operation responsibilities as Fire Fighter Specialists will be tested and trained, as may be
22 required by the FIRE DISTRICT. Any CITY sworn employee who does not initially qualify in
23 fire apparatus operations prior to the commencement date of services will be assigned other
24 duties. After being provided training by the FIRE DISTRICT, transferring Fire Fighter
25 Specialists will be required to pass a fire apparatus operations test. Fire Fighter Specialists
26 who do not pass the fire apparatus operations test may be demoted at the sole discretion of
27 the FIRE DISTRICT.

28 (6) **Driver License** – As a condition of employment and as required in the County Class

1 Specification for the firefighter series, all CITY sworn employees will be required to have a
2 California Class C Driver License with firefighter endorsements as the minimum standard
3 driver license. No employee shall have license restrictions which would prevent him/her from
4 performing his/her employment duties.

5 (7) **EMT-1 Training** – Sworn members of the FIRE DISTRICT are required to be
6 certified as Emergency Medical Technician I (EMT-1). The CITY certifies that all CITY sworn
7 employees transferring to the FIRE DISTRICT shall have current EMT-1 certification, current
8 continuing education (CE), and certified skills (CS) testing. Current CE shall be defined as the
9 equivalent of one (1) hour of CE for each month that has elapsed since the last recertification
10 date. Current CS shall be defined as twelve (12) skills tests during a 24-month skills cycle.
11 The CITY shall reimburse the FIRE DISTRICT for any costs incurred by the FIRE DISTRICT
12 as a result of non-compliance by any CITY employee of the requirements herein. In addition,
13 all transferring CITY paramedics who desire to transfer to the FIRE DISTRICT as a paramedic
14 must complete 24 hours a year, or 48 hours during their 2-year cycle of paramedic CE,
15 including skills testing, and the FIRE DISTRICT's re-activation class which consists of up to
16 three (3) days of classroom and five (5) or more shifts of internship (i.e. ride-alongs) on a FIRE
17 DISTRICT paramedic squad. Any transferring paramedic who does not successfully pass this
18 re-activation class and/or who has any pending action against them by the County's
19 Emergency Medical Services Authority, or the State's Local Emergency Medical Services
20 Agency would be ineligible to function as a paramedic with the FIRE DISTRICT. At the time of
21 transition to the FIRE DISTRICT, all transferring employees shall provide documentation
22 certifying that all CE and CS are up-to-date and completed.

23 (8) **Seniority** – This Agreement will result in the creation of forty-two (42) additional
24 FIRE DISTRICT sworn positions. More than forty-two (42) sworn employees may be
25 transferring from the CITY to the FIRE DISTRICT. Pursuant to Section 53292 of the California
26 Government Code and except as specified in Section VII, Subsection (C), paragraph (10)
27 herein, so as not to impair the seniority rights of FIRE DISTRICT sworn employees, as a result
28 of the forty-two (42) newly created sworn positions, forty-two (42) CITY sworn employees with

1 the most CITY Fire Department continuous service time will receive FIRE DISTRICT seniority
2 rights and COUNTY seniority. In the event any two or more transferring CITY employees have
3 the same continuous service date with the CITY Fire Department, the CITY shall use whatever
4 method currently utilized by the CITY to determine the manner in which the seniority for those
5 affected employees shall be established.

6 FIRE DISTRICT seniority is principally used for transfer bidding rights and, for these
7 forty-two (42) positions, will be based on continuous service time in the firefighter series with
8 the CITY's Fire Department. COUNTY seniority, which as defined in Los Angeles County Civil
9 Service Rule 2.15 as "continuous service," is principally used for purposes of determining the
10 order of layoff or reduction. Also as defined in Section 6.04.040 of the Los Angeles County
11 Code, "continuous service" is principally used for purposes of determining rights to some types
12 of paid leave. For these forty-two (42) positions, continuous service will include all continuous
13 service time with the CITY, including any continuous non-permanent time.

14 The assigned FIRE DISTRICT and COUNTY seniority dates for any remaining
15 sworn employees will be the commencement date of services with the FIRE DISTRICT. They
16 will be placed on the FIRE DISTRICT seniority list and also assigned a COUNTY continuous
17 service date in order of their relative service time with the CITY.

18 All CITY and FIRE DISTRICT seniority will be considered for all purposes, except
19 for those individuals beyond the forty-two (42) additional sworn positions for which CITY
20 seniority shall not count for purposes of bidding rights, vacation schedules, and to determine
21 the order of layoff or reduction.

22 As those CITY sworn employees with full FIRE DISTRICT and COUNTY seniority
23 rights leave FIRE DISTRICT service, any remaining sworn employees will be assimilated into
24 full FIRE DISTRICT and COUNTY seniority status based on their time in service as sworn
25 CITY/FIRE DISTRICT employees, with the exception of those employees who fall under the
26 provision of Section VII, Subsection (C), paragraph (10) herein.

27 (9) **Promotional Exams** – All non-probationary transferring sworn employees shall
28 be immediately eligible for promotional examination within the FIRE DISTRICT. All time in

1 rank as a sworn CITY and/or FIRE DISTRICT employee shall be considered for purposes of
2 determining eligibility for promotional examination.

3 (10) **Longevity Bonus** – For purposes of determining eligibility for the FIRE
4 DISTRICT's Fire Fighter longevity bonus for those CITY employees blanketed into FIRE
5 DISTRICT in the Fire Fighter classification, all continuous CITY service time in the Fire Fighter
6 or successive promotional classifications shall be deemed as fulfilling the required aggregate
7 service time for longevity bonus entitlement, except as provided in Section VII, Subsection (C),
8 paragraph (10) herein.

9 (11) **Training Records** – The CITY will provide the FIRE DISTRICT with complete
10 training records of all CITY sworn employees to be transferred to the FIRE DISTRICT pursuant
11 to this Agreement.

12 (B) **NON-SWORN EMPLOYEES**

13 (1) **Appointment** – The FIRE DISTRICT may agree to appoint without further civil
14 service examination non-Fire Fighter series employees, hereinafter referred to as "non-sworn
15 employees", who have successfully completed six (6) months continuous service with the CITY
16 and who shall be listed on Schedule 10, attached hereto and made a part hereof. All non-
17 sworn employees shall successfully complete a probationary period consistent with Los
18 Angeles County Civil Service Rules.

19 (2) **Seniority** – Since non-sworn positions are not being created as a result of this
20 annexation, the FIRE DISTRICT and COUNTY seniority date for all transferring non-sworn
21 CITY employees, which is primarily used for the purpose of determining the order of layoff or
22 reduction, shall be the commencement date of services.

23 (C) **ALL EMPLOYEES**

24 (1) **Medical Exam & Background Investigation** – Prior to the commencement date
25 of services, as a condition of the FIRE DISTRICT employment, each CITY employee must be
26 medically qualified by a FIRE DISTRICT-administered physical examination, which includes a
27 drug screening component, and must pass the FIRE DISTRICT's background investigation.
28 Any CITY employee who is on medical leave of absence on the commencement date of

1 services shall be blanketed into FIRE DISTRICT if he/she passes the required medical
2 examination and background investigation upon termination of medical leave. The FIRE
3 DISTRICT retains the right to not accept any CITY employee in its sole discretion upon
4 completion of the employee's medical exam and background investigation. In such case, the
5 CITY employee's rights, obligations and status as a CITY employee shall be dictated by CITY
6 rules and regulations.

7 (2) **Salary Step Placement** – For the purpose of determining an employee's FIRE
8 DISTRICT salary step placement, "CITY salary" shall be defined as all monthly earnings that
9 are eligible towards CITY retirement credit, excluding any compensation for unused benefit
10 days or holidays, uniform allowances, and all overtime earnings. The employee's initial salary
11 step placement shall not be less than his/her CITY salary as defined in this Section VII,
12 Subsection (C), paragraph 2.

13 Paramedic bonuses shall be excluded from "CITY salary" for those employees who
14 transfer to the FIRE DISTRICT into a "Fire Fighter" position. Any transferring employees who
15 are assigned to "Fire Fighter Paramedic" positions will be entitled to receive the applicable
16 FIRE DISTRICT paramedic bonus.

17 Paramedic bonuses will be included in the "CITY salary" for those employees who
18 transfer to the FIRE DISTRICT into a "Fire Fighter Specialist" or "Captain" position pursuant to
19 this Section VII, Subsection (A), paragraph (3) and who are receiving a paramedic bonus in the
20 CITY at the time of transfer to the FIRE DISTRICT. In the event any employee transferring to
21 the FIRE DISTRICT into a "Fire Fighter Specialist" or "Captain" position is subsequently
22 assigned to a paramedic position in the FIRE DISTRICT, the employee's salary will be
23 recalculated to eliminate the amount of his CITY paramedic bonus and to include the
24 applicable FIRE DISTRICT paramedic bonus. All other bonuses, other than paramedic
25 bonuses, will be considered by the FIRE DISTRICT in its discretion for inclusion in the
26 determination of an employee's FIRE DISTRICT salary placement but is not guaranteed. The
27 ultimate decision regarding the inclusion of bonuses rests with the FIRE DISTRICT in its
28 discretion.

1 (a) Sworn Employees – Except as provided in Section VII, Subsection (C),
2 paragraphs (9) and (10), all continuous service time accrued as a sworn employee in the
3 service of the CITY shall be considered for the purpose of determining COUNTY employee
4 benefits including sick leave, vacation, step placement on the applicable COUNTY salary
5 schedule, and the pensionability of their Flexible Benefits income. Salary step placement of
6 sworn employees shall be within the salary range of the FIRE DISTRICT position assigned, but
7 no less than the salary step that provides for the same salary or next higher salary as the
8 sworn employee's CITY salary as defined in this Section VII, Subsection (C), paragraph 2.
9 Subsequent salary step advances, if applicable, shall be one (1) year from the last step
10 advance with the CITY or in accordance with COUNTY policy, whichever is sooner. In the
11 event that the sworn employee's CITY salary is higher than the top step of the COUNTY salary
12 range, the sworn employee will be placed on the top step of that range, but shall be Y-Rated in
13 order to maintain the same level of base salary as the employee had with the CITY.

14 A sworn CITY employee's Y- Rate shall remain in effect until the regular salary
15 including any bonuses exceeds the Y-Rate amount. Y-Rated employees shall not be eligible
16 for bonuses in addition to their Y-Rated salary. Sworn employees who have accrued CITY
17 service time in a non-sworn position shall have such non-sworn service time considered for
18 purposes of determining COUNTY seniority date and benefits, but not salary step placement.

19 (b) Non-Sworn Employees – Except as provided in Section VII, Subsection (C),
20 paragraphs (9) and (10), all continuous service time accrued as a non-sworn employee in the
21 service of the CITY shall be considered for all purposes except for bidding rights for work and
22 vacation schedules, and to determine the order of layoff or reduction. Salary placement of
23 non-sworn employees shall be within the salary range of the FIRE DISTRICT position
24 assigned, and at the salary step that provides for the same salary or next higher salary as the
25 employee's CITY salary as of the commencement date of services through this Agreement. In
26 the event that the employee's CITY salary is higher than the top step of the COUNTY salary
27 range, the employee will be placed on the top step of that range, but shall be Y-Rated so that
28 no loss in pay occurs.

1 (3) **Taxes** – This Agreement does not exempt transferring CITY employees from
2 applicable payroll taxes required of new employees, such as Health Insurance Tax (HIT).

3 (4) **Uniforms** – CITY issued uniforms and safety equipment that meet FIRE
4 DISTRICT standards shall be transferred to the FIRE DISTRICT with the transferring
5 employees. CITY uniforms will be supplemented by FIRE DISTRICT issued uniforms and/or
6 safety equipment necessary to meet FIRE DISTRICT requirements. The CITY shall assume
7 all costs for supplementing uniforms and safety equipment that do not meet FIRE DISTRICT
8 standards. Such costs shall be included on Schedule 4, as soon as available. Subsequent
9 uniform issues will be as provided for in the current Memorandum of Understanding for the
10 respective employee representation units entered into between the County of Los Angeles and
11 the certified employee organizations, if applicable.

12 (5) **Personnel/Workers' Compensation/Time Records** – As a condition of FIRE
13 DISTRICT employment, CITY employees must consent to the transfer of complete original
14 personnel and employment records to the FIRE DISTRICT. The CITY will provide the FIRE
15 DISTRICT with complete and original personnel and employment records of all CITY
16 personnel to be transferred pursuant to this Agreement, including any employee's complete
17 original Workers' Compensation files, all claims for disability compensation, and all additional
18 documentation related to open claims which remain ongoing after the date of transfer of the
19 CITY employees to the FIRE DISTRICT, which shall be the commencement date of services.
20 In addition, the CITY will provide the FIRE DISTRICT with a minimum of one (1) year's time
21 records of "hours worked" prior to the commencement date of services for all CITY personnel
22 to be transferred pursuant to this Agreement. Each transferring employee shall certify to the
23 FIRE DISTRICT the completeness of his/her personnel file.

24 (6) **Vacation Shifts/Days** – The CITY shall pay to the FIRE DISTRICT in the
25 manner set forth in Section III, Subsection (P) herein for transferred vacation benefit shifts/
26 days for transferring employees at the CITY's salary rates in effect on the commencement date
27 of services. The CITY shall transfer in whole hours all vacation benefit shifts/days an
28 employee is entitled to in CITY employment to a maximum of twenty (20) vacation days, i.e.,

1 one hundred sixty (160) hours for employees assigned to a 40-hour work schedule, or ten (10)
2 shifts, i.e., two hundred forty (240) hours for employees assigned to a 24-hour shift schedule,
3 whichever is applicable. Vacation shifts/days are outlined in Schedule 8 for sworn personnel
4 and Schedule 11 for non-sworn personnel, which are attached hereto and made a part hereof.
5 CITY salary rates for reimbursement to the FIRE DISTRICT are defined in this Section VII,
6 Subsection (C), paragraph (2).

7 Transferring CITY employees shall accrue vacation benefits each pay period.
8 Pay periods are the 1st day of each month to the 15th day of that month, and the 16th day of
9 each month to the last day of that month. The amount of vacation benefits accrued by each
10 transferring CITY employee shall be based on the transferring employees' continuous service
11 time as a sworn employee of the CITY. Transferring CITY employees may use their accrued
12 vacation benefits during the pay period immediately following the pay period in which the
13 benefits are accrued, notwithstanding the employees' assigned COUNTY seniority.

14 (7) **Sick Shifts/Days** – The CITY shall pay to the FIRE DISTRICT in the manner set
15 forth in Section III, Subsection (P) herein for transferred sick benefit shifts/days for transferring
16 employees at the CITY's salary rates in effect on the commencement date of services. The
17 CITY shall transfer in whole hours all sick benefit shifts/days an employee is entitled to in CITY
18 employment to a maximum of twenty (20) sick days, i.e., one-hundred sixty (160) hours for
19 employees assigned to a 40-hour work schedule, or ten (10) shifts, i.e., two hundred forty
20 (240) hours for employees assigned to a 24-hour shift schedule, whichever is applicable. Sick
21 benefit shifts/days are outlined in Schedule 9 for sworn personnel and Schedule 12 for non-
22 sworn personnel, which are attached hereto and made a part hereof. The CITY salary rates
23 for reimbursement to the FIRE DISTRICT are defined in this Section VII, Subsection (C),
24 paragraph (2).

25 (8) **Waiver of Accumulated Benefits** – The FIRE DISTRICT shall not assume any
26 responsibility for personnel benefits or CITY obligations accrued by CITY employees prior to
27 the commencement date of services, except as expressly provided for in this Agreement. The
28 CITY shall provide a waiver for said accumulated benefits executed in favor of the FIRE

1 DISTRICT by each CITY employee as a condition of employment by the FIRE DISTRICT. It is
2 further understood that employees subject to this Agreement shall become eligible for
3 vacation, sick, and holiday time while in FIRE DISTRICT service only as provided in the FIRE
4 DISTRICT Salary Resolution, Los Angeles County Salary Ordinance, or as designated in
5 Section VII herein.

6 (9) **Los Angeles County Employees Retirement Association**

7 a) All sworn employees subject to this Agreement will, on the first day of the
8 month following the date they are appointed to a position in the FIRE DISTRICT, become
9 members of the Los Angeles County Employees Retirement Association (LACERA) Plan C for
10 Safety Members or any other Safety Plan as permitted by the County Employees' Retirement
11 Law of 1937 (CERL) and the Public Employees' Pension Reform Act of 2013 (PEPRA).

12 b) All non-sworn employees subject to this Agreement will, on the first day of the
13 month following the date they are appointed to a position in the FIRE DISTRICT, become
14 members of Plan G for General Members or one (1) of the other non-safety LACERA plans
15 available at the time of the commencement date of services pursuant to the provisions of
16 CERL and PEPRA.

17 c) Service performed by such sworn and non-sworn personnel while employees
18 of the CITY shall not be credited as retirement service with LACERA, and except as provided
19 in California Government Code Sections 31836.1 and 31836.2, shall not be counted for the
20 purpose of discontinuing contributions after thirty (30) years of continuous service pursuant to
21 Government Code Sections 31625.2 and 31664, to the extent applicable, and shall not be
22 counted for the purpose of determining health insurance premiums charged to LACERA
23 retirees.

24 (10) **Retirement from Public Employees Retirement System** – Transferring CITY
25 employees would be required to leave retirement contributions on deposit with the California
26 Public Employees Retirement System (CalPERS) and establish reciprocity with LACERA,
27 limiting the FIRE DISTRICT's retirement benefit costs. The transferring employees' LACERA
28 contribution rates would be based on their age upon entering the CalPERS system. The FIRE

1 DISTRICT's rate structure for salary and employee benefits includes a component for
2 retirement costs for positions staffing CITY stations; therefore, the FIRE DISTRICT cost would
3 be offset. At the time of retirement, a reciprocal member would receive retirement benefits
4 from both agencies based on the benefits of reciprocity, such as adding service credit under
5 each system to determine eligibility to retire. Any CITY employee who retires from CalPERS
6 prior to the commencement date of services will not be accepted for FIRE DISTRICT
7 employment.

8 In the event a transferring employee opts to retire from CalPERS at any time
9 while in the employment of the FIRE DISTRICT, such employee shall forfeit all of his/her
10 continuous service time with the CITY, including all service time with the CITY Fire
11 Department, for purposes of determining FIRE DISTRICT and COUNTY seniority and
12 COUNTY employee benefits and step placement pursuant to Section VII, Subsection (A),
13 paragraphs (8) and (10), and Section VII, Subsection (C), paragraph (2). The FIRE DISTRICT
14 and COUNTY seniority date for any employee retiring from CalPERS pursuant to this
15 paragraph (10) of Subsection (C) of Section VII shall immediately become the commencement
16 date of services, any longevity bonus received by the employee which is based on continuous
17 time with the CITY will be eliminated from the employee's salary, any Y-Rated salary will be
18 eliminated, and the employee's salary will be adjusted and based solely on the employee's
19 FIRE DISTRICT rank and total time as an employee with the FIRE DISTRICT. Such
20 employees must also be medically qualified by a FIRE DISTRICT-administered physical
21 examination as required of newly hired fire fighters.

22 (11) **Workers' Compensation** – California Labor Code Sections shall govern
23 Workers' Compensation benefits for all transferring CITY employees who sustain industrial
24 injuries. Notwithstanding Section 5500.5 et seq. of the California Labor Code, the CITY agrees
25 to reimburse the FIRE DISTRICT for the FIRE DISTRICT's proportionate share of all medical,
26 legal, administrative, and any other indemnity costs for which the FIRE DISTRICT shall be
27 liable for those industrial injuries apportionable in whole or in part to employees' employment
28 with the CITY. The CITY's responsibility as provided for herein shall not be affected by any

1 change in Federal or State law.

2 The CITY and the FIRE DISTRICT shall cooperate in the ongoing management of
3 any Workers' Compensation claims pending filed during the time CITY personnel are
4 employed by the FIRE DISTRICT by providing such information as is necessary for the CITY
5 and/or the FIRE DISTRICT to appropriately manage a Workers' Compensation claim filed by a
6 FIRE DISTRICT employee previously employed by the CITY. The CITY shall notify the FIRE
7 DISTRICT of any claims pending, filed, or denied; and any temporary or permanent work
8 restrictions imposed with respect to an employee who transfers from CITY employment to
9 FIRE DISTRICT employment. The FIRE DISTRICT shall notify the CITY of any claims
10 pending, filed, or denied; and any temporary or permanent work restrictions imposed with
11 respect to an employee who has a pending Workers' Compensation claim involving the CITY
12 or who asserts a Workers' Compensation claim during employment with the FIRE DISTRICT
13 upon which the CITY is potentially liable in whole or in part. The CITY shall be responsible for
14 adjusting and paying all costs related to those claims which have been filed or are pending as
15 of the effective date of this Agreement. This responsibility of the CITY is subject to contribution
16 from the FIRE DISTRICT for any post-transfer injury or exacerbation of an existing injury
17 already at issue in a pending Workers' Compensation claim involving the CITY at the time of
18 transfer. Pursuant to Subsection C, Paragraph 5, the CITY shall provide Workers'
19 Compensation related files on all employees transferring to the FIRE DISTRICT.

20 (12) **Health Insurance** – The CITY shall continue to provide the existing coverage of
21 paid medical and dental insurance for all employees transferring to the FIRE DISTRICT for one
22 (1) full calendar month after the commencement date of services or, for those employees on
23 medical leave with the CITY on the commencement date of services, for at least one (1) full
24 calendar month after the effective date of their blanketing into the FIRE DISTRICT. The FIRE
25 DISTRICT shall reimburse the CITY as specified in Section III, Subsection (P).

26 (13) **Deferred Compensation Plans** – Pursuant to Section 6.02.040 of the Los
27 Angeles County Code, CITY employees transferring to the FIRE DISTRICT shall be eligible for
28 immediate participation in the COUNTY employees' deferred compensation plans for which

1 they may be eligible depending upon their transferred rank, unless such immediate eligibility is
2 otherwise prohibited by Federal or California statute or regulation.

3 (14) **Marriage and Birth Certificates** – For purposes of completing the background
4 investigations pursuant to Section VII, Subsection (C), paragraph (1) herein and for verification
5 of eligibility of health insurance coverage, prior to the commencement date of services as
6 determined by the FIRE DISTRICT, all transferring CITY employees will be required to provide
7 copies of their marriage certificates and the birth certificates for themselves and all dependents
8 who will be covered under their health insurance benefits.

9 (15) **FIRE DISTRICT Employees' Rights** – The employment rights of existing FIRE
10 DISTRICT employees shall not be impaired by this Agreement.

11 **SECTION VIII. ENVIRONMENTAL QUALITY CONTROL**

12 (A) The FIRE DISTRICT shall be responsible to comply with the provisions of the
13 California Environmental Quality Act of 1970 (CEQA), insofar as the same may apply to
14 annexation proceedings required in annexing the CITY to the FIRE DISTRICT. The FIRE
15 DISTRICT agrees to hold the CITY free and harmless from any and all claims, demands, or
16 judgments arising out of the FIRE DISTRICT's failure to comply with the provisions of CEQA,
17 relative to annexation procedures.

18 (B) Prior to the commencement date of services, the CITY shall have a Cal-OSHA
19 Registered Environmental Assessor perform a Phase I Site Assessment and Building
20 Asbestos Survey and, if subsequently required, a Phase II Site Assessment on all CITY Fire
21 Station facilities to be occupied by the FIRE DISTRICT pursuant to Schedule 3 attached
22 hereto. All Site Assessments and related reports shall be reviewed, approved, and accepted
23 by the FIRE DISTRICT.

24 (C) The CITY shall, at its sole expense, mitigate and abate all environmental hazards (if
25 any) at the CITY Fire Station sites prior to the commencement date of services and provide
26 evidence to the satisfaction of the FIRE DISTRICT that all recommended measures have been
27 completed and that all applicable laws and requirements have been complied with. Any
28 residual contamination or environmental damage from conditions on or adjacent to CITY Fire

1 Stations which existed before the commencement date of services but which are discovered
2 after the commencement date of services, shall be the responsibility of the CITY.

3 (D) The FIRE DISTRICT shall, at its sole expense, mitigate and abate all environmental
4 damage (if any) caused by the FIRE DISTRICT or its agents at any of the CITY Fire Stations
5 after the commencement date of services.

6 (E) Prior to occupancy of the CITY Fire Stations by the FIRE DISTRICT, the FIRE
7 DISTRICT shall inspect the facilities and identify all hazardous materials stored at the facilities
8 for which the CITY shall be responsible for removal. The CITY shall remove all identified
9 hazardous materials prior to FIRE DISTRICT occupancy of the CITY Fire Stations. If, after
10 FIRE DISTRICT occupancy of the CITY Fire Stations, stored hazardous materials are
11 discovered by the FIRE DISTRICT which were not previously identified during the above
12 inspection, the CITY shall remove said materials within thirty (30) days after written notice by
13 the FIRE DISTRICT to the CITY, or the FIRE DISTRICT may remove the materials and invoice
14 the CITY for the costs of such removal. In the event such hazardous materials pose an
15 immediate danger to human health or the environment as determined by the FIRE DISTRICT,
16 such materials shall be removed immediately by the CITY upon notification by the FIRE
17 DISTRICT to the CITY.

18 **SECTION IX. HAZARDOUS MATERIALS RELEASE RESPONSE PLAN AND**
19 **INVENTORY**

20 (A) CITY will continue to act as the administering agency for the CITY's Hazardous
21 Materials Release Response Plan and Inventory, California Health and Safety Code Chapter
22 6.95, Sections 25500 – 25545, hereinafter referred to as the "Program" during the term of this
23 Agreement. CITY shall make available records to FIRE DISTRICT to assist in the planning for
24 emergency response.

25 (B) The CITY shall retain all fees collected in the administration of the Program as
26 provided by State law.

27 (C) When the FIRE DISTRICT's Health/Hazardous Materials Emergency Response
28 Teams respond to a hazardous materials incident in the CITY, the FIRE DISTRICT will

1 subsequently invoice the CITY on an as-call basis for the costs associated with the response
2 team unit(s) responded. Payments by the CITY of invoices for all such hazardous materials
3 emergency incident response team responses shall be made pursuant to the provisions of
4 Section III herein.

5 **SECTION X. ADOPTION OF LOS ANGELES COUNTY FIRE CODE**

6 Pursuant to Los Angeles County Fire Code - Title 32, Sections 10000.1 and 10000.2,
7 and California Health and Safety Code Section 13869, as may be subsequently amended,
8 upon annexation of the CITY to the FIRE DISTRICT, the County of Los Angeles Fire Code -
9 Title 32, including any subsequent amendments to such code, shall be enforced in the CITY by
10 the FIRE DISTRICT. By ordinance, the CITY shall adopt the County of Los Angeles Fire Code
11 – Title 32 as of the commencement date of services. This ordinance will adopt all existing
12 CITY amendments to the County of Los Angeles Fire Code – Title 32 as a separate
13 attachment. The FIRE DISTRICT will enforce applicable amendments specific to the CITY.
14 Where differences occur between the Los Angeles County Fire Code – Title 32 and the
15 amendments adopted by the CITY, the CITY amendments will take precedence unless an
16 impracticality of enforcement is determined by the FIRE DISTRICT in its sole discretion, in
17 which case the FIRE DISTRICT and the CITY shall work towards establishing a mutually
18 agreeable resolution.

19 **SECTION XI. MODIFICATION OF SCHEDULES**

20 (A) All schedules attached hereto and incorporated herein by reference will be subject to
21 modification by mutual written agreement of the CITY ADMINISTRATOR and FIRE CHIEF of
22 the FIRE DISTRICT as needed after the date of approval of this Agreement by both parties.

23 (B) Modifications to the staffing levels as indicated on Schedule 2 may cause an
24 adjustment in the determination of the Annual Fee as specified in Section II, Subsection (L)
25 herein.

26 **SECTION XII. WITHDRAWAL**

27 (A) In the event the CITY terminates this Agreement and withdraws from the FIRE
28 DISTRICT at any time subsequent to the Initial Ten-Year Term, per the provisions of Section I,

1 herein, the FIRE DISTRICT and the CITY agree that:

2 (1) The lease on the fire stations shall terminate and the FIRE DISTRICT shall
3 vacate the CITY Fire Stations on the effective date of withdrawal except as provided for in a
4 subsequent written agreement as may be entered into by the CITY and the FIRE DISTRICT.

5 (2) The FIRE DISTRICT shall return to the CITY, fire apparatus, vehicles and
6 related fire apparatus equipment of a comparable type, condition, and age, in the quantity and
7 type as described on Schedule 5 as of the commencement date of services.

8 (3) The FIRE DISTRICT shall return to the CITY Fire Station equipment, furniture,
9 tools, and furnishings of a comparable type and condition as of the commencement date of
10 services, which are essential to the operation of the fire station facilities and are detailed in
11 Schedule 6.

12 (4) As to any apparatus, vehicles, equipment, tools, furniture, furnishings, or other
13 personal property for which a monetary or in-kind credit was given to the CITY upon the
14 effective date of this Agreement, the FIRE DISTRICT will not be obligated in any manner to
15 return comparable items to the CITY at the date of withdrawal of this Agreement.

16 (B) In the event of the termination of the Agreement by either party as provided herein,
17 the FIRE DISTRICT and the CITY agree to enter into separate and further agreements to
18 address the specific details of termination not addressed in this Agreement.

19 **SECTION XIII. GOOD FAITH AND FAIR DEALING**

20 The FIRE DISTRICT and the CITY covenant and warrant to act in good faith and fair
21 dealing regarding the performance, administration, and interpretation of this Agreement.

22 **SECTION XIV. GENERAL PROVISIONS**

23 (A) Severability – In the event that any provision herein contained is held to be invalid,
24 void, or illegal by any court of competent jurisdiction, the same shall be deemed severable
25 from the remainder of this Agreement and shall in no way affect, impair or invalidate any other
26 provision contained herein. If any such provision shall be deemed invalid due to its scope or
27 breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted
28 by law.

1 (B) Waiver – No breach of any provision hereof can be waived unless in writing.
2 Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of
3 the same or any other provision hereof.

4 (C) Entire Agreement – This Agreement constitutes the entire agreement
5 between the parties relating to the subject matter of this Agreement, and supersedes any prior
6 understanding whether oral or written and may be modified only by further written agreement
7 between the parties hereto. The non-enforceability, invalidity or illegality of any provision of
8 this Agreement shall not render the other provisions thereof unenforceable, invalid or illegal.

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1 **IN WITNESS WHEREOF**, the CITY, by majority vote of its City Council, has caused this
2 Agreement to be executed by its Mayor and which execution has been attested to by its Clerk;
3 pursuant to action by a majority vote of the Board of Supervisors, as governing body of the
4 FIRE DISTRICT, has authorized its Fire Chief to execute this Agreement on behalf of the FIRE
5 DISTRICT.

6 **CONSOLIDATED FIRE PROTECTION**
7 **DISTRICT OF LOS ANGELES COUNTY**

CITY OF VERNON

8
9 By _____
10 Fire Chief Daryl L. Osby

By _____
Leticia Lopez, Mayor

11 DATE _____

DATE _____

12
13
14 ATTEST:

15
16 By _____
17 Lisa Pope City Clerk

18
19
20 APPROVED AS TO FORM:

APPROVED AS TO FORM:

21 MARY C. WICKHAM
22 County Counsel

23
24 By _____
Deputy

By _____
Arnold Alvarez-Glasman, Interim City
Attorney

25 F:\Planning\Vernon\Annexation Agreement05-13-2020

**CITY OF VERNON - AGREEMENT FOR SERVICES
SCHEDULE 1
COMMENCEMENT DATE OF SERVICES**

TO BE DETERMINED

(TO BE COMPLETED ON OR ABOUT THE COMMENCEMENT DATE OF SERVICE)

APPROVED:

**DARYL L. OSBY
FIRE CHIEF**

**CARLOS R. FANDINO, JR
CITY ADMINISTRATOR**

DATE

DATE

**CITY OF VERNON - AGREEMENT FOR SERVICES
SCHEDULE 2
OPERATION BY DISTRICT WITH ESTIMATED 2020-21 ANNUAL FEE***

Station Operations Staffing :

<u>City Station</u>	<u>Equipment</u>	<u>Post Positions</u> ^(a)	<u>Estimated 2020-21 Net City Cost</u>
76	Engine	3	\$2,629,351
	Truck	4	2,629,351 ^(b)
	Paramedic Squad	2	840,032 ^(c)
77	Engine	4	3,333,716
78	Closed ^(d)	-	

Fire Prevention Staffing : ^(e)

Fire Prevention Engineering Asst. II (Plan Check)	0.5	\$79,382
Captain	0.5	145,336
Fire Fighter Specialist (Inspector)	3	738,294

Total Estimated Salary and Employee Benefits	\$10,395,462
Overhead @ 35.3306%	3,672,780

Estimated 2020-21 Annual Fee*	\$14,068,242
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^(a) Three persons staff each post position through a 56-hour workweek (A, B, C shifts). Station Operations includes overtime required to maintain 24-hour constant staffing.

^(b) In recognition of the regional benefit to be derived by the truck company assigned in the City, the Fire District will share in the annual staffing cost of one firefighter post position.

^(c) In recognition of the regional benefit to be derived by the paramedic squad assigned in the City, the Fire District will share fifty percent (50%) of the annual staffing cost of this unit.

^(d) If within one year of the effective date of the Annexation Agreement, the Fire District provides written notice to the City that the Fire District opts to switch an engine or truck in the City with a hazmat and/or user unit to be placed at City stations 76, 77, and/or 78, the City will be charged only for the engine or truck that each of these units replaces. No additional charge for placement of hazmat or user units will be made by the Fire District to the City.

^(e) City will provide reasonable office space including counter space, desk space, etc. for Fire Prevention Staffing assigned to the City at no cost to the Fire District.

* Based on FY 2020-21 4.42% increase

APPROVED:

DARYL L. OSBY
FIRE CHIEF

CARLOS FANDINO, JR
CITY ADMINISTRATOR

DATE

DATE

**CITY OF VERNON - AGREEMENT FOR SERVICES
SCHEDULE 3
FIRE STATIONS TO BE OCCUPIED BY DISTRICT**

<u>Facility Name</u>	<u>Location</u>
Vernon Fire Station 76	3375 Fruitland Avenue Vernon, Ca
Vernon Fire Station 77	4301 Santa Fe Avenue Vernon, Ca
Vernon Fire Station 78*	2800 Soto Street Vernon, Ca

* Vernon Fire Station 78 shall be leased to the Fire District only if the Fire District provides written notice that it will house a USAR or HAZMAT unit in the City within one year of the date of service commencement - see Staffing Schedule 2.

APPROVED:

DARYL L. OSBY
FIRE CHIEF

CARLOS R. FANDINO, JR
CITY ADMINISTRATOR

DATE

DATE

**CITY OF VERNON - AGREEMENT FOR SERVICES
SCHEDULE 4
CONVERSION COSTS**

TO BE DETERMINED

APPROVED:

**DARYL L. OSBY
FIRE CHIEF**

**CARLOS R. FANDINO, JR
CITY ADMINISTRATOR**

DATE

DATE

**CITY OF VERNON - AGREEMENT FOR SERVICES
SCHEDULE 5
VEHICLES, FIRE APPARATUS, AND RELATED EQUIPMENT**

TO BE DETERMINED

(TO BE COMPLETED ON OR ABOUT THE COMMENCEMENT DATE OF SERVICE)

APPROVED:

DARYL L. OSBY
FIRE CHIEF

CARLOS R. FANDINO, JR
CITY ADMINISTRATOR

DATE

DATE

**CITY OF VERNON - AGREEMENT FOR SERVICES
SCHEDULE 6
FIRE STATION EQUIPMENT, FURNITURE, AND FURNISHINGS**

(TO BE COMPLETED ON OR ABOUT THE COMMENCEMENT DATE OF SERVICE)

APPROVED:

**DARYL L. OSBY
FIRE CHIEF**

**CARLOS R. FANDINO, JR
CITY ADMINISTRATOR**

DATE

DATE

**CITY OF VERNON- AGREEMENT FOR SERVICES
SCHEDULE 7
SWORN PERSONNEL, RANKS, SALARIES - FOR ESTABLISHMENT OF DISTRICT SALARY**

TO BE DETERMINED

(TO BE COMPLETED ON OR ABOUT THE COMMENCEMENT DATE OF SERVICE)

APPROVED:

**DARYL L. OSBY
FIRE CHIEF**

**CARLOS R. FANDINO, JR
CITY ADMINISTRATOR**

DATE

DATE

**CITY OF VERNON- AGREEMENT FOR SERVICES
SCHEDULE 8
SWORN PERSONNEL VACATION HOURS TO BE TRANSFERRED BY CITY TO DISTRICT**

TO BE DETERMINED

(TO BE COMPLETED ON OR ABOUT THE COMMENCEMENT DATE OF SERVICE)

APPROVED:

**DARYL L. OSBY
FIRE CHIEF**

**CARLOS R. FANDINO, JR
CITY ADMINISTRATOR**

DATE

DATE

**CITY OF VERNON - AGREEMENT FOR SERVICES
SCHEDULE 9
SWORN PERSONNEL SICK HOURS TO BE TRANSFERRED BY CITY TO DISTRICT**

TO BE DETERMINED

(TO BE COMPLETED ON OR ABOUT THE COMMENCEMENT DATE OF SERVICE)

APPROVED:

**DARYL L. OSBY
FIRE CHIEF**

**CARLOS R. FANDINO, JR
CITY ADMINISTRATOR**

DATE

DATE

**CITY OF VERNON - AGREEMENT FOR SERVICES
SCHEDULE 10**

NON-SWORN PERSONNEL, RANKS AND SALARIES - FOR ESTABLISHMENT OF DISTRICT SALARY

TO BE DETERMINED

(TO BE COMPLETED ON OR ABOUT THE COMMENCEMENT DATE OF SERVICE)

APPROVED:

**DARYL L. OSBY
FIRE CHIEF**

**CARLOS R. FANDINO, JR
CITY ADMINISTRATOR**

DATE

DATE

**CITY OF VERNON - AGREEMENT FOR SERVICES
SCHEDULE 11
NON-SWORN PERSONNEL - VACATION HOURS TO BE TRANSFERRED BY CITY TO DISTRICT**

TO BE DETERMINED

(TO BE COMPLETED ON OR ABOUT THE COMMENCEMENT DATE OF SERVICE)

APPROVED:

**DARYL L. OSBY
FIRE CHIEF**

**CARLOS R. FANDINO, JR
CITY ADMINISTRATOR**

DATE

DATE

**CITY OF VERNON - AGREEMENT FOR SERVICES
SCHEDULE 12
NON-SWORN PERSONNEL - SICK HOURS TO BE TRANSFERRED BY CITY TO DISTRICT**

TO BE DETERMINED

(TO BE COMPLETED ON OR ABOUT THE COMMENCEMENT DATE OF SERVICE)

APPROVED:

**DARYL L. OSBY
FIRE CHIEF**

**CARLOS R. FANDINO, JR
CITY ADMINISTRATOR**

DATE

DATE

**CITY OF VERNON - AGREEMENT FOR SERVICES
SCHEDULE 13
MEMORANDUM OF UNDERSTANDING**

TO BE DETERMINED

(TO BE COMPLETED ON OR ABOUT THE COMMENCEMENT DATE OF SERVICE)

APPROVED:

**DARYL L. OSBY
FIRE CHIEF**

**CARLOS R. FANDINO, JR
CITY ADMINISTRATOR**

DATE

DATE

RESOLUTION NO. _____

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, AND THE CITY COUNCIL OF THE CITY OF VERNON APPROVING AND ACCEPTING EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION NO. 2020-03 TO THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY, CONSISTING OF THE ENTIRE CITY OF VERNON

WHEREAS, pursuant to Section 99 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change, the governing bodies of all agencies whose service areas or service responsibilities would be altered by such change must determine the amount of property tax revenue to be exchanged between the affected agencies and approve and accept the exchange of property tax revenues by Resolution, but if the affected agency is a special district, the Board of Supervisors must negotiate on behalf of the district; and

WHEREAS, the annexation and inclusion of the City of Vernon to the Consolidated Fire Protection District of Los Angeles County (Fire District) affects only the Fire District and the City of Vernon; and

WHEREAS, this Resolution pertains only to the annexation and inclusion of those areas of the City of Vernon that are not now in the Fire District; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, as the governing body of the Fire District, and the City Council of the City of Vernon have determined that the amount of property tax revenue to be exchanged as a result of the annexation of the City of Vernon to the Fire District is as set forth below.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The negotiated exchange of property tax revenues resulting from the annexation of the City of Vernon to the Fire District is approved and accepted.

2. For fiscal years commencing after the effective date of this jurisdictional change, no property tax revenue is ordered transferred to the Fire District from the County of Los Angeles or the City of Vernon due to the annexation of the City of Vernon into the Fire District. In addition, for each fiscal year commencing after the effective date of this jurisdictional change, no portion of the incremental tax growth attributable to this annexation shall be transferred from the County of Los Angeles or the City of Vernon to the Fire District.

3. Funding to the Fire District for this annexation is agreed upon and established in a separate agreement entitled "AGREEMENT FOR SERVICES BY AND BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF VERNON" approved by the City of Vernon on _____, 2020, and to be approved by the Fire District upon the successful completion of annexation proceedings held by the Local Agency Formation Commission.

4. No additional transfer of property tax revenues shall be made from any other taxing agency(ies) to the Fire District as a result of this annexation.

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The foregoing Resolution was adopted by the Board of Supervisors of the

County of Los Angeles, as the governing body of the Consolidated Fire Protection District of Los Angeles County, and the City Council of the City of Vernon.

CITY OF VERNON

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

By _____
Mayor

By _____
Chair, Board of Supervisors

Date _____

Date _____

ATTEST:

ATTEST:

CELIA ZAVALA,
Executive Officer-Clerk of
The Board of Supervisors

By _____
City Clerk

By _____
Deputy

(SEAL)

(SEAL)

APPROVED AS TO FORM:

APPROVED AS TO FORM:

CITY ATTORNEY

MARY C. WICKHAM
County Counsel

By _____

By _____
Deputy



COUNTY OF LOS ANGELES FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401
www.fire.lacounty.gov

"Proud Protectors of Life, Property, and the Environment"

BOARD OF SUPERVISORS

HILDA L. SOLIS
FIRST DISTRICT

MARK RIDLEY-THOMAS
SECOND DISTRICT

SHEILA KUEHL
THIRD DISTRICT

JANICE HAHN
FOURTH DISTRICT

KATHRYN BARGER
FIFTH DISTRICT

DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

June 23, 2020

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE AN AGREEMENT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF FORESTRY AND FIRE PROTECTION AND THE
COUNTY OF LOS ANGELES FOR THE PROVISION OF FIRE PROTECTION
SERVICES BY THE CONSOLIDATED FIRE PROTECTION
DISTRICT OF LOS ANGELES COUNTY
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

The Consolidated Fire Protection District of Los Angeles County (District) is requesting Board of Supervisors' (Board) approval of an Agreement between the State of California Department of Forestry and Fire Protection (State) and the County of Los Angeles (County) in which the District will continue to provide fire protection services to the State Responsibility Areas (SRA) from July 1, 2020 through June 30, 2023.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Chair to sign a three-year Agreement between the State and the County.
2. Authorize the District, pursuant to the County Code Section 2.20.080, to provide fire protection services to the SRA for the period of July 1, 2020, through June 30, 2023, and to receive compensation for such services in the amount up to \$100,813,706 as defined in the Agreement.

SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS
ARTESIA
AZUSA
BALDWIN PARK
BELL
BELL GARDENS
BELLFLOWER
BRADBURY

CALABASAS
CARSON
CERRITOS
CLAREMONT
COMMERCE
COVINA
CUDAHY
DIAMOND BAR
DUARTE

EL MONTE
GARDENA
GLEN DORA
HAWAIIAN GARDENS
HAWTHORNE
HERMOSA BEACH
HIDDEN HILLS
HUNTINGTON PARK

INDUSTRY
INGLEWOOD
IRWINDALE
LA CANADA-FLINTRIDGE
LA HABRA
LA MIRADA
LA PUENTE
LAKEWOOD
LANCASTER

LAWDALE
LOMITA
LYNWOOD
MALIBU
MAYWOOD
NORWALK
PALMDALE
PALOS VERDES ESTATES

PARAMOUNT
PICO RIVERA
POMONA
RANCHO PALOS VERDES
ROLLING HILLS
ROLLING HILLS ESTATES
ROSEMEAD
SAN DIMAS
SANTA CLARITA

SIGNAL HILL
SOUTH EL MONTE
SOUTH GATE
TEMPLE CITY
WALNUT
WEST HOLLYWOOD
WESTLAKE VILLAGE
WHITTIER

3. Authorize the Fire Chief, or his designee, to execute any amendments and notice of termination to this Agreement and to accept additional compensation from the State that exceeds the State's spending authority of \$100,813,706 through June 30, 2023.
4. Authorize the Fire Chief of the District to review and update the Operating Plan on an annual basis.
5. Find that this Agreement is exempt from the California Environmental Quality Act (CEQA).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In conformance with provisions of the Public Resources Code, Section 4125, et seq., your Board is requested to approve the attached Agreement between the State and the County. The Agreement authorizes the State to continue to compensate the District, through the County, for the prevention and suppression of fires in SRA. SRA lands include privately owned watershed lands and portions of unincorporated areas of the County that are within the District's boundaries. There is a shared wildland fire protection responsibility for this acreage pursuant to the County Charter and the Public Resources Code provisions that govern SRA. The District will be compensated up to \$100,813,706 over the three-year Agreement term, from July 1, 2020, through June 30, 2023.

The Agreement also authorizes the State to reimburse the District through the County for additional costs of certain equipment such as bulldozers, hand crews, and aircraft utilized in fighting wildland fires on SRA lands that would be over and above the State's annual compensation to the District. Such reimbursement by the State would be in accordance with Exhibit A, Attachment 2, of the Agreement.

The current Agreement between the State and the County for the provision of fire protection services by the District to the SRA was for the period of July 1, 2017, through June 30, 2020. The new Agreement will extend such services for the term of July 1, 2020, through June 30, 2023.

Implementation of Strategic Plan Goals

Approval of the recommended actions is consistent with County's Strategic Plan Goals No. III, Strategy III.3: Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability, by continually assessing our efficiency and effectiveness, maximizing and leveraging resources, and holding ourselves accountable.

FISCAL IMPACT/FINANCING

The State will pay the County up to \$30,457,313 for Fiscal Year 2020-2021, up to \$33,503,044 for Fiscal Year 2021-2022, and up to \$36,853,349 for Fiscal Year 2022-2023 totaling approximately \$100,813,706 for fire protection and fire prevention services provided under the Agreement. These amounts will be passed through to the District as the service provider. Contractual compensation by the State is based upon what the State would spend if it were providing fire protection and prevention services directly.

Additionally, costs over and above the annual amounts incurred by the District in the actual fighting of wildland fires on SRA lands for equipment, such as bulldozers, hand crews, and aircraft, will be billed by the District and reimbursed by the State in accordance with Exhibit A, Attachment 2, of the Agreement. There is no impact on net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the provisions of the Public Resources Code, the State has elected to contract with the County for its legally required financial share of fire protection responsibility in the designated areas. Based on the County's fire protection capability, efficiency and qualifications, the State will execute the subject Agreement with the County, which provides for payment to the County for fire protection services rendered in SRA. This three-year Agreement provides for State reimbursement up to \$100,813,706. Actual reimbursement rates will be adjusted annually through the State's Gray Book (Exhibit F of the Agreement) based upon the level of funds appropriated by the State for this purpose. Pursuant to County Code Section 2.20.080, the District will provide the fire protection services. The Agreement is automatically extended after the conclusion of the three-year term until the earlier of either: 1) a renewal agreement is executed; or 2) either agency provides a minimum of twelve (12) months written notice of termination, as stated in Exhibit E of the Agreement.

The County, through the District, and the State agree to an Operating Plan that contains all the guidelines and information necessary to implement the terms of the Agreement. The Operating Plan is reviewed annually.

In addition to Los Angeles County, the Counties of Kern, Marin, Orange, Santa Barbara and Ventura Counties have entered into similar agreements and are commonly known as the "Contract Counties." These counties provide direct protection to approximately 3.4 million acres of SRA.

ENVIRONMENTAL DOCUMENTATION

This Agreement is exempt from CEQA, pursuant to Section 15061 (b)(3) of the CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROEJCTS)

Acceptance of this Agreement will have no impact on current services.

CONCLUSION

Upon approval by our Honorable Board, please instruct the Executive Officer to return three copies of the adopted Board Letter and Attachment to the following office:

Consolidated Fire Protection District of Los Angeles County
Executive Office – Emergency Operations
Chief Deputy David R. Richardson
1320 N. Eastern Avenue
Los Angeles, CA 90063

Upon execution by the State, the District will return one fully executed Agreement to the Executive Officer, Clerk of the Board.

The District's contact can be reached at (323) 881-2404.

Respectfully submitted,

DARYL L. OSBY, FIRE CHIEF

DLO:kc

Enclosures

c: Chief Executive Officer
County Counsel
Auditor-Controller

STANDARD AGREEMENT

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER

7CA04882

PURCHASING AUTHORITY NUMBER (If Applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Forestry and Fire Protection

CONTRACTOR NAME

County of Los Angeles

2. The term of this Agreement is:

START DATE

July 1, 2020

THROUGH END DATE

June 30, 2023

3. The maximum amount of this Agreement is:

\$100,813,706.00 - One Hundred Million, Eight Hundred Thirteen Thousand, Seven Hundred Six Dollars and 00/100 Cents

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

EXHIBITS	TITLE	PAGES
Exhibit A	Scope of Work	1
Attachment 1	Recitals	1
Attachment 2	Detailed Scope of Work	5
Exhibit B	Budget Detail and Payment Provisions	2
Exhibit C	General Terms and Conditions*	04/2017
Exhibit D	Special Terms and Conditions	2
Exhibit E	Additional Provisions	1
Exhibit F	Gray Book*	1
Exhibit G	Operating Plan*	1

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

County of Los Angeles

CONTRACTOR BUSINESS ADDRESS

1320 North Eastern Avenue

CITY

Los Angeles

STATE

CA

ZIP

90063

PRINTED NAME OF PERSON SIGNING

See Attached

TITLE

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

STANDARD AGREEMENT

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER

7CA04882

PURCHASING AUTHORITY NUMBER (If Applicable)

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Forestry and Fire Protection

CONTRACTING AGENCY ADDRESS

P.O. Box 944246

CITY

Sacramento

STATE

CA

ZIP

94244

PRINTED NAME OF PERSON SIGNING

Joe Tyler

TITLE

Deputy Director, Fire Protection

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

STD213
ADDITIONAL SIGNATURES

**SOUTHERN REGION DEPARTMENT OF
FORESTRY AND FIRE PROTECTION**

APPROVED AS TO CONTENT:

By:

By:

Signature

Signature

**Dan Johnson
Region Chief
CAL FIRE**

Printed Name

Date _____

Title

Date

ATTEST:

Signature

Printed Name

Title

Date

EXHIBIT A
(Scope of Work)

1. Contract agreement between California Department of Forestry and Fire Protection (CAL FIRE) and County of Los Angeles to provide services as described herein:

The terms and conditions of this agreement have been previously reviewed and approved by the Department of General Services (DGS) during prior agreement reformats and rewrites. The completed agreement signed by CAL FIRE (STATE) and County of Los Angeles (COUNTY) provides wildland fire protection to State Responsibility Area (SRA) lands within COUNTY pursuant to Public Resources Code (PRC) Section 4129. Agreement also provides for COUNTY to assist STATE outside of COUNTY on a reimbursable basis when requested by STATE. Agreement contains a hold over clause for time required to obtain agency review and approvals.

2. The services shall be performed at SRA within the County.
3. The services shall be provided during any 24-hour period, Monday through Sunday, year-round.
4. The project representatives during the term of this agreement will be:

Direct all operating inquiries to:

State Agency: Dept. of Forestry and Fire Protection	Contractor: County of Los Angeles
Name: Deputy Chief, Contract Counties	Name: Daryl L. Osby, Fire Chief, Los Angeles County Fire Department
Phone: (951) 320-6102	Phone: (323) 881-6180
Fax: (951) 320-6395	Fax: (323) 265-9948

State Agency: Dept. of Forestry and Fire Protection	Contractor: County of Los Angeles
Section/Unit: Business Service – Acquisitions Unit	Attention: Daryl L. Osby, Fire Chief, Los Angeles County Fire Department
Name: Deputy Chief, Contract Counties	Address: 1320 North Eastern Avenue Los Angeles, CA 90063-3294
Phone: (951) 320-6102	Phone: (323) 881-6180
Fax: (951) 320-6395	Fax: (323) 265-9948

Direct all inquiries to:

State Agency: Dept. of Forestry and Fire Protection	Contractor: County of Los Angeles
Section/Unit: Business Services-Contracts	Section/Unit: Los Angeles County Fire Department
Attention: Darren Curry	Attention: Daryl L. Osby, Fire Chief, Los Angeles County Fire Dept.
Address: 710 Riverpoint Court, West Sacramento, CA 95691	Address: 1320 North Eastern Avenue Los Angeles, CA 90063-3294
Phone: (916) 894-9827 ext. 200024	Phone: (323) 881-6180
Fax: (916) 323-1888	Fax: (323) 265-9948

5. This AGREEMENT, made between the County of Los Angeles, through its Board of Supervisors, hereinafter called COUNTY, and the State of California, Department of Forestry and Fire Protection (CAL FIRE), through duly appointed, qualified, and acting officers, hereinafter called STATE. Where the standard clauses, for example in Exhibit C, use the word "Contractor" that word shall mean COUNTY as COUNTY is used in this agreement.

**EXHIBIT A, Attachment 1
(Recitals)**

The STATE and the COUNTY agree that the background of this Agreement is as follows:

- A. There are within COUNTY areas designated by the State Board of Forestry and Fire Protection as State Responsibility Areas for fire protection through authority vested in STATE by Section 4125, of the Public Resources Code.
- B. STATE, under authority of Public Resources Code Section 4141, may assign responsibility to a Federal Forest Agency within COUNTY for the prevention and suppression of all fires on State Responsibility Areas within Federal Forest Agency's Direct Protection Areas.
- C. Designated State Responsibility Areas in Federal Forest Agency's Direct Protection Areas are delineated on maps on file with STATE in Sacramento, California.
- D. COUNTY, by authority of Public Resources Code Section 4129, has elected to assume responsibility for the prevention and suppression of all fires on State Responsibility Areas (SRA) within COUNTY'S SRA Protection Areas (CPA).
- E. Designated State Responsibility Areas in COUNTY'S SRA Protection Areas are delineated on maps on file with STATE in Sacramento, California.
- F. STATE recognizes the capability and efficiency of the COUNTY fire protection organization now maintained by the COUNTY and its qualification to provide the fire protection services described within this agreement.
- G. COUNTY has the responsibility for providing life and property fire protection in areas designated as State Responsibility Areas within COUNTY SRA Protection Areas.
- H. Under the Budget Act, and in accordance with the STATE'S Fire Protection Plan, there is annually appropriated to CAL FIRE, funding for wildland fire protection in said COUNTY.
- I. Under the authority of Section 4135, of the Public Resources Code, monies paid by STATE to COUNTY shall be expended by COUNTY for the sole purpose to fund the fire suppression resources outlined in the "Gray Book", incorporated by reference and marked Exhibit F, of this Agreement, for fire prevention, pre-suppression forces preparedness, and suppression of all fires on State Responsibility Areas within COUNTY'S SRA Protection Areas; and

**EXHIBIT A, Attachment 2
(Detailed Scope of Work)**

1. State and County Responsibilities

The STATE and the COUNTY agree that the following work shall be done under this agreement:

- A. STATE shall supply to COUNTY, the "Gray Book", which outlines and describes the organization to be funded by the STATE to provide fire protection services on a total of approximately 468,786 acres of State Responsibility Area within COUNTY'S SRA Protection Areas.
- B. COUNTY shall provide to STATE a plan of operations and organization for the COUNTY department contemplated hereunder on forms approved by the STATE, a copy of which is attached marked Exhibit G of this Agreement, which shall show that COUNTY organization is capable of meeting the requirements set forth in the "Gray Book."
- C. STATE shall jointly develop and annually review an Operating Plan with the COUNTY that will document those factors specific to that COUNTY. The factors may include specific dispatching procedures, pre-approved initial attack dispatch levels, agency fire protection organization, reimbursement criteria, and other elements agreed to by the STATE and the COUNTY.
- D. The STATE'S designated representative shall annually examine, on-the-ground with the COUNTY'S designated representative, the facilities and services the COUNTY has made available in order to ascertain whether the terms of the agreement have been met. Notwithstanding the foregoing, COUNTY shall permit inspection, at any time by representatives of STATE, of crews, vehicles, property and other components of the organization established under the terms of this Agreement.
- E. Should the operations or organization of COUNTY, in reasonable judgment of the STATE, fail to meet the standard of protection required by this agreement, the STATE shall so inform COUNTY and take any reasonable action to maintain the required level of fire prevention and suppression capability.
- F. For the purpose of effecting mutual aid in times of fire emergency, either STATE or COUNTY may contribute without cost to the other, such persons and facilities as the contributing party may be willing and able to contribute, and which the receiving party may be willing to accept and direct; this provision shall not abrogate the terms and conditions specified in any other written agreement entered into by the parties hereto, for the specific purpose of exchanging fire control forces, either on a voluntary or upon a pay basis.
- G. Rewards as provided in Public Resources Code Section 4417, may be paid by STATE from funds not included in this contract upon recommendation of the Chief of the COUNTY'S department.
- H. COUNTY shall furnish adequate supervision for said fire protection through a qualified and duly appointed Chief Officer of the department providing services contemplated hereunder. When it becomes necessary to contract for the services of other entities to suppress a wildland fire on State Responsibility Area within COUNTY'S SRA Protection Areas, STATE agrees to accept its proportionate level of financial responsibility for those contracts and services required to protect State Responsibility Areas within COUNTY'S SRA Protection Areas, provided that the COUNTY obtains prior approval from STATE and exercises reasonable care and due diligence in the selection and the supervision of the contracting entities

**EXHIBIT A, Attachment 2
(Detailed Scope of Work)**

- I. COUNTY shall submit, when required by the STATE, reports relating to fire occurrence and history, law enforcement, personnel status, and fire prevention activity.
- J. COUNTY shall annually appropriate and expend a sum not less than the amount established annually in the STATE'S Budget Act for said COUNTY for the purpose of preventing and suppressing forest fires as defined in Section 4103, of the Public Resources Code, on the designated State Responsibility Areas within COUNTY'S SRA Protection Areas during the term of this agreement.
- K. COUNTY shall comply with applicable rules and regulations for prescribed burning of wildlands as described in Sections 4461 to 4480, of Public Resources Code.

2. Emergency Operations

When COUNTY resources, equipment, and/or personnel are assigned to a State Responsibility Area wildland fire within COUNTY SRA Protection Area, costs over and above the "Gray Book" allotment may be reimbursed by STATE. Such reimbursements will be in accordance with the following provisions:

- A. COUNTY may use and bill STATE for COUNTY funded engine companies, bulldozers, handcrews, aircraft, specialized equipment, and overhead personnel when used to protect STATE interests. Under certain conditions as outlined in the STATE/COUNTY Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement, COUNTY may also bill STATE for STATE-funded COUNTY engine companies and bulldozers. These reimbursements to COUNTY will be from the STATE Emergency Fund and shall be in addition to the annual payment amount described in Exhibit B, Paragraph 1.A., of this Agreement.

The following conditions shall apply for reimbursement of COUNTY engine companies, bulldozers, aircraft, handcrews, and specialized equipment:

- 1) ENGINE COMPANIES
 - (a) STATE shall reimburse COUNTY for engine companies when used on a State Responsibility Area wildland fire within the COUNTY'S SRA Protection Areas in accordance with criteria for determining reimbursement eligibility as outlined in the STATE/COUNTY Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement.
 - (b) STATE shall reimburse COUNTY for engine companies that provide move-up and cover to STATE-funded COUNTY stations within the COUNTY when such cover assignments are the result of a State Responsibility Area wildland fire within COUNTY'S SRA Protection Areas. Specific conditions for approval of move-up and cover assignments shall be outlined in the STATE/COUNTY Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement.
 - (c) Reimbursement of COUNTY engine companies shall be based on COUNTY rates on file with STATE at time of initial dispatch.

**EXHIBIT A, Attachment 2
(Detailed Scope of Work)**

- (d) County engines billed to STATE must be identified by an incident order and request number and the associated cost; such costs shall be limited to engine, officer, operator, and crew.

2) **BULLDOZERS**

- (a) STATE shall reimburse COUNTY for COUNTY bulldozers when used on a State Responsibility Area wildland fire within COUNTY'S SRA Protection Areas in accordance with criteria for determining reimbursement eligibility as outlined in the STATE/COUNTY Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement.
- (b) Payment of County bulldozers, transports, and operators shall be based on COUNTY operating rates on file with STATE at time of initial dispatch.
- (c) County bulldozers billed to STATE must be identified by an incident order and request number and the associated cost; such costs shall be limited to dozer transport and operator, and dozer and operator.
- (d) COUNTY shall provide STATE a list of bulldozers, size, model, and identification number, which shall be subject to this agreement. These shall be included in the STATE/COUNTY Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement.

3) **AIRCRAFT**

- (a) STATE shall reimburse COUNTY for COUNTY aircraft when used on a State Responsibility Area wildland fire within COUNTY SRA Protection Areas in accordance with criteria for determining reimbursement eligibility as outlined in the STATE/COUNTY Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement.
- (b) Reimbursement of COUNTY aircraft shall be based on COUNTY operating rates on file with STATE at time of initial dispatch.
- (c) STATE shall pay aircraft pilots at COUNTY rate.
- (d) STATE shall pay for one air tactical officer accompanying a COUNTY fixed-wing aircraft and one crew member assigned to each COUNTY helicopter at the COUNTY rate.
- (e) COUNTY aircraft billed to STATE must be identified by an incident order and request number and the associated cost.
- (f) COUNTY shall provide STATE a list of aircraft by make, model and aircraft identification number, which shall be subject to this agreement. These shall be included in the STATE/COUNTY Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement.

**EXHIBIT A, Attachment 2
(Detailed Scope of Work)**

- 4) SPECIALIZED EQUIPMENT
- (a) STATE shall reimburse COUNTY for COUNTY specialized equipment when used on a State Responsibility Area wildland fire within COUNTY SRA Protection Areas—in accordance with criteria for determining reimbursement eligibility as outlined in the STATE/COUNTY Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement.
 - (b) For the purpose of this Agreement, Specialized Equipment shall include but is not limited to dozer tenders, helitenders, water tenders, communications units, and mobile kitchens or food service units. Other kinds of specialized equipment may be eligible for reimbursement if authorized by STATE.
 - (c) Reimbursement of COUNTY specialized equipment shall be based on COUNTY operating rates on file with STATE at time of initial dispatch.
 - (d) COUNTY specialized equipment billed to STATE must be identified by an incident order and request number and the associated cost; such cost shall be limited to the cost of the equipment usage and equipment operator.
- 5) HAND CREWS
- (a) STATE shall reimburse COUNTY for COUNTY hand crews when used on a State Responsibility Area wildland fire within COUNTY'S SRA Protection Areas in accordance with criteria for determining reimbursement eligibility as outlined in the STATE/COUNTY Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement.
 - (b) When the California Department of Corrections and Rehabilitation or other State Agency pays the base salary of a hand crew, including COUNTY fire department supervisors, correctional officers and inmates, then STATE shall only pay those costs which exceed the basic salary of the crew (e.g. overtime and incidental operating expenses) accrued on the emergency.
 - (c) The STATE shall pay only for additional COUNTY personnel needed as crew strike team leaders to a limit of one strike team leader per crew strike team as defined in Incident Command System (ICS) standards for a crew strike team and for one technical specialist-crews per incident.
- 6) OVERHEAD PERSONNEL
- (a) STATE shall reimburse COUNTY for COUNTY overhead personnel when used on a State Responsibility Area wildland fire within the COUNTY'S SRA Protection Areas in accordance with criteria for determining reimbursement eligibility as outlined in the State/County Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement.
 - (b) Reimbursement of COUNTY Overhead Personnel shall be based on COUNTY rates on file with STATE at the time initial dispatch.

**EXHIBIT A, Attachment 2
(Detailed Scope of Work)**

B. NOTIFICATION

- 1) Whenever COUNTY expects payment for services under the provisions of this paragraph, COUNTY must notify STATE of the commitment of any of these resources that have been pre-approved for use as an element of initial attack and so documented in the STATE/COUNTY Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement. This notification must occur in a timely manner so that an appropriate audit trail can be established.
- 2) For those resources employed after initial attack, notification will occur when the request for approval of use is made to STATE.

- C. STATE shall reimburse COUNTY for COUNTY resources (equipment and personnel) when ordered by STATE or COUNTY in support of a special staffing pattern in accordance with conditions for approval of a special staffing pattern as outlined in the STATE/COUNTY Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement.

3. Assistance for Hire

- A. COUNTY resources (equipment and personnel) requested directly by STATE for an out-of-county assignment will be reimbursed as Assistance-for-Hire for actual costs incurred by COUNTY.
- B. For any State Responsibility Area wildland fire where costs are incurred pursuant to the terms of this AGREEMENT, STATE and COUNTY will comply with the processes and procedures for incident billing established in the STATE/COUNTY Operating Plan described in Exhibit A, Paragraph 1.B. and 1.C., of this Agreement.

EXHIBIT B
(Budget Detail and Payment Provisions)

1. Invoicing and Payment Provisions

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the STATE shall annually pay to COUNTY that amount which is set forth in the STATE'S budget for each fiscal year involved as the STATE'S contribution to the support of the organization maintained by COUNTY for the prevention and suppression of wildland fires on lands described herein. The total amount payable by STATE to COUNTY for Gray Book-County Budget Detail (Gray Book) shall not exceed the amount specified on STANDARD FORM 213, Item 3, during the term of this agreement. This amount shall not include payments to the COUNTY for COUNTY resources used to suppress state responsibility fires under conditions set forth in Exhibit A, Paragraphs 2, A, 1) through 6) of this Agreement.
- B. COUNTY shall request payment in an amount not to exceed the sum designated in paragraph A above in the manner described hereinafter.
- C. COUNTY shall prepare and submit "Gray Book" invoices to STATE monthly, quarterly, semi-annually, or annually at COUNTY'S option, in arrears after STATE has certified that such services have been satisfactorily provided in accordance with this Agreement, during the period covered by said invoice. The final statement for any fiscal year covered by this Agreement shall be submitted no later than sixty days following the end of that fiscal year. "Gray Book" invoices shall include the Agreement Number and shall be submitted in triplicate in arrears to:

California Department of Forestry and Fire Protection
ATTN: Deputy Chief, Contract Counties
2524 Mulberry St., Riverside, CA 92501

- D. In the event that the STATE during the term of this Agreement increases salary, augments staffing, or other expense items, having the effect of increasing such cost, the "Gray Book" may be amended to reflect such increase provided that funds have been appropriated and are available for such purpose. Similarly, in the event that the STATE receives a budget reduction having the effect of decreasing such cost, the "Gray Book" may be amended to reflect such decrease. In the event no appropriation is made for the purpose of this Agreement, the obligations of the parties to each other under this Agreement shall cease and this Agreement shall become null and void.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

**EXHIBIT B
(Budget Detail and Payment Provisions)**

3. Prompt Payment Clause

Upon receipt of a properly submitted, undisputed invoice, STATE shall pay COUNTY within forty-five (45) days, or automatically calculate and pay the appropriate late payment penalties as specified in Government Code, Chapter 4.5, Section 927. In the event of an emergency, as defined in Section 927.11, late payment penalties may not apply. Specific to STATE, if an invoice from a business under contract with STATE becomes subject to late payment penalties during the annually declared fire season, then the required payment approval date shall extend 30 calendar days beyond the initial 45-day period. The total shall include the current applicable CAL FIRE Administrative Rate

"GRAY BOOK" FUNDING INFORMATION

County of Los Angeles/California Department of Forestry and Fire Protection (CAL FIRE)

FISCAL YEAR	FUNDING SOURCE	AMOUNT
2020/2021	General Fund	\$29,258,524.00
	GGRF	\$1,198,789.00
2021/2022	General Fund	\$32,184,376.00
	GGRF	\$1,318,668.00
2022/2023	General Fund	\$35,402,814.00
	GGRF	\$1,450,535.00
AGREEMENT TOTAL		\$100,813,706.00

EXHIBIT C
(General Terms and Conditions)

PLEASE NOTE: This page will not be included with the final contract, The General Terms and Conditions will be included in the contract by reference to Internet site:

<https://www.dgs.ca.gov/-/media/Divisions/OLS/Resources/GTC-April-2017-FINALapril2017.pdf>

EXHIBIT D
(Special Terms and Conditions)

1. Excise Tax

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. STATE will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

2. Settlement of Disputes

In the event of a dispute, within ten (10) days of discovery of the problem contractor shall file a "Notice of Dispute" with:

California Department of Forestry and Fire Protection (CAL FIRE)
Attention: Contracts Manager
P.O. Box 944246
Sacramento, CA 94244-2460

Within ten (10) days of STATE receiving contractor's notice, the contracts manager or designee shall advise contractor of the findings and recommend a method to resolve the dispute. Decision of the contracts manager or designee shall be final.

In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of the bid proposal.

3. Right to Terminate

Either party may terminate this Agreement at any time by giving a minimum of 12 months notice to the other party. In the event of termination, STATE shall pay Contractor for all costs and un-cancelable obligations incurred to the date of termination up to but not exceeding the maximum amount payable.

4. Potential Subcontractors

Nothing contained in this Agreement or otherwise, shall create any contractual relation between the STATE and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the STATE for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the STATE'S obligation to make payments to the Contractor. As a result, the STATE shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

5. Evaluation of Contractor

Performance of the Contractor under this Agreement will be evaluated. The evaluation shall be prepared on Contract/Contractor Evaluation Sheet (STD 4), and maintained in the Agreement file. For consultant agreements, a copy of the evaluation will be sent to DGS, Office of Legal Services, if it is negative and over \$5,000.

**EXHIBIT D
(Special Terms and Conditions)**

6. Agency Liability

The Contractor warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the STATE shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

7. Force Majeure

Neither party shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failures of performance constitute default, if such delay or failure is caused by "Force Majeure." As used in this section, "Force Majeure" is defined as follows: Acts of war and acts of God such as earthquakes, floods, and other natural disasters such that performance is impossible.

8. Contractor Name Change

Contractor shall provide a written notice to the STATE at least thirty (30) days prior to any changes to the Contractor's current legal name.

EXHIBIT E
(Additional Provisions)

ADDITIONAL PROVISIONS

1. **Holding Over**

- A. In the event STATE or COUNTY decides not to renew this Agreement, STATE or COUNTY shall provide the other a minimum of 12 months written notice of such intention. If no such notice is received, and a new Agreement has not been executed, this Agreement shall be automatically extended on the same terms and conditions as contained herein, together with amendments if any, until the earlier of:
1. The date on which a new renewal Agreement is fully executed, or
 2. Termination of this holdover Agreement by the mailing by either COUNTY or STATE of 12 months written notice to the other party.
- B. Renewal Agreements shall be retroactive to the end of the term of the present Agreement. Any payments made during a holdover period shall, if necessary, be promptly adjusted to comply with payments called for in the new Agreement. Such adjustments shall occur within 60 days after approval of the new Agreement by DGS. COUNTY shall invoice STATE for any billing correction made necessary because of changes in the contract rates.
- C. The effectiveness of this Exhibit E, Paragraph 4, is conditional upon the lawful appropriation and availability of STATE funding for COUNTY'S services during the term of this Agreement.

2. **Indemnification**

Paragraph 5 of Exhibit C, General Terms and Conditions, does not apply because it is superseded by this Paragraph.

COUNTY agrees to indemnify, defend and hold harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by COUNTY in the performance of this Agreement.

Pursuant to Government Code Section 925 et seq., STATE agrees to indemnify, defend and hold harmless the COUNTY, its officers, agents and employees from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by STATE in the performance of this Agreement.

3. **Indemnification for Vegetation Management Projects**

The STATE agrees to indemnify, defend, and hold harmless the COUNTY, its agents, officers and employees, from and against any and all liability expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, arising solely out of performance by the COUNTY of approved vegetation management projects undertaken as part of fire prevention activities under this Agreement.

4. Notwithstanding the terminology of Public Resources Code Sections 4119, 4153, 4423, and 4436, the COUNTY shall not act as an agent of the STATE but shall exercise the powers granted in those sections independently as authorized by Public Resources Code Section 4129.
5. Paragraph 15 of Exhibit C, does not apply to this Agreement because the services provided in this Agreement were not obtained by means of a competitive bid.

**EXHIBIT F
(Gray Book)**

The "Gray Book" referenced in Exhibit A, Attachment 1, Paragraph 9, is hereby incorporated by reference and made a part of this agreement as if attached hereto.

**EXHIBIT G
(Operating Plan)**

The Operations Plan provided by COUNTY, in accordance with Exhibit A, Attachment 2, Paragraph 1.B and 1.C of this Agreement, is hereby incorporated by reference and made part of this agreement as if attached hereto.



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

SACHI A. HAMAI
Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

June 23, 2020

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REQUEST FOR APPROVAL OF THE COUNTY OF LOS ANGELES AND SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES REVENUE ENHANCEMENT SERVICES CONTRACTS AND DELEGATE AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO CONTRACT WITH THE CALIFORNIA FRANCHISE TAX BOARD COLLECTION PROGRAMS (ALL DISTRICTS AFFECTED) (4 VOTES)

SUBJECT

The Chief Executive Office is recommending approval of contracts with Harris & Harris, Ltd. (Harris & Harris) and Linebarger, Goggan, Blair & Sampson, L.L.P. (Linebarger), to provide revenue enhancement collection services to the County of Los Angeles and the Superior Court of California, County of Los Angeles (Court) and delegate authority to the Chief Executive Officer to contract with the California Franchise Tax Board for secondary collection services. The Chief Executive Office and the Court are mindful of the financial hardships created by the Covid-19 pandemic and Shelter at Home orders and have taken steps to suspend collection activity for the duration of this State of Emergency. Approval of these contracts, however, will ensure the County and Court have the necessary infrastructure in place to resume collection activity and meet statutorily required revenue enhancement efforts.

IT IS JOINTLY RECOMMENDED WITH THE CHIEF EXECUTIVE OFFICE AND THE EXECUTIVE OFFICER/CLERK OF THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES THAT YOUR BOARD:

"To Enrich Lives Through Effective And Caring Service"

***Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only***

1. Approve and instruct the Chairman to sign the contracts (Attachment A) with Harris & Harris and Linebarger, to provide revenue enhancement collection services to the County of Los Angeles and the Superior Court of California, County of Los Angeles effective July 1, 2020. The contract terms shall be for a period of three years with two one-year renewal periods and six month-to-month extensions, for a maximum total contract term of five years and six months. In addition, Harris & Harris and Linebarger will provide revenue enhancement services for any mandatory Amnesty Programs.
2. Delegate authority to the Chief Executive Officer to sign amendments to the contracts to (1) exercise up to two one-year term extensions and six month-to-month extensions, (2) require any additional work requested by the Court that exceeds the scope of the Statement of Work (Attachment B), and/or (3) modify the commission rate and/or contract sum, if necessary.
3. Delegate authority to the Chief Executive Officer to contract with the California Franchise Tax Board (FTB) for secondary collection efforts for the contract term from July 1, 2020 or date of approval, whichever is later, through June 30, 2023.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Under the Lockyer-Isenberg Trial Court Funding Act of 1997, the County of Los Angeles, Chief Executive Office (CEO) and the Superior Court of California, County of Los Angeles (Court) both maintain responsibility for collection enhancement efforts. State law requires each superior court and county to develop a comprehensive court/county collection program to improve enforcement of collections on court-ordered delinquent accounts. On December 20, 2005, your Board approved a Memorandum of Understanding (MOU) between the CEO and the Court for a comprehensive court collection program as required by Senate Bill 940 (SB 940) (Chapter 275, Statutes of 2003).

The current contracts with GC Services L.P. and Linebarger, private agencies, for provision of primary and tertiary delinquent account collection services will expire on June 30, 2020. Under current agreements, the County and Court have primary, secondary and tertiary vendors in place for collections. However, beginning July 1, 2020, the collection program will suspend tertiary collection efforts and instead operate with two primary collection vendors. The proposed contracts with Harris & Harris and Linebarger for primary collection services, will ensure continuation of the collection needs of the County and Court as required by SB 940.

Board delegated authority to the Chief Executive Officer to contract with the FTB for

secondary collection efforts is necessary to maintain the effectiveness of the comprehensive collection program as required by statutes.

Implementation of Strategic Plan Goals

Approval of the recommended action is consistent with the Los Angeles County Strategic Plan, Goal No I. Make Investments That Transform Lives and addresses public safety challenges through the enforcement and collection of delinquent court-ordered accounts.

FISCAL IMPACT/FINANCING

The proposed contracts will allow the County and Court to continue to recover otherwise unrecoverable revenues, which provides a continued revenue stream to help finance the County's Maintenance of Effort obligation to the State for Trial Court operations. There is no impact to net County cost as collection costs associated with the contracts are recovered in accordance with Penal Code section 1463.007 under Senate Bill 857 (Chapter 720, Statutes 2010), and offset by the recovery of revenues that otherwise would be uncollectible. The recommended primary contractors, Harris & Harris and Linebarger, will be compensated on actual gross successful collections, with a general collection fee of 7.97% and 8.9%, respectively. The County and Court will only pay commission on the actual amounts collected and not on any other costs associated with the collection effort except as set forth below.

In addition to the general collection commission, Harris & Harris and Linebarger may be compensated for transferring case records to the FTB. For Harris & Harris, the transfer fee for accounts to the FTB Court Ordered Debt Program and the FTB Tax Intercept Program is a 3.5% commission fee on the net collected by the FTB. For Linebarger, the transfer fee for accounts to the FTB Court Ordered Debt Program, for any annual volume that exceeds 20,000 records per year and for transfers to the FTB Tax Intercept Program that exceed an annual volume of 70,000 records, is a 6.69% commission fee on the net collected by the FTB.

Under the recommended secondary collections contract, FTB will charge an administrative fee in accordance with Revenue and Taxation Code section 19282, as such may be amended by any subsequent legislation.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Government Code Section 26220 and Penal Code Section 1205 authorize the assignment of delinquent accounts to a private vendor for the purpose of collection.

However, before a debt owed to the county may be referred, an agreement with the private vendor must be ratified by a fourth-fifths vote of the County's Board of Supervisors.

The recommended contracts with Harris & Harris and Linebarger are for an initial term of three years with two one-year extensions and six month-to-month extensions, for a maximum total contract term of five years and six months. Harris & Harris and Linebarger shall be responsible for all costs incurred while performing the contracted collection services except for FTB record transfers, as noted above. The County and Court will only pay commission on the actual amounts collected.

The terms and conditions of the recommended contracts with Harris & Harris and Linebarger have been reviewed and approved as to form by County Counsel. The recommended contracts utilize the Court's standard form agreement, yet, at the request of the County, contain the County's legally required provisions, including the termination for non-adherence of the County lobbyist ordinance, compliance with County's defaulted property tax reduction program, time off for voting, and compliance with the Jury Duty Ordinance.

The recommended contract with FTB has a term from July 1, 2020 or date of approval, whichever is later through June 30, 2023. The recommended contract with FTB utilizes the State's Standard Agreement form and lacks FTB indemnification to the County and Court for any potential claims arising from their performance under terms of the contract. There are presently no other providers of secondary collection services acceptable to the County and Court. CEO Risk Management performed their review of the FTB contract and based upon the circumstances, the risk is low enough to proceed. The recommended contract with FTB has been reviewed by the Court and approved as to form by County Counsel.

There are no provisions for a Cost of Living Adjustment in the attached contract. This is not a Proposition A contract. As such, the Living Wage Program (County Code Chapter 2.201) does not apply to the recommended contract.

CONTRACTING PROCESS

Like the previous contracts adopted June 27, 2017, the current contracts were solicited under the Court's RFP process. The Court conducted an open competitive solicitation for these services in accordance with the requirements of the California Judicial Branch Contract Law (Public Contract Code §§ 19201-19210) and the Judicial Branch Contracting Manual and released the Request for Proposals (RFP) for Revenue Enhancement Services on October 21, 2019. The RFP was released to prospective

proposers via BidSync, the Court's online procurement system under the commodity code for Collection Services – Financial Debt. In addition, all vendors on the Judicial Council's Collection Services Master Services Agreement were directly invited to participate in the bid.

Five contractors responded with a proposal by the due date of December 6, 2019. The five proposals were evaluated and scored by an evaluation committee and final ratings and rankings of proposals were computed. The proposals submitted by Harris & Harris and Linebarger for primary vendors were the highest ranked and met all of the minimum requirements set forth in the RFP.

A Notice of Intent to Award in favor of Harris & Harris and Linebarger for primary collection services was posted on BidSync on April 27, 2020. No prospective contract bidders filed a protest by the deadline of May 4, 2020, thus concluding the Court's protest process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the contracts will allow the County and Court to continue to recoup otherwise unrecoverable revenues, and will ensure a continued revenue stream to partially finance the County's Maintenance of Effort obligation to the State for Trial Court operations.

CONCLUSION

Following Board approval, the Executive Officer-Clerk of the Board is requested to return two signed originals of the contracts and one adopted Board letter to the CEO.

Respectfully submitted,

SACHI A. HAMAI
Chief Executive Officer

SHERRI R. CARTER
Executive Officer/Clerk
Superior Court of California
County of Los Angeles

SAH:FAD:MM
SW:RP:BH:cc

The Honorable Board of Supervisors
June 23, 2020
Page 6

Attachments

c: Executive Office, Board of Supervisors
Auditor-Controller
County Counsel
Superior Court



AGREEMENT FOR REVENUE ENHANCEMENT SERVICES

BETWEEN

THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

AND

THE COUNTY OF LOS ANGELES

AND

HARRIS & HARRIS, LTD.

AGREEMENT # 2019-067-01

CONTRACT SUM: No maximum contract sum; commission rate

GOODS/SERVICES: Revenue Enhancement Services – Primary Collections

COMMENCES: July 1, 2020

TERMINATES: June 30, 2023

OPTION TERMS: Two Annual Options plus Six Months



**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
STANDARD AGREEMENT FOR NON-IT GOODS AND/OR NON-IT SERVICES**

1. This Agreement is made and entered into at Los Angeles, California by and between the Superior Court of California, County of Los Angeles (“Court”), the County of Los Angeles (“County”) and Harris & Harris, Ltd. (“Contractor”).
2. This Agreement is effective July 1, 2020 (“Effective Date”) through June 30, 2023 (“Expiration Date”). The Agreement may be extended by mutual consent of the Court, County and Contractor upon the same terms and conditions set forth herein up to 2 times for successive one-year periods, through June 30, 2025 (“Extension Term”), upon the execution of an Amendment. Each such extension shall be exercised jointly by the Executive Officer/Clerk of Court and the Chief Executive Officer of the County. The Agreement may also be extended on a month-to-month basis, by mutual consent of the Court, County and Contractor, for an additional period not to exceed six (6) months (“Month-to-Month Term”), upon the execution of an Amendment. Such extension shall be exercised jointly by the Executive Officer/Clerk of Court and the Chief Executive Officer of the County.
3. Compensation under this Agreement is based on the negotiated commission rate on gross collections achieved by Contractor. There is no maximum contract sum for this Agreement.
4. The purpose of this Agreement is: Revenue Enhancement Services – Primary Collections

(The purpose listed here is for administrative reference only and is not intended to define or limit the scope or extent of this Agreement.)
5. Contractor was selected by the Court for award of a contract through a competitive procurement process for the provision of the described goods and/or services. (COURT RFP #2019-067 REVENUE ENHANCEMENT SERVICES (“RFP”).
6. Court has agreed to administer this Agreement on behalf of itself and the County, and all administrative matters will be handled between the Court and Contractor.
7. The parties agree that this Agreement, made up of this Standard Agreement and the Exhibits listed below and any referenced attachments (“Contract Documents”), contains the parties’ entire understanding related to the subject matter of this Agreement and is mutually binding on the parties in accordance with its terms.

Exhibit A1 – Statement of Work from RFP

Exhibit A2 – Selected Portions of Contractor’s Technical Proposal

Exhibit B1 – Payment Provisions and Invoicing Procedures

Exhibit B2 – Contractor’s Cost Proposal

Exhibit C1 – Standard Business Terms and Conditions 2.0

Exhibit C2 – County Special Provisions

It is the intention of both parties that all Contract Documents and RFP Documents be read and construed as a unified whole whenever possible. However, in the event of a conflict between the terms of the Contract Documents and/or RFP Documents, the following order of precedence shall govern and determine which terms prevail:

1. Standard Agreement
2. Exhibit A1 – Statement of Work
3. Exhibit B1 – Payment Provisions and Invoicing Procedures
4. Exhibit C1 – Standard Business Terms and Conditions
5. Exhibit C2 – County Special Provisions
6. RFP Documents
7. Exhibit A2 – Selected Portions of Contractor’s Proposal
8. Exhibit B2 - Contractor’s Cost Proposal

Any Amendments to this Agreement, starting with the most recent, shall take precedence over existing Contract Documents. In the event of a conflict between an Amendment and the terms of any other Contract Document, the terms of the Amendment shall prevail.

8. Insurance. Contractor must procure and maintain the insurance coverage as marked below. Exhibit C (Court Standard Business Terms and Conditions), Sections 19.1 and 19.2 describe the Court’s specific insurance requirements.

- Exhibit C1, Section 19.2 Insurance Requirements – Specific Coverages**
 - Workers Compensation/Employer’s Liability
 - Comprehensive General Liability
 - Business Automobile Liability
 - Professional Liability
 - Commercial Crime

Insurance certificates shall be sent to Ebix, the Court’s insurance compliance and tracking provider, by using one of the methods listed below:

- By email to lacourt@ebix.com; or
- By fax to (770) 325-2046

9. CONTRACT ADMINISTRATION

PROJECT DIRECTORS: See Exhibit C1, Section 10 for roles and responsibilities of Project Directors.

COURT:	CONTRACTOR:
Christine Padilla Stanley Mosk Courthouse	Vince LoBianco, VP Business Development - Government
111 N. Hill Street, Room 105D	111 W Jackson Blvd, Suite 400
Los Angeles, CA 90012	Chicago, IL 60604
(213) 633-8511	630-241-1605
cmpadilla@lacourt.org	vlobianco@harriscollect.com

PROJECT MANAGERS: See Exhibit C1, Section 10 for roles and responsibilities of Project Managers.

COURT:	CONTRACTOR:
Kendra King Stanley Mosk Courthouse	Tammy O'Brien, Director of Client Relations
111 N. Hill Street, Room 616	111 W Jackson Blvd, Suite 400
Los Angeles, CA 90012	Chicago, IL 60604
(213) 633-1003	630-390-3564
kking@lacourt.org	tobrien@harriscollect.com

COURT'S CONTRACT ANALYST: See Exhibit C, Section 10 for role and responsibilities of Court's Contract Analyst:

COURT:
Deonne Anderson Spring Street Courthouse
312 North Spring Street, Room 910
Los Angeles, CA 90012
(213) 314-8720
DAnderson@lacourt.org

10. **NOTICES:** All contract specific correspondence, notices or demands required or permitted to be given or made under this Agreement shall be in writing, submitted by email, or by registered mail, or certified mail and shall be addressed to the Court and Contractor Project Directors, Project Managers, and Contract Analyst listed above, unless otherwise provided.

11. Cooperative Agreement ("Piggybacking"):

This Agreement is the result of an open, competitive procurement (#2019-067) process conducted by the Court in accordance with the California Judicial Branch Contract Law and Contracting Manual. The provisions and pricing of this Agreement may be extended to other California government agencies. A government agency wishing to utilize the provisions and pricing of this Agreement will be responsible for issuing its own purchase documents and making any and all payments relative to its agreement. Any participating government agency is responsible for obtaining its own certificates of insurance and any required performance bonds. The Court and the County makes no guarantee to other government agencies that may utilize the provisions or pricing of this Agreement. By utilizing the provisions or pricing of this Agreement, the participating government agency agrees to hold the Court and the County harmless from all claims, demands, or actions of every kind resulting directly or indirectly, arising out of, or in any way connected with the utilization of the provisions or pricing of this Agreement. The Court and the County make no guarantee to Contractor that any other government agency will make use of the provisions or pricing of this Agreement.

AUTHORIZATION PAGE

IN WITNESS THEREOF, the Superior Court of California, County of Los Angeles has caused this Agreement to be subscribed by its Executive Officer/Clerk of Court, the seal of said Court is hereto affixed, the County of Los Angeles by order of its Board of Supervisors has caused this Agreement to be subscribed on its behalf by the Chairman of said Board and attested by the Executive Officer/Clerk of the Board of Supervisors thereof, and HARRIS & HARRIS has caused this Agreement to be subscribed on its behalf by its duly authorized officer.

**SUPERIOR COURT OF CALIFORNIA,
COUNTY OF LOS ANGELES**



By: _____ Date: _____

SHERRI R. CARTER
Executive Officer/Clerk of Court

COUNTY OF LOS ANGELES

ATTEST:
LORI GLASGOW
Executive Officer/Clerk
of the Board of Supervisors

By: _____
Chairman, Board of Supervisors

By _____

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By: _____
Principal Deputy County Counsel

HARRIS & HARRIS

By: _____ Date: _____

(CONTRACTOR'S PRINCIPAL)
(Title)

EXHIBIT A1

STATEMENT OF WORK FROM RFP #2019-067

--- Begins on Following Page ---

STATEMENT OF WORK

**SUPERIOR COURT OF CALIFORNIA,
COUNTY OF LOS ANGELES**

REVENUE ENHANCEMENT SERVICES

**STATEMENT OF WORK
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
REVENUE ENHANCEMENT SERVICES**

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**STATEMENT OF WORK
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
REVENUE ENHANCEMENT SERVICES**

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**STATEMENT OF WORK
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
REVENUE ENHANCEMENT SERVICES**

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**STATEMENT OF WORK
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
REVENUE ENHANCEMENT SERVICES**

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1.0 STATEMENT OF WORK

1.1 SCOPE OF WORK

California state statutes require each superior court and county to develop a comprehensive court/county collection program to improve enforcement of court collections.

The purpose of this Statement of Work (“SOW”) is to describe the scope of services in support of the comprehensive revenue enhancement program of the Superior Court of California, County of Los Angeles (“COURT”) and the County of Los Angeles (“COUNTY”). These services include collections of delinquent court ordered debt at the primary and secondary levels. The primary level will utilize multiple contractors simultaneously, up to three (3) vendors, at the discretion of the COURT. After primary collection efforts of one contractor are exhausted, selected delinquent accounts shall be referred to an alternate approved contractor for continuing collection efforts.

The COUNTY/COURT delinquent account collection services program is comprised of comprehensive collections of court ordered debt including, but not limited to: (1) traffic and non-traffic failure-to-appear matters; (2) traffic and non-traffic failure-to-pay matters; (3) failure-to-pay in criminal matters; (4) juror sanctions; (5) civil sanctions; (6) child custody evaluations; (7) attorney fee recovery for criminal and dependency cases; (8) collection of other fines, fees and forfeitures; (9) civil fee waivers and (10) minor’s counsel fees and parental plan assessments.

This SOW is comprised of work requirements for the primary collection level. The primary collection level will involve multiple collection contractors, up to three (3) vendors, at the discretion of the COURT. Secondary collection efforts will be provided by the California Franchise Tax Board and are not a part of this solicitation.

1.2 BACKGROUND

The Court’s In-house collection functions performed by COUNTY/COURT may include, but are not limited to collection services noted in scope of work, and the following: 1) generate courtesy notices indicating amount owed; 2) place driver license holds through the California Department of Motor Vehicles, if applicable; 3) generate delinquency and payment notices; 4) charge civil assessment penalties upon delinquency in accordance with statute; 5) facilitate internet and Interactive Voice Response (“IVR”); phone payment arrangements and establish accounts receivable; 6) track cases through various court case management computer systems; 7) conduct

financial evaluations to recover attorney fees and other fines/fees; 8) accept over-the-counter, IVR, internet and mail payments, and; 9) establish payment plans for delinquent and non-delinquent accounts.

1.3 CATEGORY OF REFERRAL TYPES

The scope of collection services which may be referred to CONTRACTOR include, but are not limited to, the collection categories described herein:

- Infractions/Misdemeanors with Unadjudicated Bail (e.g., Traffic citations where a defendant fails to appear (FTA) before being sentenced).
- Infractions/Misdemeanors with Adjudicated Bail (e.g., Traffic citations where a defendant fails to pay (FTP) fines and/or fees after being sentenced).
- Misdemeanors/Felonies with Adjudicated Fines and Fees (e.g., Defendants who fail to pay fines and fees after being sentenced).
- Civil Fees and Sanctions on Adjudicated Matters (e.g., Fees and Sanctions owed to the COURT. In addition, the COUNTY/COURT may seek reimbursement of civil filing fees on cases where a civil fee waiver was granted for an individual, or if the plaintiff is a governmental agency).
- Indigent Defense Cost Recovery (e.g., COUNTY/COURT may determine that a customer who has received legal assistance from a public defender, alternate public defender, or court appointed private attorney, must reimburse the cost of attorney services. An Attorney Fee order may be collected as a civil judgement).
- Child Custody Evaluations (e.g., a Judicial Officer may order a party to reimburse the COUNTY/COURT for the cost of their child custody evaluation).
- Probate, Minor's Counsel Fees, Juvenile Dependency Fines and Fees (e.g., a Judicial Officer may order a party to reimburse the COUNTY/COURT for the cost of legal assistance from a public defender, alternate public defender or court appointed private attorney).
- Juror Sanctions (e.g., Jurors that fail to appear for jury service may be ordered to pay a COURT imposed sanction).
- Non-Sufficient Funds and or unresolved bankcard charge backs (e.g. returned checks due to non-sufficient funds).
- COUNTY/COURT reserves the right to refer additional types of accounts as deemed appropriate.

1.3.1 Referral Data – (Sample) Primary Collections (FOR ILLUSTRATIVE PURPOSES ONLY)

REFERRAL TYPE*	Avg. Annual Case Volume, Est*	Annual Case Value, net**	Average Per Case Value	Past Due Age in Days at Referral
Grand Total	318,800	\$237,240,000	\$744	180
Traffic FTA	182,000	\$144,000,000	\$791	180
Red Light FTA	48,500	\$38,000,000	\$783	180
Non-Traffic FTA	6,300	\$3,500,000	\$555	180
Traffic FTP	40,000	\$31,000,000	\$775	180
Red Light FTP	3,900	\$2,400,000	\$615	180
Criminal Fines & Fees	24,000	\$12,700,000	\$529	180
Juvenile Dependency	6,000	\$2,700,000	\$450	180
Juror Sanctions	4,800	\$1,300,000	\$270	180
Other Fines – Fees (e.g. Civil Sanctions, Child Custody)	3,300	\$1,640,000	\$497	180

* These estimates are for illustrative purposes only and COUNTY/COURT does not guarantee any particular case or dollar value of account referrals. **Accounts available for referral will be distributed amongst multiple vendors, up to three (3) vendors, at the discretion of the COURT.**

**Referrals/account recalls may occur at any time deemed appropriate by COUNTY/COURT. Original delinquent fines and fees may be reduced after Court hearing and adjudication. Referred amounts are net of reductions, if any.

1.3.2 COUNTY/COURT CONTROL OF ACCOUNTS

- COUNTY/COURT reserves the right to modify the list of the types of accounts referred.
- COUNTY/COURT retains the right to refer an account to another collection agency for collections, to attempt collection activity internally, and to cancel, recall or alter accounts that have been referred to CONTRACTOR for collection at any time.
- COUNTY/COURT reserves the right to utilize the services of the State of California Franchise Tax Board's Court Ordered Debt ("FTB COD") Collection Program, FTB Interagency Intercept Collections ("FTB Tax Intercept"), the Department of Motor Vehicles' Driver License Hold/Suspension Collection Services, and/or other collection entities and agencies as deemed appropriate.
- COUNTY/COURT also reserves the right to use another contractor from the Judicial Council of California ("JCC") master vendor list for collection services.

2.0 CONTRACTOR'S GENERAL SERVICE REQUIREMENTS

2.1 GENERAL SERVICE REQUIREMENTS

CONTRACTOR shall, at minimum, perform the services enumerated herein. To maximize the rate of collection and minimize errors, CONTRACTOR may be required to perform services in addition to those listed herein.

- All work performed by the CONTRACTOR must only occur within the United States. Work shall not be sub-contracted or performed by an entity using call centers or resources outside of the United States.
- COUNTY/COURT is committed to protecting the confidentiality of personal data on accounts referred and insuring that such data is processed only within the United States. CONTRACTOR represents that it has the capability to meet the confidentiality requirement of COUNTY/COURT during the entire period of the contract and any extension thereof.
- CONTRACTOR shall have the capability to interface with the case management and collection management systems of COURT and transmit relevant collection data in a frequency deemed acceptable by COURT.

2.2 COLLECTION VENDOR COMPLIANCE WITH PENAL CODE SECTION 1463.007

In providing services to COUNTY/COURT, CONTRACTOR must comply with these requirements of Penal Code Section 1463.007 as identified below:

1. Attempts telephone contact with delinquent debtors for whom the program has a phone number to inform them of their delinquent status and payment options.
2. Notifies delinquent debtors for whom the program has an address in writing of their outstanding obligation within a specified number of days of delinquency as directed by COUNTY/COURT.
3. Generates internal monthly reports to track collections data, such as age of debt and delinquent amounts outstanding, collections by age of case referral to collection contractor.
4. Sends delinquent accounts to the FTB Tax Intercept Program and FTB COD Program.
5. Uses the Department of Motor Vehicle information to locate delinquent debtors.
6. Establishes wage and bank account garnishments where appropriate.

7. Places liens on real property owned by delinquent debtors where appropriate.
8. Coordinate with the County's Probation Department to locate debtors who may be on formal or informal probation.
9. Accepts payment of delinquent debt by credit card and debit card.
10. Uses local, regional, state, or national skip tracing or locator resources or services to locate delinquent debtors.
11. Uses an automated dialer or automated distribution system to manage telephone calls.
12. Uses Employment Development Department employment and wage information to collect delinquent debt.

The CONTRACTOR must immediately inform COUNTY/COURT if at any time they fail to meet the requirements listed above.

2.3 CONTRACTOR SERVICE REQUIREMENTS

- CONTRACTOR shall produce various reports as defined in Section 3.13.4.
- CONTRACTOR shall conduct the following collection activities, pursuant to the Contract, in accordance with all applicable State and Federal Consumer and Collection Practice laws.
 - Obtain and maintain appropriate licenses, approvals, permits and authorizations required by applicable laws throughout term of contract. CONTRACTOR will be responsible for all fees, costs and taxes associated with obtaining such licenses, approvals, permits and authorizations.
 - CONTRACTOR shall provide COUNTY/COURT a list of all pending and closed regulatory violations or non-compliances (e.g., Fair Debt Collection Practices Act ("FDCPA"), California Fair Debt Collection Practices Act ("CFDCPA"), UDAPP violations under Frank-Dodd Wall Street Reform and Consumer Protection Act, and the Consumer Financial Protection Bureau ("CFPB") for the last five (5) years. In addition, CONTRACTOR shall immediately notify COUNTY/COURT of any new violations or instances of non-compliance. The list shall at minimum contain: the case or file number, type of debt, name(s) of the complainant(s), a brief explanation of the violation, and the outcome/resolution. COUNTY/COURT reserves the right to independently review any or all regulatory violations/non-compliances submitted.
- CONTRACTOR shall be legally capable and unrestricted in the business of pursuing collections on referred accounts anywhere

within the United States.

- CONTRACTOR shall be required to report collection success on a monthly basis. The following formula, subject to change, will be used to calculate the CONTRACTOR’S success rate in collecting delinquent accounts referred by COUNTY/COURT:

$$\text{Collection Success Rate} = \frac{\text{Amount Collected}}{(\text{Amount Referred} - \text{Adjustments} - \text{Discharges})}$$

$$\text{Gross Recovery Rate} = \frac{(\text{Amount Collected} + \text{Adjustments} + \text{Discharges})}{(\text{Amount Referred})}$$

3.0 CONTRACTOR’S SPECIFIC SERVICE REQUIREMENTS

3.1 COLLECTIONS VIA MAIL

3.1.1 All CONTRACTOR letters sent to debtors shall be pre-approved by the COURT Project Manager (PM).

3.1.2 CONTRACTOR shall employ “skip tracing” to obtain current debtor address and phone number.

3.1.3 CONTRACTOR shall issue the first Delinquency Letter upon receipt of debtor information by COURT and/or after obtaining a current address through “skip tracing.” CONTRACTOR shall provide the debtor no more than thirty (30) days from the date of Delinquency Letter to respond to the first Delinquency Letter. If the address provided by COURT is incorrect, or if a letter is returned undeliverable, addressee unknown, etc., CONTRACTOR shall attempt to obtain a current address through “skip tracing” and commence issuing letters once a current address is obtained. Each letter shall:

- Identify CONTRACTOR;
- Inform the debtor of the origin of the debt and the current amount owed;
- Advise of the consequences of continued non-compliance, such as possible driver’s license suspension, wage garnishment and State tax refund intercept, if applicable;
- Describe payment options available such as installment payment plans;
- Describe how payment may be remitted;

- Explain that a debtor with an Infraction/Misdemeanor with Unadjudicated Bail, Sanctions, Juror Sanction, Child Custody Evaluation or other accounts as approved by COUNTY/COURT, who wish to dispute the debt must schedule a court appearance;
- List a toll free (e.g., “800”) telephone number, which allows debtors to remit payment, schedule a court appearance and/or obtain general information;
- Provide a return envelope for the submission of payment;
- List the contractor’s web page address, which allows debtors to remit payment.

CONTRACTOR shall not use or display the official seal or logo of the COURT on any of its letterheads or other communication with any debtor for any reason.

3.1.4 If the debtor does not respond by the 31st day of the date of mailing, CONTRACTOR shall issue a second letter provided the debtor has a valid address. Thereafter, letters with valid addresses shall be issued on a strategic basis, or until debt is satisfied in full or account is recalled/cancelled.

3.1.5 CONTRACTOR may issue additional letters as deemed necessary.

3.1.6 All correspondence issued by CONTRACTOR shall be accompanied by a Spanish language version of the correspondence.

3.2 SKIP TRACING

3.2.1 CONTRACTOR shall utilize “skip tracing” to obtain account information (e.g., address, telephone numbers, Social Security Number, etc.) on delinquent debtors for the purpose of collecting a debt.

3.2.2 CONTRACTOR shall perform “skip tracing” each month until the account is deemed uncollectible, transferred or until a current/correct address is obtained.

3.2.3 CONTRACTOR shall provide COUNTY/COURT with updated account information (e.g., address, telephone numbers, Social Security Number, etc.).

3.2.4 CONTRACTOR shall utilize the following resources as legally allowed and as necessary to obtain updated account information:

- Telephone Directories

- Credit Bureau Reports
- County Tax Assessor Records
- Current Voter Registration Records
- Debtor's financial and banking references
- Debtor's current or previous employers
- National Change of Address Database
- Department of Motor Vehicles
- Third party firms such as LexisNexis
- Relatives/Neighbors/Associates

3.3 CONTACTS VIA TELEPHONE

- 3.3.1** CONTRACTOR shall employ "skip tracing" to obtain a current telephone number if COUNTY/COURT is not able to provide CONTRACTOR with debtor telephone numbers.
- 3.3.2** CONTRACTOR shall initiate telephone calls to debtors once a telephone number is obtained.
- 3.3.4** CONTRACTOR shall interact with debtors in a professional and courteous manner and adhere to all rules and regulations governing collection practices in the United States (e.g. Fair Debt Collections Act and the Federal Trade Commission).
- 3.3.5** CONTRACTOR shall provide TTY/TDD services in English and Spanish, and multilingual translators in the following languages: Spanish, Chinese, Armenian, Korean and Vietnamese, when requested by the customer. A certified service may be used (e.g. Certified Languages, Inc.).
- 3.3.6** CONTRACTOR shall maintain telephone contact with each debtor that is in non-compliance by initiating at least one (1) call per month. During the telephone call, CONTRACTOR shall:
- Identify CONTRACTOR;
 - Inform the debtor of the origin of the debt and the amount owed;
 - Advise debtor of the consequences of continued non-compliance, such as driver's license suspension, wage garnishments, State tax refund intercept and/or asset seizures or liens;
 - Describe payment options including installment payment plans;
 - Describe how payments may be remitted;
 - Explain that a debtor with an Infraction/Misdemeanor with Unadjudicated Bail, Sanction, Juror Sanction, Child Custody Evaluation or other accounts as approved by COUNTY/COURT, who wish to dispute the debt, must schedule a court appearance.

3.4 DEBTOR PAYMENT OPTIONS/METHODS OF PAYMENT

3.4.1 CONTRACTOR shall provide debtors who wish to comply, but face financial hardships or difficulties, with a flexible alternative payment plan. CONTRACTOR may set the terms and conditions of the payment plan; however, interest and fees shall not be charged.

3.4.2 CONTRACTOR, at minimum, must accept the following types of financial instruments for payments for account balances:

- Cash (only at CONTRACTOR'S local business office(s) or where CONTRACTOR has provided clerical staff)
- Personal checks
- Bank debit cards
- Nationally recognized credit cards (e.g., MasterCard, Visa American Express, and Discover)
- Money orders
- Cashier's checks
- Bank certified checks

3.4.3 CONTRACTOR shall provide a statement and a return envelope to debtors who have established a monthly payment plan. The statement shall, at minimum, inform the debtor of the remaining balance, the minimum amount due and the payment due date.

3.4.4 CONTRACTOR shall ensure that when debtors submit personal checks, the case number or contractors file number, receipt number and defendant's last name appear on the check.

3.4.5 CONTRACTOR must provide debtor a receipt for all payments received in person at CONTRACTOR'S local business office(s).

3.4.6 CONTRACTOR shall accept debtor payments via the internet (see 3.9.2 Debtor Services, Internet Services).

3.5 COURT APPEARANCES

3.5.1 CONTRACTOR shall allow debtors to set a court appearance as directed by COUNTY/COURT. For example, on traffic failure to appear cases, a debtor retains the right to an arraignment/hearing. Therefore, upon request by a debtor, CONTRACTOR shall:

- Allow a debtor to schedule a court hearing, pursuant to COURT policy, on the following types of accounts: Traffic Failure to Appear, Civil Sanctions, Juror Sanctions and Child Custody Evaluations.

- Schedule a court appearance on a day and time which has already been established by COURT (COURT will provide CONTRACTOR with dates and times for each location, as needed.)
- CONTRACTOR will be responsible for transferring a data file electronically of all court dates, court locations and debtor phone numbers to the court's case management systems. In addition, a separate data file of all court dates, court locations and debtor phone numbers may need to be transmitted to an electronic system as designated by COUNTY/COURT known as the Court Appearance Reminder System ("CARS"). CARS places automated reminder calls to debtors that have pre-scheduled a court date through the CONTRACTOR.
- If appropriate and with express debtor consent, CONTRACTOR may notify debtor of court date and account balance via text messaging.
- Upon scheduling a court appearance, immediately suspend all collection activity until COUNTY/COURT notifies CONTRACTOR collection activity to be resumed.
- Debtors who are referred with either Adjudicated Infractions/ Misdemeanors or Adjudicated Misdemeanors/Felonies accounts do not retain the right to an arraignment. Contractors shall refer debtors requesting an Ability-To-Pay Hearing to the Court.

3.6 DEBTOR FAILURE TO COMPLY WITH NOTICES OF DELINQUENCY AND TELEPHONE CALLS

3.6.1 Upon a Judicial Order from COURT, CONTRACTOR shall initiate involuntary payment actions on debtors who fail to pay or establish a payment plan or satisfy their debt. COUNTY/COURT will provide a listing of types of accounts that are subject to involuntary payment actions.

3.6.2 CONTRACTOR shall perform the following steps for recalcitrant debtors with accounts identified by COUNTY/COURT that are subject to involuntary payment actions that fail to establish a payment plan or satisfy their debt:

- Complete the required paperwork and obtain the appropriate court orders to enforce a civil judgment for the actions listed in this SOW.
- Institute one or more of the following actions:
 - Bank Levy
 - Wage Garnishment
 - Repossession of Property, including vehicle

➤ Real Property Liens

- 3.6.3** Any and all associated costs incurred in instituting the actions listed above shall be paid by the CONTRACTOR and reimbursed by the debtor upon collection of the debt. COUNTY/COURT will only pay commission on the referred amount and not on any associated collection costs.

3.7 ACCOUNT MANAGEMENT

3.7.1 Withdrawal of Account

COUNTY/COURT reserves the right to withdraw any account whenever COUNTY/COURT deems such an action appropriate and necessary. Generally, COUNTY/COURT will withdraw an account that meets, but may not be limited to any one of the following conditions:

- Account referred in error
- Account dismissed by a Judicial Officer
- Debtor is incarcerated
- Debtor is deceased
- Account is referred to another agency for continued collection efforts

- 3.7.2** COUNTY/COURT shall notify CONTRACTOR in writing, e-mail or other means of electronic messaging if such action is taken. Cases that are withdrawn from CONTRACTOR shall be removed from CONTRACTOR'S system within two (2) business days of receipt of notice from COUNTY/COURT. Accounts withdrawn shall be electronically transmitted from CONTRACTOR to COUNTY/COURT according to specifications by COUNTY/COURT.

- CONTRACTOR shall immediately cease all collection activity and close the account upon notice by COUNTY/COURT of withdrawal of the account. CONTRACTOR shall maintain a list of closed accounts.
- COUNTY/COURT reserves the right to take actions deemed necessary to recover debt from an account that has been withdrawn from CONTRACTOR.
- In the event that COUNTY/COURT withdraws an account, CONTRACTOR shall have no claim or right to compensation on any outstanding balance subsequently recovered by COUNTY/COURT, one of their agents, or another service provider on such accounts.

3.7.3 Accounts Deemed Inactive/Uncollectible

CONTRACTOR shall at minimum, every sixty (60) days, evaluate each account and report so that COUNTY/COURT may make a determination as to how collection activity should continue. Defining attributes that shall be reported to COUNTY/COURT by CONTRACTOR for accounts to be evaluated are:

- Missing or inaccurate contact information including phone number and address.
- Missing or inaccurate driver's license number.
- No contact with debtor for the past consecutive six months.
- Inactivity and no payment on account for the past consecutive six months.
- CONTRACTOR shall at minimum provide a monthly report to COUNTY/COURT on all accounts, including age of referral.
- In the event an account has been deemed inactive and returned to COUNTY/COURT, CONTRACTOR shall have no right to compensation on any outstanding balance subsequently recovered by COUNTY/COURT, one of their agents, or another service provider.

3.7.4 Transfer of Accounts Deemed Inactive or Uncollectible

COUNTY/COURT reserves the right to take actions deemed necessary to recover debt from an account that has been deemed inactive or uncollectible, including, but not limited to referral of such accounts to the California Franchise Tax Board or other collection entity. Accounts requested to be returned shall be transferred back to COURT within 10 business days.

- Accounts to be returned to COUNTY/COURT include, but are not limited to, the following:
 - Any account meeting the criteria in Section 3.7.3 "Accounts Deemed Inactive / Uncollectible"
 - Any account referred to CONTRACTOR for a period exceeding 12 months from the referral date that has not been transferred to FTB-COD pursuant to Section 3.7.4
 - Any account that CONTRACTOR has referred to FTB Interagency Intercept Collection pursuant to Section 3.7.5 that remains unresolved.
 - All accounts referred to CONTRACTOR for a period exceeding 12 months from the referral date that have no payment on the account for the past consecutive 90 days.

3.7.5 Transfer of accounts to Franchise Tax Board, Court Ordered Debt

- CONTRACTOR shall have the capability to interface with the FTB COD Program.
- Upon direction from COUNTY/COURT, the CONTRACTOR shall transmit selected collection inventory to the FTB COD for secondary collection efforts. COURT reserves the right to process referrals directly to FTB.
- Immediately upon transfer, CONTRACTOR shall transmit account information to update COURT collection management system.
- Upon referral of an account to the FTB COD, CONTRACTOR shall cease all collection activity on the account but, at a minimum, remain responsible for the following:
 - CONTRACTOR shall electronically send and receive account information to FTB COD in a format agreed upon by COUNTY/COURT and FTB COD.
 - Payment information received by CONTRACTOR from FTB COD will be electronically transmitted by the CONTRACTOR to COUNTY/COURT. The CONTRACTOR will be responsible for updating the CONTRACTOR'S collection system and transmitting payment information to COUNTY/COURT using the process described in Section 3.10 – Transmission of Account Information.
 - CONTRACTOR shall mail a notice to the debtor advising them that the CONTRACTOR no longer is pursuing collections, and the account has been referred to FTB COD.
 - Upon approval from COUNTY/COURT, CONTRACTOR may be required to refund to the debtor any over-collected amount received from FTB COD.
 - CONTRACTOR will be responsible for all costs associated with programming identification, transfer and separate reporting of accounts referred to the FTB COD.
 - CONTRACTOR shall not receive compensation on accounts that are collected by the FTB COD.

REFERRAL TYPE	*Estimated Annual Case Volume
Franchise Tax Board Court Ordered Debt	20,000

*Case volume provided is an estimate only. COUNTY/COURT does not guarantee any particular annual volume of accounts referred.

3.7.6 Collections Transfer of accounts to Franchise Tax Board, interagency intercept collections

- CONTRACTOR shall have the capability to interface with the FTB Tax Intercept Program.
- CONTRACTOR shall transmit selected collection inventory to the FTB Tax Intercept for secondary collection efforts at the direction of COUNTY/COURT.
- Upon referral of an account to the FTB Tax Intercept, CONTRACTOR shall cease all collection activity on the account but, at a minimum, remain responsible for the following:
 - CONTRACTOR shall electronically send and receive account information to FTB Tax Intercept in a format agreed upon by COUNTY/COURT and FTB Tax Intercept.
 - CONTRACTOR shall attempt and obtain debtor Social Security Number via skip tracing tools (e.g. LexisNexis).
 - Payment information received by CONTRACTOR from FTB Tax Intercept will be electronically transmitted by the CONTRACTOR to COUNTY/COURT. The CONTRACTOR will be responsible for updating the CONTRACTOR'S collection system and transmitting payment information to COUNTY/COURT using the process described in Section 3.10 – Transmission of Account Information.
 - CONTRACTOR shall mail a notice to the debtor advising them that the CONTRACTOR no longer is pursuing collections and the account has been referred to FTB Tax Intercept.
 - Upon approval from COUNTY/COURT, CONTRACTOR may be required to refund to the debtor any over-collected amount received from FTB Tax Intercept.
 - CONTRACTOR will be responsible for all costs associated with programming identification, transfer and separate reporting of accounts referred to the FTB Tax Intercept.
 - CONTRACTOR shall be responsible for all costs associated with placing the accounts with FTB Tax Intercept.

- CONTRACTOR shall be responsible for any costs associated with obtaining the debtors Social Security Number.
- CONTRACTOR shall schedule court dates and handle inquiries from debtors, as necessary.
- CONTRACTOR shall not receive compensation on accounts that are collected by the FTB Tax Intercept.

REFERRAL TYPE	*Estimated Annual Case Volume
Franchise Tax Board Tax Intercept	70,000

*Case volume provided is an estimate only. COUNTY/COURT does not guarantee any particular annual volume of accounts referred.

3.8 PROCESSING DEBTOR PAYMENTS

3.8.1 Transfer of Funds

CONTRACTOR shall establish a separate bank account designated solely for processing debtor payments under the Contract and shall deposit all financial instruments (e.g., cash, checks, credit card remittances, etc.) received as debtor payments into this bank account (CONTRACTOR Bank Account). Each business day CONTRACTOR shall prepare an accounting of all debtor payments received on that day, reconcile the account for any adjustments and transfer all funds into a designated COUNTY of Los Angeles Bank Account (COUNTY Bank Account) no later than 2:00 p.m. (PST) the following business day.

- Except where payments are unidentified, all payments shall be updated in CONTRACTOR'S computer system within one (1) business day.
- CONTRACTOR shall have a process to determine unidentified cases (see Section 3.8.3 - Unidentified Payments).
- All financial instruments shall be deposited in the CONTRACTOR Bank Account as soon as received but no later than the close of the business day of their receipt.
- By the tenth business day of each month, CONTRACTOR shall submit to COUNTY/COURT a copy of the prior month's banking statement (official copy from CONTRACTOR bank) for the CONTRACTOR Bank Account.
- COUNTY will establish and have sole ownership over the COUNTY Bank Account. CONTRACTOR shall not have the right to withdraw funds from the COUNTY Bank Account.

3.8.2 Automated Clearing House Transfers and Reporting

The Automated Clearing House (ACH) transfer must equal the sum of all the payments on the daily payment report which include unidentified payments, other collections not on the payment report, less non-sufficient funds check amounts for that date. The dates of the ACH transfer and payment report must match.

3.8.3 Unidentified payments

Unidentified payments are those that the CONTRACTOR is unable to determine debtor identity (e.g., debtor mails payment to CONTRACTOR and does not provide identifying information). Unidentified payments received by CONTRACTOR shall be deposited daily into the CONTRACTOR Bank Account and ACH transferred into the COUNTY Bank Account.

- CONTRACTOR shall attempt to identify all unidentified payments within the thirty (30) calendar days of payment being received. If the CONTRACTOR cannot identify payment(s), the CONTRACTOR shall, by the fifth (5) business day of each following month, provide COUNTY/COURT with a report listing unidentified payments and attach any documents received with the payment (e.g., mailing envelope, enclosures). CONTRACTOR shall not issue any refunds on unidentified cases.
- CONTRACTOR shall not receive compensation on unidentified cases.

3.8.4 Incorrect Account Payments and Adjustments

On cases where CONTRACTOR applies payment to an incorrect account or case, CONTRACTOR shall provide COUNTY/COURT with a daily report listing the correct case where the payment should be applied. If payment should be refunded, CONTRACTOR shall provide supporting documentation.

- If CONTRACTOR transfers funds that are determined not to belong to a COUNTY/COURT referral, the CONTRACTOR shall provide documentation and submit a written request for refund.
- If CONTRACTOR believes that an adjustment to the COUNTY Bank Account is necessary, CONTRACTOR shall inform COUNTY/COURT of the following:
 - The amount in dispute
 - The reasons for the adjustments
 - Copies of any documentary evidence that supports CONTRACTOR'S claim

3.8.5 Cashier Variances / Discrepancies in Amounts Collected and Received

CONTRACTOR shall be responsible for all cashier variances, losses and other discrepancies between amounts collected and received by CONTRACTOR, such as shortages, counterfeit bills, etc. CONTRACTOR shall reimburse COUNTY/COURT for cashier variances, losses and any other discrepancies between amounts collected and received by CONTRACTOR on the day of collection.

3.8.6 Personal Check / Credit Card Verification

CONTRACTOR shall subject all personal checks received to a verification or authorization service (e.g., TeleCheck) to determine whether the personal checks submitted by debtors are valid and are covered by sufficient funds. CONTRACTOR shall obtain verification or authorization for every credit card transaction submitted by a debtor.

3.8.7 Returned Checks

In the event a debtor submits a personal check that is returned to CONTRACTOR Bank Account as non-sufficient fund checks ("NSF"), or because the checking account is closed, CONTRACTOR shall attempt to recover those funds. If CONTRACTOR is unable to recover the funds within thirty (30) calendar days, CONTRACTOR may then recover monies on a Deposit Reconciliation by listing the NSF amount(s). The CONTRACTOR may assess a returned check fee not to exceed \$25 dollars in return checks.

CONTRACTOR shall submit to COUNTY/COURT a detailed NSF report by individual court locations that includes, at minimum, the following:

- Defendant name
- Citation/Case number
- NSF amount
- Receipt number

3.8.8 Credit Card Fees, Collection Costs, etc.

CONTRACTOR shall not pass any other additional fees not referred by COUNTY/COURT (e.g., collection costs, check verification fees, credit card fees, etc.) on to the debtor or COUNTY/COURT with one exception:

- Any associated costs incurred by the CONTRACTOR in instituting the involuntary payment actions listed in Section 3.6.2 may be passed on to the debtor.

3.8.9 Segregation of Accounts

The CONTRACTOR shall segregate all accounts referred by COUNTY/COURT from all other CONTRACTOR accounts (see Section 3.8.1 – Transfer of Funds). All information relating to the accounts referred and assigned shall be kept confidential and shall not be open to examination for any purpose not directly connected with the servicing of the accounts by the CONTRACTOR.

The CONTRACTOR must track accounts by court locations and category of account. (Refer to Section 1.3.1 – Referral Data).

3.8.10 Internal Control Procedures

3.8.10.1 Cash handling and record keeping duties shall be appropriately separated by assigning different CONTRACTOR staff responsible for each duty. Any cash received should be receipted immediately and put in a safe or other secured location.

3.8.10.2 CONTRACTOR shall restrictively endorse all checks and money orders when the mail is opened each day. Immediately after receiving, payments shall be logged into a Control Log showing the date of payment, payment instrument (e.g., check, money order, cash), debtor's name, amount received, case number (if available) and number of the payment instrument. The Control Log is reviewed and signed by an employee with supervisor rank or greater. Payments should be posted immediately to the CONTRACTOR computer system and a system generated receipt report is reviewed and signed by a supervisor matching to the Control Log. The actual checks and money orders should be locked in a secure location with restricted or limited access until deposited during or at the end of the day. This location should remain locked during the day. Two (2) independent adding machine tapes, or other verification approved by COUNTY/COURT, should be run on the receipts and compared to actual cash and checks, and initialed by the two (2) mail openers.

3.8.10.3 All walk-in payments shall be receipted in the presence of the debtor by a CONTRACTOR employee who does not have the ability to post collections to debtor accounts.

- 3.8.10.4** Mail and walk-in payments shall be picked up by a CONTRACTOR employee for deposit in accordance with section 3.8.1, who does not have cash handling duties or access to accounting records. This requirement can also be satisfied by the use of a private courier service to pick up the mail and walk-in payments, which is to be arranged by the CONTRACTOR. CONTRACTOR shall not use COURT courier services. Mail should be opened by at least two (2) employees in order to document and verify the amount of mail payments. These employees should not have access to accounting records or be collectors.
- 3.8.10.5** CONTRACTOR shall use receipts that are electronically system generated and controlled but in the event of system incapacity, offer pre-numbered, multi-part forms with copies for the debtor, accounting offices and one retained as a control copy. Each copy must be marked for distribution. Receipts are to be issued by CONTRACTOR'S clerical/administrative staff not by CONTRACTOR'S collectors.
- Issued receipts shall be numerically controlled and kept in a secure place. Office management staff should maintain accountability for all receipt stock and all used and voided receipts.
 - A copy of the receipt must be given to the debtor by the CONTRACTOR'S clerical/administrative staff not by CONTRACTOR'S collectors. Signage should be posted in English and Spanish instructing the debtor to request and obtain a receipt from clerical/administrative staff.
 - Receipts shall be used in numerical order.
- 3.8.10.6** All cash is to be secured and the receipt used for posting purposes. Unidentified, post-dated and NSF checks shall be accounted for and listed on a separate log that provides a complete audit trail from receipt to disposition.
- 3.8.10.7** CONTRACTOR'S office management staff shall reconcile the amount of mail and walk-in payments to the total deposit each day. The office management staff shall receive one (1) copy of the mail payment's

tape and the amount of walk-in payments and compare them to the amount of the daily deposit slips and the post-dated and unidentified check logs.

- 3.8.10.8** CONTRACTOR shall submit written internal control procedures to COURT PM prior to commencement of contract. Written internal control procedures shall be maintained and periodically updated as necessary. CONTRACTOR personnel shall at least annually be instructed in said procedures. Office management staff shall continuously monitor operations to ensure compliance therewith. New employees shall be instructed within the first two (2) weeks of hire.

3.9 DEBTOR SERVICES

3.9.1 Telephone Services

CONTRACTOR shall provide a toll-free telephone number (e.g., 800 area code, etc.) so that debtors may be able to:

- Obtain information on the debt, such as status, amount due, payment options, etc.
- Schedule a court appearance
- Remit payment
- Establish a payment plan

CONTRACTOR shall provide an option that offers multilingual translation services in Spanish, Armenian, Chinese Mandarin, Korean and Vietnamese, provided by either multilingual collection staff and/or third-party services (e.g., Certified Languages, Inc.).

CONTRACTOR shall also provide a toll-free telephone number (e.g. 800 area code, etc.) for the hearing impaired with a telecommunication device (TTY/TDD) that offers the services specified above.

CONTRACTOR'S telephone services shall be available 24 hours a day, 7 days a week.

3.9.2 Internet Services

CONTRACTOR shall create and maintain a comprehensive website that allows a debtor to create and update personal account profile(s), make payment(s), enter into installment payment plans and check balance(s) via the internet on the CONTRACTOR'S website.

COUNTY/COURT may approve the website's form, functionality and available content and CONTRACTOR shall make programming changes and updates at the direction of COUNTY/COURT. CONTRACTOR'S website shall maintain full compliance with applicable statutes and guidelines.

CONTRACTOR and COUNTY/COURT shall develop and maintain a website link between COUNTY/COURT and CONTRACTOR'S website.

3.9.3 Office Locations and Services

CONTRACTOR shall have at least one (1) fully operational business office by the end of the Transition Period (see Section 4.0 – Implementation of Service). The business office shall be open Monday through Friday from 8:00 a.m. through 9:00 p.m. PST. In addition, the business office shall be open from 8:00 a.m. through 12:00 p.m. PST on Saturdays, and shall offer the following services which allow debtors to:

- Obtain information on the debt, such as status, amount due, payment options, etc.
- Schedule a court appearance
- Establish a payment plan
- CONTRACTOR shall provide multilingual translation in Spanish, Armenian, Mandarin Chinese, Korean and Vietnamese by own staff and/or third-party service (e.g. Certified Languages, Inc., etc.).

Business office hours may be modified with the approval of County/Court.

3.9.4 Debtor Refunds – Issuance and Determination of a Debtor Refund & Collection Fees on an Account when Monies are refunded

COURT has the sole authority to issue debtor refunds and determine whether a refund is due. If CONTRACTOR believes that a refund should be issued to a debtor, CONTRACTOR shall provide COUNTY/COURT with the following information:

- The debtor's name, receipt and account numbers
- The amount in dispute
- The reasons for the refund
- Supporting documentation
- COUNTY/COURT will not compensate CONTRACTOR for services in the event COUNTY/COURT refunds the entire amount of collected money to a debtor (see Section 3.13.3 -

Invoices which include Account NSF Checks, or Account with a Debtor Refund).

- In the event of a partial refund, the Collection Fee shall be adjusted to the amount of collected money retained by COUNTY/COURT.

3.9.5 Customer Service

3.9.5.1 Debtor Comment Line

CONTRACTOR shall set-up a message/survey line so that customers may leave voice mail messages/take survey regarding CONTRACTOR'S customer service. All voice mail messages/surveys received shall be retained for a period of five (5) years and be available for review by COUNTY/COURT as requested. All

associated fees shall be at the expense of contractor.

3.9.5.2 Complaints

- The term "complaint" refers to any written, electronic or verbal protest lodged by a debtor, which alleges that CONTRACTOR, or one of its employees, engaged in inappropriate, unfair or harsh method(s) of collection, or conduct.
- In the event CONTRACTOR receives any verbal complaint, the CONTRACTOR shall immediately notify the COURT PM by telephone or email. The verbal notification shall be followed up in writing within three (3) business days.
- In the event the CONTRACTOR receives any written complaint, the CONTRACTOR shall immediately notify the COURT PM by telephone or email. The CONTRACTOR shall provide the COURT PM with a copy of any written complaint within three (3) business days of receipt.
- CONTRACTOR shall promptly investigate all complaints and provide a written report to the COURT PM regarding the disposition of each verbal and written complaint within fourteen (14) business days of receiving the complaint. At minimum the report shall include the following:
 - A copy of the complaint (if applicable)
 - Identification by name of CONTRACTOR employee(s)
 - Results of the investigation

- A statement describing the corrective action taken to resolve and avoid a reoccurrence of such a complaint, if applicable
- A response letter to the customer when directed by the COURT PM, if applicable
- CONTRACTOR shall also maintain a Complaint Tracking Log (Attachment A) and a system to track complaints to the individual accounts and CONTRACTOR employee(s) handling the account. CONTRACTOR shall provide copy of the log to the COURT PM each month covering the prior month's activities.

3.9.6 Dispute of the Outstanding Balance

In the event a debtor disputes the bail on an Infraction/ Misdemeanor with Unadjudicated Bail, CONTRACTOR shall verify the case records with the Revenue Enhancement Unit and upon verification, continue with collection activities. If debtor continues to dispute, CONTRACTOR will inform the debtor that they may schedule a court appearance to dispute the balance/amount.

CONTRACTOR shall suspend all collection activities immediately when the debtor schedules a court appearance. Collection activities shall resume only when directed by COUNTY/COURT (see Section 3.5 - Court Appearances).

3.9.7 Claim of Death

Upon receipt of a certified copy of a death certificate, CONTRACTOR shall forward to COUNTY/COURT a copy of the correspondence and the certified copy of the death certificate and deem the account uncollectible.

CONTRACTOR shall verify claims of death for which a certified copy of a death certificate is not received against the Social Security Administration Master Death File.

3.9.8 Claim of Incarceration

In the event the debtor submits documentary evidence which indicates that the debtor is incarcerated, CONTRACTOR shall forward to COUNTY/COURT a copy of the correspondence and the documentary evidence. Collection activities shall be suspended if the debtor is determined to be incarcerated 364 days or less. CONTRACTOR shall resume collection activity at the end of the incarceration period. For debtors incarcerated 365 days or more, the

account shall be deemed uncollectible and returned to the COUNTY/COURT.

3.10 TRANSMISSION OF ACCOUNT INFORMATION

3.10.1 Data transmissions mentioned below will be processed by real-time application programming interface (“API”) and/or an automated batch process by electronic file transfers. CONTRACTOR shall provide daily back-up provisions for electronic data. COURT will refer account information from multiple automated case management and information systems with multiple file layouts including but not limited to:

- Tyler Technologies’ Odyssey case management - source of Infractions and Misdemeanors with Adjudicated and Unadjudicated Bail and Fine accounts and child custody evaluation fees.
- Journal Technologies’ eCourt case management – source of civil, juror and attorney sanctions.
- The Collection Data Base System (“CDBS”) - source of Adjudicated misdemeanor and felony delinquent accounts.
- Payment information from accounts referred via Odyssey will be entered into the case management system.
- Payment information from accounts referred via eCourt will be entered into the case management system.
- Payment information from accounts referred via CDBS will be entered into the CDBS.

CONTRACTOR shall modify data transmission specifications, procedures and protocols when requested by COUNTY/COURT.

CONTRACTOR shall have the capability to develop and test the necessary interfaces with the COUNTY/COURT CMS prior to July 1, 2020. CONTRACTOR shall not be compensated for any development or programming changes necessary to be able to interface with the COUNTY/COURT CMS and fulfill the requirements of this SOW.

3.10.2 Data entry of hard copy format

CONTRACTOR shall be required to data input into their system any account information specified and referred by COUNTY/COURT that is in hard copy format.

3.10.3 Determination of the Data to be Transmitted, Transaction Codes, etc.

- All data exchanges described in the processes below must be in compatible information system interfaces, specifications, code and formats as specified by COUNTY/COURT.
- The field definitions and specifications, data to be transmitted, and transaction codes for all the account information and/or electronic files listed below will be determined by COUNTY/COURT and CONTRACTOR.

3.10.4 Referral Information – Referrals from Case Management System (CMS)

- COUNTY/COURT, at its discretion, shall refer delinquent accounts from the CMS to CONTRACTOR.
- COUNTY/COURT may refer delinquent accounts to CONTRACTOR by using the Odyssey Configuration Integration Publisher that allows COUNTY/COURT to send information directly to CONTRACTOR's web service endpoint in the form of an XML message for CONTRACTOR's consumption or by using a collections export file batch process determined by COUNTY/COURT. Illustrative sample is provided for in (Attachment B).
- COUNTY/COURT may refer delinquent accounts to CONTRACTOR by using eCourt API interfaces that allows COUNTY/COURT to send information directly to CONTRACTOR's web service endpoint in the form of an XML message for CONTRACTOR's consumption or by using a collections export file batch process determined by COUNTY/COURT.
- COURT Referrals shall correspond to CMS referral file specifications and may be subject to change.

3.10.5 Re-Referral Information – Re-Referrals from CMS

- COUNTY/COURT shall re-refer debtors who have scheduled a court appearance through CONTRACTOR and subsequently failed to appear in court.
- COUNTY/COURT shall either re-refer debtors through the CMS referral file, or through an alternate mechanism developed by CONTRACTOR and COUNTY/COURT.

3.10.6 Referral Information – Referrals from CDBS

- COUNTY/COURT shall refer accounts from CDBS to CONTRACTOR through a mechanism developed by CONTRACTOR and COUNTY/COURT.

- Referrals shall correspond to CDBS referral file specifications and may be subject to change. Illustrative sample is provided for in (Attachment C).

3.10.7 Payment Information

The sum of all payments on file transmissions, manual and electronic, must equal the amount deposited into the COUNTY Bank Account, the sum of all the deposit slips, and the sum of all the payments listed on the payment report (see Section 3.13.6 - Payment Reports).

3.10.8 Payment Information – For Accounts Referred via CMS

- At a frequency to be determined, but no less than once daily, CONTRACTOR shall submit current payment information to COUNTY/COURT via a mechanism developed by CONTRACTOR and COUNTY/COURT.
- CONTRACTOR may notify COUNTY/COURT of payment information by submitting information required by Odyssey API web services or by submitting a payment import file specified by COUNTY/COURT. For API interface, the Odyssey Integration Toolkit web services will use the information to update appropriate Odyssey components. Illustrative sample is provided for in (Attachment D).
- CONTRACTOR may notify COUNTY/COURT of payments collected by submitting information required by eCourt API web services or by submitting a payment import file specified by COUNTY/COURT. For API interface, the eCourt web services will use the information to update appropriate eCourt components. The payment file shall correspond to CMS file specifications and may be subject to change.

3.10.9 PAYMENT Information – For Accounts Referred via CDBS

- Once each day, CONTRACTOR shall submit current payment information to COUNTY/COURT via electronic file and/or computer tape.
- The payment file shall correspond to CDBS specifications and may be subject to change. Illustrative sample is provided for in (Attachment E).

3.10.10 Uncollectible Information – For Accounts Referred via CMS

- Once each month, CONTRACTOR shall return accounts deemed uncollectible to COUNTY/COURT via electronic file.

- CONTRACTOR shall return such accounts to COUNTY/COURT with any updated account information obtained (e.g., addresses, telephone numbers, Social Security Numbers, etc.).
- The uncollectible file shall correspond to COUNTY/COURT CMS specifications.

3.10.11 Uncollectible Information – For Accounts Referred via CDBS

- Once each month, CONTRACTOR shall return accounts deemed uncollectible to COUNTY/COURT via electronic file and/or tape.
- CONTRACTOR shall return such accounts to COUNTY/COURT with any updated account information obtained (e.g., addresses, telephone numbers, Social Security Numbers, etc.).
- The uncollectible file shall correspond to CDBS and/or COUNTY/COURT CMS specifications. A mechanism to provide this information to COUNTY/COURT will be developed by CONTRACTOR and COUNTY/COURT.

3.10.12 Court Appearance Information

At minimum once each day or a frequency specified by COUNTY/COURT, CONTRACTOR shall submit court appearance information. A mechanism to provide this information to the individual locations will be developed by CONTRACTOR and COUNTY/COURT.

3.10.13 Updated information to CONTRACTOR on COUNTY/ COURT Accounts

As needed, COUNTY/COURT will inform CONTRACTOR with any updated account information. A mechanism to provide this information to CONTRACTOR will be developed by CONTRACTOR and COUNTY/COURT.

3.10.14 Updated Information on COUNTY/COURT Accounts from CONTRACTOR

- At minimum once each day or a frequency specified by COUNTY/COURT, CONTRACTOR shall submit updated account information obtained (e.g., addresses, telephone numbers, Social Security Numbers, etc.).
- At minimum once each day or a frequency specified by COUNTY/COURT, the Updated Account Information File shall correspond with the CMS and/or CDBS specifications,

and/or other alternative formats as specified by COUNTY/COURT.

3.10.15 Modification of file layouts

COUNTY/COURT has the right to modify file layouts identified above and COUNTY/COURT shall provide CONTRACTOR with new file layouts and a reasonable time period to implement.

3.11 COLLECTIONS ON-LINE REQUIREMENTS

3.11.1 CONTRACTOR shall provide each COURT location with “On-line” access, or a direct computer link to CONTRACTOR’S referred account database

- COURT locations with CONTRACTOR’S staff assigned (see Section 6.2.2 – CONTRACTOR’S Personnel at Various COURT Locations) will require full access to the CONTRACTOR’S computer system (e.g., input, inquiry, etc.)
- Specified COURT locations without CONTRACTOR’S staff assigned will require inquiry access only to the CONTRACTOR’S computer system.

3.11.2 On-line Capabilities

At minimum the on-line system shall provide the following information:

- Account Number
- Debtor Name
- Debtor Address
- Identifying Information (e.g., Date of Birth, Driver’s License Number and Social Security Number)
- Court Appearance Date
- Updated/Current Address (e.g., addresses found via Skip Tracing)
- Account Status (e.g., Paid, Open, Closed, Withdrawn, Uncollectible)
- Amount Due
- Amount Paid
- Balance Due
- Last Date of Payment
- Last Notice Date
- Account History
- General Comments

3.11.3 CONTRACTOR shall perform daily update and back-up on all account information systems accessed by on-line terminals at COURT locations.

3.12 FEES FOR SERVICES

3.12.1 Invoices

CONTRACTOR shall invoice COUNTY/COURT only for collection fees for services that have resulted in the remittance of financial instruments (e.g., cash, checks, credit card remittances, etc.) to CONTRACTOR and subsequent deposit of the financial instruments into COUNTY Bank Account. CONTRACTOR shall not be compensated for activities on accounts for which debtor payments are not obtained.

CONTRACTOR shall be compensated only for services that result in the collection of revenue. COUNTY/COURT will not compensate CONTRACTOR for expended services in the event debtor payment is not obtained.

The amount of the CONTRACTOR'S invoices shall be calculated in accordance with the following formula: Commission Rate (%) x total collections deposited into COUNTY Bank Account during the period of the invoice.

CONTRACTOR shall submit to COUNTY/COURT an invoice each month by the 5th business day of the month for the prior month's deposits to the COUNTY Bank Account. Invoice shall be presented to COUNTY/COURT under the conditions and with the information set forth in Section 3.13.1 – Cycle for Submission of Invoices. An invoice without the required information will not be approved for payment.

All invoices submitted by the CONTRACTOR for payment must have the written approval of the COURT PM prior to any payment thereof. In no event shall COUNTY/COURT be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld, and in no instance will such approval take more than three (3) weeks from receipt of properly prepared invoices by the COURT PM.

3.12.2 Payment on Accounts with a Court Appearance after referral

In the event a debtor appears in court and subsequently pays the debt, COUNTY/COURT will compensate CONTRACTOR the amount that is adjusted (e.g., if a debtor's balance is reduced from

\$550.00 to \$350.00 at a court appearance, and payment is made, the Collection Fee will be based on the new court ordered amount).

3.12.3 Dismissed Accounts

CONTRACTOR shall not receive compensation on any account that has been dismissed or suspended at a court appearance wherein a subsequent court fee has been imposed or otherwise dismissed or suspended by judicial order

CONTRACTOR shall not receive compensation on an account where community service has been granted in lieu of fine.

3.12.4 Failure to Pay Accounts

- CONTRACTOR shall not receive compensation on an account in the event a debtor fails to pay the debt after a court appearance.
- COUNTY/COURT reserves the right to take actions deemed necessary to recover debt from a debtor who has failed to pay after a court appearance.
- CONTRACTOR shall not receive compensation in the event that COUNTY/COURT, one of its agents, or another service provider, recovers revenue on a debtor who failed to pay the debt after a court appearance.

3.12.5 Partial Payments/Prorated Fees

The Commission Rate shall be based on the amount of gross revenue collected. For example, if a partial payment is made, commission shall only be paid on the partial payment amount.

3.12.6 Payment on Accounts Deemed Uncollectible, or Withdrawn by COUNTY/COURT

COUNTY/COURT will not compensate CONTRACTOR for an account collection if the debtor’s payment, in whole or part, is received by COUNTY/COURT, one of its agents, another service provider, or the CONTRACTOR after an account has been returned by CONTRACTOR to COUNTY/COURT as Uncollectible or for accounts withdrawn by the COUNTY/COURT.

3.12.7 Accounts with NSF Checks

- CONTRACTOR shall not receive compensation for services in the event a debtor submits a NSF check or a chargeback is received on a debit/credit card transaction.
- Bank imposed NSF check fees charged to the CONTRACTOR may be added (maximum of \$25.00) to the

account balance. CONTRACTOR may attempt to collect bank imposed fees after the COURT referral amount is satisfied. CONTRACTOR shall not receive compensation from COUNTY/COURT on NSF check fees charged to the CONTRACTOR. CONTRACTOR shall not transmit or pass bank-imposed fees to COUNTY/COURT.

- CONTRACTOR is not entitled to commission on bank-imposed fees.

3.13 REVENUE RECOVERED BY CONTRACTOR

CONTRACTOR shall not deduct its fee directly from any collected revenue. CONTRACTOR shall receive payment from COUNTY/COURT by submitting an invoice as identified in Section 3.12 of this SOW.

3.13.1 Cycle for Submission of Invoices CONTRACTOR shall submit an invoice once per month. Invoices shall only include collection fees

- Invoices must correspond with and include, an itemized list of the ACH transfers into the COUNTY Bank Account made during the billing cycle.
- The invoice should be itemized by case and include, at a minimum, the following information:
 - Case Number
 - Client Code
 - Date Paid
 - Debtor Name
 - Amount Referred
 - Amount Paid on the Invoice
 - Total Amount Paid to Date
 - CONTRACTOR'S Commission Cost on Current Payment
 - CONTRACTOR'S Total Commission Cost Charged to Date
 - Civil Assessment Amount Collected
 - Total Civil Assessment Amount Collected to Date
 - Fine Amount Enclosed
 - Total Fine Amount Collected to Date
 - Balance Due
- The invoice must be subtotaled for each COURT location.

3.13.2 Revenue Recovered after a Court Appearance

- CONTRACTOR'S invoices shall not include accounts which were set for a court appearance.
- In the event revenue is collected by COURT on accounts that were set for a court appearance, CONTRACTOR shall

provide supporting documentation of the payment as instructed by COUNTY/COURT. COUNTY/COURT will determine the total amount to be compensated for each monthly billing cycle, and will compensate CONTRACTOR accordingly.

3.13.3 Invoices which include Accounts with NSF Checks, Chargebacks or Accounts with a Debtor Refund:

- COUNTY/COURT will not compensate CONTRACTOR for services provided on accounts with NSF checks, chargebacks or debtor refunds.
- In the event of a partial refund, COUNTY/COURT will remit to CONTRACTOR a collection fee that is adjusted to the amount of collected money retained by COUNTY/COURT.
- In the event invoices include accounts with NSF checks, chargebacks or debtor refunds, COUNTY/COURT will deduct the amounts of the NSF checks, chargebacks or the debtor refunds from the invoice.
- In the event CONTRACTOR is compensated for accounts with NSF checks, chargebacks or debtor refunds, COUNTY/COURT will deduct the appropriate remitted amount from CONTRACTOR'S next invoice.

3.13.4 Reporting Requirements

At a minimum, the CONTRACTOR shall generate and provide the following reports to COUNTY/COURT no later than the tenth business day of each month:

- A summary listing of accounts by account type referred in a given month;
- A summary description of account activity and status. This report should include, but may not be limited to the following: case number, status, amount due, amount paid, balance, collection activities and court appearances;
- A summary description of month-to-date and year-to-date performance. This report should include, but may not be limited to: amount referred, amount collected, amount outstanding, amount adjudicated by the court, rate of collection, open accounts and paid accounts;
- The number of accounts with civil assessment added to the fine/bail;
- The number of debtors that paid their account in full within ten (10) days of the CONTRACTOR'S first collection letter;

- Gross and net placements and gross revenue collected;
 - The number of court dates set by the CONTRACTOR by individual court location;
 - The number of installment plans received and initially set up;
 - The average installment payment amount;
 - The number of calls made by CONTRACTOR;
 - The number of calls received by CONTRACTOR;
 - The number of collection letters sent by CONTRACTOR;
 - The number of letters returned undeliverable;
 - A detailed listing of all accounts deemed to be uncollectible;
 - On an as-needed basis, provide a report, which lists all currently active accounts for which collection is still being pursued.
- The format and appearance of the above reports will be determined by COUNTY/COURT.
 - COUNTY/COURT reserves the right to request additional ongoing and or ad hoc reports as deemed necessary.
 - Realtime daily dashboard

3.13.5 Judicial Council of the Court (JCC) Report

On an annual basis, the Superior Courts of the State of California and the Counties of the State of California are required to complete and submit to the JCC a *Collections Reporting Template* with aggregate referred and collected amount for all COUNTY/COURT collections programs to which Contractor is providing collections services. At no additional costs to COUNTY/COURT, CONTRACTOR shall provide the required data to COUNTY/COURT. The current data that needs to be provided is included in the Collections Reporting Data (Attachment F – subject to change).

3.13.6 Payment Reports

Once each business day, CONTRACTOR shall submit a hard copy payment report to COUNTY/COURT.

- The sum of all the payments listed on the payment report must equal the amount transferred via ACH into the COUNTY Bank Account, the sum of all the payments on the electronic file and/or payment tapes.
- The payment report shall provide a detailed list of all debtors who paid, including, but not limited to the following elements:

- Receipt number
- Client code
- Account number
- First and last names
- Type of financial instrument used to make payment (e.g., cash, checks, credit cards, etc.)
- Amount paid
- The payment report should be sorted by receipt number.
- The payment report shall include grand totals for the number of accounts paid and the amounts collected.
- In the event no payments were received, CONTRACTOR shall submit a payment report, which indicates that no payments were received.

3.14 Return of Accounts

Upon termination of the Contract by either COUNTY/COURT or CONTRACTOR, CONTRACTOR shall return to COUNTY/COURT all accounts, and copies of records and information in their possession relating to said accounts such as refreshed addresses, which were obtained by CONTRACTOR.

- 3.14.1** Accounts and related information will be returned in the formats specified in Section 3.10 -Transmission of Account Information, or in alternative formats as specified by COUNTY/COURT.
- 3.14.2** At the end of the Contract period, CONTRACTOR shall promptly return to COUNTY/COURT all previously referred accounts and all records and/or files pertaining to such accounts. In no case shall CONTRACTOR continue working the accounts and no commissions will be paid on monies received by the CONTRACTOR from the debtors upon termination of the Contract.
- 3.14.3** All account payment funds received by CONTRACTOR after contract termination shall be forwarded to COUNTY/COURT within three (3) business days of receipt. Any post-dated checks in CONTRACTOR'S possession will be voided and given to COUNTY/COURT to arrange for replacement from the maker(s).
- 3.14.4** Any legal actions in progress at the time of contract termination shall be provided to COUNTY/COURT within fifteen (15) days of termination.

3.14.5 Within forty-five (45) days of termination of this Contract, CONTRACTOR shall submit to COUNTY/COURT, in the form and with the certification and reports as may be prescribed by COUNTY/COURT, its termination claim and invoice. Upon failure of CONTRACTOR to submit its termination claim and invoice within the time allowed, COUNTY/COURT may determine, on the basis of information available to COUNTY/COURT, the amount, if any, due to CONTRACTOR in respect to the termination. Such determinations shall be final. After such determination is made, COUNTY/COURT shall pay CONTRACTOR the amount so determined.

3.14.6 CONTRACTOR shall house and maintain all records related to their Contract performance for a minimum of five (5) years after contract termination at their office(s). COUNTY/COURT will have the right to inspect these records at any time within this five (5) year period.

3.15 COLLECTION AMNESTY PROGRAM

Pursuant to any enacted California Statute(s) providing amnesty debt relief on delinquent debt(s) to specified individuals, COUNTY/COURT shall establish an amnesty program that will be administered in its entirety by the CONTRACTOR as directed by COUNTY/COURT.

As directed by COUNTY/COURT, CONTRACTOR shall segregate and perform collection activity on accounts eligible for amnesty.

CONTRACTOR shall accept only the amount authorized/specified by the COUNTY/COURT as full payment.

CONTRACTOR shall segregate and process payments received during the amnesty program in the same manner as described in Section 3.8 and/or as required by Judicial Council guidelines.

As required by Judicial Council guidelines, CONTRACTOR shall provide the required reporting of data of the Amnesty Program to COUNTY/COURT. (Attachment G). The CONTRACTOR shall be compensated only on the amount collected.

3.15.1 Advertising and Marketing Campaign

The CONTRACTOR shall provide advertising and marketing services for an Amnesty Program appropriate to the community, including but not limited to:

- Public Service Announcements (PSA) developed for the local community in radio and/or television (e.g. Spanish and other languages) with a message approved by COUNTY/COURT;

- Traditional advertising media services such as newspapers, magazines, posters, hand-out material, and mailed notices;
- Modern social media such as Twitter and Facebook;
- A plan for the utilization of the above communication methods beginning not less than 90 days prior to the start of any program.

All proposed advertising and marketing services are to be pre- approved by COUNTY/COURT.

3.15.2 Reporting Requirements

CONTRACTOR shall comply with the reporting requirements set forth in any statute and in compliance with Judicial Council guidelines.

CONTRACTOR shall also provide real-time reports required by COUNTY/COURT through a dashboard that is accessible by the COUNTY/COURT. The dashboard shall include, but not be limited to, the following information:

- Account inventory
- Aged Inventory Report
- Collections year-to-date
- Collections month-to-date
- Collections based on age of case referral
- Number of accounts on payment plan
- Number of accounts defaulted on payment plan
- Number of accounts with no contact
- Number of accounts with no payments
- Number of accounts paid in full
- Deceased, incarcerated and other inactive statuses

The information above shall be available by litigation area. The CONTRACTOR shall provide sample reports to COUNTY/COURT for approval prior to the implementation.

3.15.3 Acknowledgement Report

Upon request, CONTRACTOR shall provide a complete list to the COUNTY/COURT of all accounts by account category each time the COUNTY/COURT refers accounts to CONTRACTOR. The report shall be provided within two (2) business days following the date the CONTRACTOR can access the referral, and will list as applicable:

- Party ID
- Debtor’s name
- Case number

- Bail or fine due date
- Amount of bail or fine referred

3.15.4 Daily Payment Transmittal Report

Upon request, CONTRACTOR shall provide the COUNTY/COURT a daily payment information report, on the next business day, reflecting the prior day's payments. The daily payment transmittal report will include a listing of every account upon which payment has been made, and for each such account, where applicable:

- Party ID
- Debtor's name
- Case number
- Total paid
- Installment paid (if applicable)
- Amount paid with personal check that has not yet cleared

3.15.5 Daily Adjustment Report

Upon request, on the business day following the processing of any adjustment on any account, CONTRACTOR will provide the COUNTY/COURT with a daily report of each account where an adjustment has been made to any amount referred or owed. In addition, the report will summarize each day's adjustment reasons by category of "Cash" or "Non-Cash." Examples of adjustment reasons are as follows:

(a) Cash-related Adjustment

- ~Returned Check
- ~Misapplied Payment
- ~Overpayment

(b) Non-Cash related Adjustment

- ~Referred in error by COURT
- ~Incorrect referral amount
- ~Payment collected by COURT (only in the event of payment taken by COURT since all forms of payments should be directed to the CONTRACTOR).

3.15.6 Account Status Report

Within five (5) business days after the end of each calendar month, CONTRACTOR will provide COURT with a complete listing of all such COURT accounts, by location, currently held by the CONTRACTOR. The report shall be in an electronic media that does not require the CONTRACTOR or COURT to produce a hard copy report. The account status report will include all relevant information deemed necessary by COUNTY/COURT and include at minimum where applicable, 1) party ID; 2) debtor's name; 3) case number; 4) bail or fine amount referred; and 5) total payment and adjustments

6) installments; 7) fines/fees and assessments reduced. The account status report will be sorted alphabetically by debtor's last name.

3.15.7 Transition Services

Upon termination of the Amnesty Program, CONTRACTOR shall continue to forward all payments received on any accounts referred by COUNTY/COURT. If payment activity continues on an account after termination and said account does not default from the program, the payments are forwarded to the COUNTY/COURT until satisfaction of the debt according to program parameters and the COUNTY/COURT will pay CONTRACTOR the commission rate identified for the Amnesty Program. If upon termination of the Amnesty Program there is no payment activity on account for 90 days and said account is in default of the Amnesty Program, the CONTRACTOR will cease collection activity and refer account to the Franchise Tax Board Court Ordered Debt collection program. CONTRACTOR will not receive commission from payment on accounts referred to other agencies or collection entities after termination of the Infraction Amnesty Program.

3.16 SPECIAL COLLECTIONS PROGRAMS

COUNTY/COURT will provide specifications for collection programs unique to COUNTY/COURT and CONTRACTOR shall implement and administer the programs as directed.

3.16.1 One-Third Down

As directed by COUNTY/COURT, CONTRACTOR shall offer an installment payment plan requiring a minimum one-third down payment of the outstanding delinquent balance on FTA and FTP infractions with remainder balances collected over four (4) monthly installment periods. Upon payment of the initial down payment, CONTRACTOR shall notify COUNTY/COURT to initiate a driver's license hold release to the DMV (if applicable).

3.16.2 Manual Fines/Fees Referrals

As directed by COUNTY/COURT, CONTRACTOR shall accept manual referrals of certain fines/fees by maintaining a transmittal log and data entering case information received from COUNTY/COURT via hard copy. Upon collecting payment, CONTRACTOR will submit a report listing the case number, defendant's name, court location, payment date, receipt number, and amount paid (full or partial). Payment processing shall follow procedures specified in section 3.8 Processing Debtor Payments.

4.0 IMPLEMENTATION OF SERVICE

4.1 IMPLEMENTATION DEADLINE

CONTRACTOR shall meet and implement the full range of services and requirements described in this SOW within four (4) weeks of the Los Angeles COUNTY Board of Supervisors' approval of the contract between COUNTY/COURT and CONTRACTOR.

4.2 INTERFACE WITH COURT CASE MANAGEMENT SYSTEMS

CONTRACTOR shall have the capability to develop and test the necessary interfaces with the COUNTY/COURT CMS prior to July 1, 2020. However, depending on the availability of COURT resources necessary to implement the programming changes to support referrals to multiple primary vendors, initial referrals to CONTRACTORS may be implemented on a staggered basis.

4.3 TRANSITION PLAN

CONTRACTOR must provide a transition plan detailing how they will implement the full range of services and requirements described in this SOW within fifteen (15) business days after contract execution.

5.0 COUNTY/COURT RESPONSIBILITIES

5.1 COUNTY PROJECT DIRECTOR

COUNTY/COURT shall appoint a COURT Project Director ("CPD") that will have overall responsibility for managing the Contract and the work to be performed by the CONTRACTOR.

5.1.1 CPD Functions

The CPD shall perform the following functions:

- Ensure that the objectives of this Contract are met.
- Provide direction to CONTRACTOR in areas related to COUNTY/COURT policy, information requirements and procedural requirements.
- The CPD will not be authorized to make any changes in any of the terms and conditions of this Contract and will not be authorized to further obligate the COUNTY/COURT in any respect whatsoever.

5.2 COURT PROJECT MANAGER

COUNTY/COURT shall appoint a COURT Project Manager (“Court PM”) that will have responsibility for the day-to-day management of the work to be performed. The Court PM shall be the primary contact person between the COUNTY/COURT and the CONTRACTOR and shall confer with the CONTRACTOR’S Project Manager on a regular basis.

5.2.1 COURT PM Functions

The Court PM shall perform the following functions:

- Oversee the deliverables and invoices from CONTRACTOR.
- Review, approve and recommend all correspondence related to this Contract.
- Approve the assignment of CONTRACTOR’S Project Manager and employees. The Court PM may request the removal of the CONTRACTOR’S Project Manager and/or other employee if the Court PM determines that it is in the best interest of the COUNTY/COURT.
- Monitor, evaluate and prepare periodic reports on CONTRACTOR’S performance.
- Provide instruction to CONTRACTOR’S Project Manager regarding clerical staff facility assignments in accordance with Section 6.2.2 – CONTRACTOR’S Personnel at Various Locations.
- The Court PM will not be authorized to make any changes in any of the terms and conditions of this Contract and will not be authorized to further obligate the COUNTY/COURT in any respect whatsoever.

5.3 COLLECTIONS WORK AREAS AND TELEPHONE LINES

If COUNTY/COURT determine that CONTRACTOR is to provide staff at designated high-volume courthouses that would benefit from having CONTRACTOR staff on-site, COURT will provide CONTRACTOR on-site staff with work areas and telephone lines. COURT will permit CONTRACTOR’S employees access to COURT lunch rooms and restrooms where available.

6.0 CONTRACTOR’S RESPONSIBILITIES

6.1 CONTRACT PROJECT MANAGER

- 6.1.1** CONTRACTOR must provide and name a Contract Project Manager (“Contract PM”) who shall act as a liaison for the CONTRACTOR and will have full authority to act on behalf of the CONTRACTOR in all matters related to the daily operation of the contract. The

CONTRACTOR'S Contract PM must have at least five (5) years' experience managing collection projects of similar scope and complexity for courts or government agencies.

- 6.1.2** CONTRACTOR'S Contract PM shall be available to the Court PM for on-site consulting. CONTRACTOR'S Contract PM shall attend at minimum monthly meetings to discuss and resolve problems at the direction of COURT PM.
- 6.1.3** CONTRACTOR'S Contract PM shall work with the Court PM to resolve any potential areas of difficulty before a problem occurs.
- 6.1.4** CONTRACTOR shall name a backup Contract PM. The CONTRACTOR'S backup Contract PM must have at least five (5) years' experience managing collection projects of similar scope and complexity for courts or government agencies. In the absence of CONTRACTOR'S Contract PM, the backup Contract Project Manager shall be available via telephone between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday.
- 6.1.5** CONTRACTOR'S Contract PM shall respond within twenty-four (24) hours to requests made by COUNTY/COURT between 8:00 a.m. and 5:00 p.m., Monday through Friday, and at other times as requested by the COURT PM.
- 6.1.6** The CONTRACTOR shall inform the COURT PM in writing of the name, address and telephone number of the individual designated to act as Contract PM and his/her backup.
- 6.1.7** CONTRACTOR shall provide the COURT PM with a current list of employees/management assigned to this contract, within five days after contract approval and at a minimum, every month to keep this list current during the term of this Contract.
- 6.1.8** CONTRACTOR shall provide small combination safe(s) for the CONTRACTOR'S clerical staff to store their revolving funds and any monies collected.
- 6.1.9** CONTRACTOR shall provide a representative for COURT collection meetings, as requested by the COURT PM.
- 6.1.10** CONTRACTOR shall advise the COURT PM at a minimum of three (3) business days before terminating or suspending any CONTRACTOR clerical staff assigned to work at a COURT location.

6.1.11 CONTRACTOR shall maintain membership with the California Association of Collectors during the term of the Contract.

6.2 CONTRACTOR'S PERSONNEL

6.2.1 CONTRACTOR'S Personnel Requirements

CONTRACTOR'S personnel must meet the following requirements:

- CONTRACTOR shall have the sole right to hire, suspend, discipline, or discharge employees. However, any CONTRACTOR employee who is performing unsatisfactorily (in the opinion of the COURT PM) will be removed from service under this Contract immediately.
- Employee performing services for COUNTY/COURT must be over the age of eighteen (18).
- Employee performing services for COUNTY/COURT must fluently read, write, speak and comprehend English.
- Employee performing service at a COURT facility shall have a thorough knowledge of the work to be performed, the performance standards to be met, and the special needs of the COURT facility being served.
- CONTRACTOR'S employees shall not bring visitors into any COURT facility; shall not bring in any forms of weapons or contraband; shall not bring in any alcohol or drugs or be under the influence of alcohol/drugs; shall be subject to authorized search; shall conduct themselves in a professional manner at all times; shall not cause any disturbance in the facility; and otherwise are subject to all rules and regulations in accordance with applicable COUNTY/COURT policy.
- CONTRACTOR shall furnish and require every on-duty employee to wear a visible photo identification badge that identifies the employee by name, physical description and company. Such badge shall be displayed on employee's person at all times he/she is within the confines of COURT facilities.
- CONTRACTOR employees shall conduct services within the United States (US) geographic boundaries, and shall not use call centers or agents from non-US countries.

6.2.2 CONTRACTOR's Personnel at various COURT locations

CONTRACTOR must have the capacity to provide personnel at locations specified by COUNTY/COURT (Attachment H - court locations):

- CONTRACTOR shall provide full/part-time clerical staff to various COURT locations to assist in the processing of

accounts referred for collections in a manner that supports the volume of transactions processed at the location. In addition, the CONTRACTOR will provide sufficient clerical staff back-up and managerial staff as needed by COUNTY/COURT. CONTRACTOR'S staff must be trained in related aspects of CONTRACTOR'S business (e.g., CONTRACTOR'S automated systems).

- CONTRACTOR'S staff shall be responsible for the following types of assignments, including, but not limited to:
 - Assist clients at the window
 - Answer telephones
 - Receipt payments
 - Answer technical questions related to collections
 - Set court dates for clients
 - Troubleshooting issues
 - Provide COUNTY/COURT with weekly status reports
 - Provide other adhoc reports as requested by COUNTY/COURT
- COUNTY/COURT needs may vary. CONTRACTOR employees assigned to work at a COURT location may be reassigned to any COURT location by the COURT PM to ensure the needs of COUNTY/COURT are met. If coverage is needed, a staff replacement must be at the COURT job location within two (2) hours of being notified by COURT.
- CONTRACTOR will provide COUNTY/COURT the method for supervision of CONTRACTOR'S employees assigned to COURT locations.
- For each clerical staff, CONTRACTOR shall provide a personal computer at current industry standards and all necessary computer peripherals (e.g., printers, modems, etc.). In addition, CONTRACTOR shall provide clerical staff with all necessary office products (writing instruments, forms, file folders, fax machines as determined by COUNTY/COURT, etc.) to perform their job functions.

7.0 MONITORING OF CONTRACTOR'S PERFORMANCE

7.1 PERFORMANCE

Performance shall be monitored using monthly reports discussed in Section 3.13.4 (Reporting Requirements) and evaluated quarterly. In addition, COUNTY/COURT shall monitor the CONTRACTOR'S performance to the Contract based on, but not limited to, the Performance Requirements listed on the Quality Control Plan 2020 (Attachment I) and Deliverables (Attachment J).

7.2 NON-CONFORMANCE

If CONTRACTOR performance does not conform to all requirements in this SOW and is unsatisfactory, the COURT PM shall write a Contract Discrepancy Report (“CDR”), (Attachment K) and forward it to CONTRACTOR. CONTRACTOR shall respond within five (5) working days upon notification by COURT PM and correct the discrepancy, at CONTRACTOR’S expense, if any.

COURT PM shall monitor all requirements described herein. COURT PM may from time to time provide comment on these services but will not unreasonably interfere with CONTRACTOR performance.

7.3 AUDITS

COUNTY/COURT may, at its discretion, direct or conduct Financial, Operational or other audits of the CONTRACTOR’S performance to ensure CONTRACTOR’S compliance with all requirements specified in this SOW.

8.0 UNSATISFACTORY PERFORMANCE OF SPECIFIED SERVICES

8.1 CONTRACT DISCREPANCY REPORT

In the event CONTRACTOR provides less than satisfactory performance of any service, or compliance with any requirement specified in this SOW, COUNTY/COURT shall issue, within five (5) business days to CONTRACTOR, a CDR. Additionally, COUNTY/COURT may apply one or more of the following remedies as deemed necessary:

- 8.1.1** COUNTY/COURT may require CONTRACTOR to implement a formal corrective action plan, which will be subject to COUNTY/COURT’S approval. The corrective action plan must include:
 - The reasons for the unacceptable level of performance, or failure to provide the specified services;
 - Descriptions of the specific steps to return performance to an acceptable level; and,
 - Descriptions of monitoring methods that will be implemented to prevent recurrence.
- 8.1.2** COUNTY/COURT may withhold account referrals until COUNTY/COURT determines the CONTRACTOR is providing the specified service.
- 8.1.3** COUNTY/COURT may exercise termination rights under the Contract between CONTRACTOR and COUNTY/COURT.

- 8.1.4** In the event COUNTY/COURT applies any of the above sanctions, COUNTY/COURT will notify CONTRACTOR in writing of the sanction(s) applied and the reason(s) for the sanction(s).

9.0 REMEDIES

9.1 NON-COMPLIANCE

When CONTRACTOR'S performance is not in compliance with the requirements of the SOW, COURT PM shall document unsatisfactory performance and may, if CONTRACTOR'S performance remains unsatisfactory, exercise its right up to and including termination of the Contract.

9.2 COLLECTION FINANCIAL REMEDIES

CONTRACTOR must meet the minimum success rate of a 31% average on all types of accounts referred after the second year of the contract. If the CONTRACTOR fails to meet the minimum success rate, a penalty equal to 5% of the commission paid to the CONTRACTOR for that fiscal year will be imposed. CONTRACTOR shall remit payment of penalty to COUNTY/COURT within thirty (30) business days of notice of penalty.

Within ten (10) business days after the notice of penalty, the CONTRACTOR may present evidence to the COURT PM that economic or environmental factors, outside of the control of the CONTRACTOR, have negatively impacted their ability to meet the minimum success rate. Such evidence shall be in writing and include supporting documentation. COUNTY/COURT shall review such evidence and provide the CONTRACTOR with their decision within thirty (30) business days. The decision of COUNTY/COURT shall be final.

10.0 WORK QUALITY ISSUES

Questions regarding the quality and direction of work performance will normally be handled between COURT PM and CONTRACTOR, but if and when COUNTY/COURT finds that important work matters are not being properly handled by CONTRACTOR and that previous management efforts by COUNTY/COURT have failed to achieve desired results, COUNTY/COURT may exercise remedies under the Contract.

11.0 SECURITY AND CONTROL PROCEDURES

- 11.1** CONTRACTOR shall apply General Accepted Accounting Principles in the management and processing of COUNTY/COURT accounts as well as preparation and maintenance of financial records and reports.

- 11.2** CONTRACTOR shall provide COUNTY/COURT a list of all pending and closed litigation, judgments, arbitrations, investigations or other controversy pending for the last five (5) years, to which CONTRACTOR or its principals were a party.

In addition, CONTRACTOR shall immediately notify COUNTY/COURT of any new litigation. The list shall at minimum contain: the case number, court venue and jurisdiction, a brief explanation of the litigation/judgment and the outcome/resolution.

- 11.3** CONTRACTOR shall be responsible for safeguarding any/all COUNTY/COURT property in accordance with this SOW. CONTRACTOR shall ensure the confidentiality of information and require all CONTRACTOR personnel providing services in conjunction with the Contract to sign a CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY CONTRACT attached to the Sample Contract as Exhibit G1. Employee Confidentiality Contracts must be submitted within three (3) business days of employee's start of work.

11.4 CONTRACTOR shall develop and submit to COUNTY/COURT within five (5) business days of execution of the Contract, Security and Control Procedures. The procedures shall identify methods used by CONTRACTOR to ensure that COUNTY/COURT property is safeguarded at all times while in CONTRACTOR'S possession. Security and Control procedures should include, but are not limited to: ensuring the security of COUNTY/COURT forms, case management systems, cash handling responsibilities (if applicable). CONTRACTOR shall notify the COUNTY PM of any changes to Security and Control Procedures within ten (10) business days of making a change.

- 11.5** CONTRACTOR shall develop and maintain a written Quality Control Plan to ensure compliance with all of the CONTRACTOR'S responsibilities as set forth in this SOW. The CONTRACTOR'S initial plan shall be submitted within five (5) business days after execution of the contract. Updates shall be submitted to the COUNTY PM for approval within ten (10) business days. The Plan shall include, but not be limited to, the following information:

11.5.1 The activities to be monitored on either a scheduled or unscheduled basis, how often monitoring will be accomplished and the title of the individual(s) who will perform the monitoring.

11.5.2 Methods for identifying deficiencies in the quality of service before the level of performance becomes unacceptable and not in compliance with the contract.

- 11.5.3** Methods for documenting the monitoring results and, if necessary, the corrective action taken.
- 11.5.4** CONTRACTOR shall provide COUNTY/COURT a quarterly audit showing the results of the Quality Control Plan (Attachment I).
- 11.5.5** CONTRACTOR shall have an independent audit performed over service organization controls and maintain a clean audit opinion in accordance with Service Organization Controls (SOC1) reports – formerly Statement on Auditing Standards (SAS) No. 70 Type 2 Report. This audit shall be performed annually and the independent auditor’s report submitted to the COUNTY PM.
- 11.6** CONTRACTOR’S internal account processing shall also include a History of Activity for each account, which lists the type and date of all activities, such as letters, telephone calls, involuntary actions, etc., employed by CONTRACTOR.

ATTACHMENT A

COMPLAINT TRACKING LOG

Date of Complaint	Collector's Name (If Applicable)	Complaint	Case Number	Customer's Name	Action Taken by CONTRACTOR	Date CPM Notified

ATTACHMENT B

SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES

REVENUE COLLECTION

REFERRAL FILE SPECIFICATION – CASE MANAGEMENT SYSTEMS

The following are typical referral record layouts from case management systems to CONTRACTOR:

Odyssey Referral Record Specification

File Type: Pipe Delimited (|) (Note: 1st field will not be started with a pipe, Last field will not end with a pipe)

Client Placement Detail Record				
Field	Type	Req or Opt	Definition	
Record Type	Char	Req	(A) for New Referral, (BC) for a Balance Change, (PC) for a Party Change, (R) for Recall	If there are both party and balance updates on a case, we will send two rows. The same data, however, will be presented in each of the rows.
Party ID	Char	Req	Party ID (Unique party identifier)	
Case Number	Char	Req	Case Number	
Citation Number	Char	Opt	Citation # from the Citation	
Law Enforcement Agency (LEA)	Char	Opt	If Criminal Traffic: 'Agency Name from Citation (4 digit code), If other criminal or other case category: Arrest LEA	Note: This field will be used to identify 'Red Light' cases. (LEAs: 7414, 7640, 7647, 7648, 7663, 7664, 7673, 7678, 7684, 7687 or 7688)
Court (ELM, MET, etc.)	Char	Opt	Detail Tab - Court	
Court Division	Char	Opt	Detail Tab - Court	
Case Type	Char	Req	Case Type Description	
Debt Type (Case Status)	Char	Req	Case Status Description (Ex. FTA / FTP)	
DOB	Char	Opt	Date of Birth YYYYMMDD	
DOD	Char	Opt	Date of Death YYYYMMDD	
DL #	Char	Opt	Driver's License Number	
DL State	Char	Opt	Driver's License State 2 digit code (CA, OR...)	
First Name	Char	Opt	Party First Name	Business process: Delinquent businesses will not be sent to Primary Collection Vendor.
Middle Name	Char	Opt	Party Middle Initial	
Last Name	Char	Opt	Party Last Name	
Suffix	Char	Opt	Party Suffix	
Address	Char	Opt	Address Line 1, Current Known, then Correspondence	Business process: delinquent parties with foreign addresses will not be sent Primary Collection Vendor.
Address2	Char	Opt	Address Line 2, Current Known, then Correspondence	

City	Char	Opt	City, Current Known, then Correspondence	
State	Char	Opt	State, Current Known, then Correspondence	
Zip	Char	Opt	Zip + 4, Current Known, then Correspondence	
Phone #	Char	Opt	Phone Number, Current Known, If multiple types, select in this order: cell, home, work Format: xxxxxxxxx	
Extension	Char	Opt	Extension	
Phone Type	Char	Opt	Phone Type (Ex. Work, Cell...)	
Email	Char	Opt	Email Address	
SSN	Nbr	Opt	Format: xxxxxxxxx	
Party Type	Char	Opt	Extended Connection description, (Ex: defendant, plaintiff, juvenile)	
Vehicle-Plate	Char	Opt	From Citation	
Vehicle Plate State	Char	Opt	From Citation	
Violation	Char	Req	Offense Description, All offenses on case (count order), Delimited using ~ (tilde)	
Statute	Char	Req	Statute, All offenses, (same order as Violation field) Delimited using ~ (tilde)	
Offense Date	Date	Req	Offense (violation) Date, Format: YYYYMMDD	This was determined to be a single date. Note: If for any reason there are multiple charges with different dates, we will take the 1st one.
Payment Plan Due Date	Date	Opt	Payment Plan 'Payoff' Date Format: YYYYMMDD	This will be the latest payoff date if there are more than one payment plan schedule on a payment plan.
Case Due Date	Date	Req	Case Due Date Format: YYYYMMDD	
Future Payment Due Date (FP)	Date	Opt	Case Due Date Format: YYYYMMDD <i>Only sent for a change (BC or PC) record.</i> This will be sent if there is either a balance change or a party change, if the date was updated.	
Initial Referral - Base Fine and PA	Amount	Req <i>(for A Record only - at least one of 4 columns must be populated)</i>	Total balance of fee codes being referred to collections for the first time, based on mapping. (Base Fine and PA) Format: 50.00 (2 decimal places) <i>Only populated for an A record.</i>	New Mapping on fee code: Base Fine & PA

Initial Referral - Fees	Amount	Req (for A Record only - at least one of 4 columns must be populated))	Total balance of fee codes being referred to collections for the first time, based on mapping (Fees). Format: 50.00 (2 decimal places) Only populated for an A record.	New Mapping on fee code: Fees
Initial Referral - Civil Assessment	Amount	Req (for A Record only - at least one of 4 columns must be populated))	Total balance of fee codes being referred to collections for the first time, based on mapping (Civil Assessment). Format: 50.00 (2 decimal places) Only populated for an A record.	New Mapping on fee code: Civil Assessment
Initial Referral - Program Fee	Amount	Req (for A Record only - at least one of 4 columns must be populated))	Total balance of fee codes being referred to collections for the first time, based on mapping (Amnesty Fee Program) Format: 50.00 (2 decimal places) Only populated for an A record.	New Mapping on fee code: Amnesty Program Fee
Payments - Base Fine and PA	Amount	Opt	Sum all payment and payment void transactions, based on mapping. Total amount of mapped fee codes (Base Fine & PA) Format: 50.00 (2 decimal places) Note: Exclude any payment with a payment type mapped to Collection Agency Payment	New Mapping on fee code: Base Fine & PA Existing Payment Type mapping, 'Payment' will be used to identify payments received from the collection agency.
Payments - Fees	Amount	Opt	Sum all payment and void transactions, based on mapping Total amount of mapped fee codes (Fees) Format: 50.00 (2 decimal places) Note: Exclude any payment with a payment type mapped to Collection Agency Payment	New Mapping on fee code: Fees Existing Payment Type mapping, 'Payment' will be used to identify payments received from the collection agency.
Payments - Civil Assessment	Amount	Opt	Sum all payment and void transactions, based on mapping Total amount of mapped fee codes (Civil Assessment) Format: 50.00 (2 decimal places) Note: Exclude any payment with a payment type mapped to Collection Agency Payment	New Mapping on fee code: Civil Assessment Existing Payment Type mapping, 'Payment' will be used to identify payments received from the collection agency.

Payments - Program Fee	Amount	Opt	Sum all payment and void transactions, based on mapping Total amount of mapped fee codes (Amnesty Fee Program) Format: 50.00 (2 decimal places) <i>Note:</i> Exclude any payment with a payment type mapped to Collection Agency Payment	New Mapping on fee code: Amnesty Program Fee Existing Payment Type mapping, 'Payment' will be used to identify payments received from the collection agency.
Adjustments for Adjudication - Base Fine and PA	Amount	Opt	Sum all adjudication adjustment transactions Total amount of mapped fee codes (Base Fine & PA) Format: 50.00 (2 decimal places)	New Mapping on fee code: Base Fine & PA, New Mapping on Adjustment Reason Code: LA Adjustment Transaction Adjudication
Adjustments for Adjudication - Fees	Amount	Opt	Sum all adjudication adjustment transactions. Total amount of mapped fee codes (Fees) Format: 50.00 (2 decimal places)	New Mapping on fee code: Fees New Mapping on Adjustment Reason Code: Adjudication
Adjustments for Adjudication - Civil Assessment	Amount	Opt	Sum all adjudication adjustment transactions. Total amount of mapped fee codes (Civil Assessment) Format: 50.00 (2 decimal places)	New Mapping on fee code: Civil Assessment New Mapping on Adjustment Reason Code: Adjudication
Adjustments for Adjudication - Program Fee	Amount	Opt	Sum all adjudication adjustment transactions. Total amount of mapped fee codes (Amnesty Fee Program) Format: 50.00 (2 decimal places)	New Mapping on fee code: Amnesty Program Fee New Mapping on Adjustment Reason Code: Adjudication
Adjustments in Error - Base Fine and PA	Amount	Opt	Sum all 'adjustment in error' transactions Total amount of mapped fee codes (Base Fine & PA) Format: 50.00 (2 decimal places)	New Mapping on fee code: Base Fine & PA New Mapping on Adjustment Reason Code: LA Adjustment Transaction In Error
Adjustments in Error - Fees	Amount	Opt	Sum all 'adjustment in error' transactions Total amount of mapped fee codes (Fees) Format: 50.00 (2 decimal places)	New Mapping on fee code: Fees New Mapping on Adjustment Reason Code: LA Adjustment transaction In Error
Adjustments in Error - Civil Assessment	Amount	Opt	Sum all 'adjustment in error' transactions Total amount of mapped fee codes (Civil Assessment) Format: 50.00 (2 decimal places)	New Mapping on fee code: Civil Assessment New Mapping on Adjustment Reason Code: LA Adjustment Transaction In Error

Adjustments in Error - Program Fee	Amount	Opt	Sum all 'adjustment in error' transactions Total amount of mapped fee codes (Amnesty Fee Program) Format: 50.00 (2 decimal places)	New Mapping on fee code: Amnesty Program Fee New Mapping on Adjustment Reason Code: LA Adjustment Transaction In Error
Other Transactions - Base Fine and PA	Amount	Opt	Sum all remaining transaction types Total amount of mapped fee codes (Base Fine & PA) Format: 50.00 (2 decimal places)	New Mapping on fee code: Base Fine & PA (Other transactions will include new assessments, payment adjustments, payment reversals, credits, charge reductions, remaining adjustments and reversals of these transactions)
Other Transactions - Fees	Amount	Opt	Sum all remaining transaction types Total amount of mapped fee codes (Fees) Format: 50.00 (2 decimal places)	New Mapping on fee code: Fees (Other transactions will include new assessments, payment adjustments, payment reversals, credits, charge reductions, remaining adjustments, and reversals of these transactions)
Other Transactions - Civil Assessment	Amount	Opt	Sum all remaining transaction types Total amount of mapped fee codes (Civil Assessment) Format: 50.00 (2 decimal places)	New Mapping on fee code: Civil Assessment (Other transactions will include new assessments, payment adjustments, payment reversals, credits, charge reductions, remaining adjustments, and reversals of these transactions)
Other Transactions - Program Fee	Amount	Opt	Sum all remaining transaction types Total amount of mapped fee codes (Amnesty Fee Program) Format: 50.00 (2 decimal places)	New Mapping on fee code: Amnesty Program Fee (Other transactions will include new assessments, payment adjustments, payment reversals, credits, charge reductions, adjustments, and reversals of these transactions)
Restitution	Amount	Opt	Total amount of victim restitution (not assessed to case) Format: 50.00 (2 decimal places) "Not yet implemented"	Waiting until Criminal decides how restitution will be recorded.
Previous Payment	Amount	Opt	Cumulative total of all payments on case, prior to going to collections. Format: 50.00 (2 decimal places) Only populated for initial referrals (A record).	
Last Payment Date	Date	Opt	Date of last payment on case prior to going to collections, Format: YYYYMMDD Only populated for initial referrals (A record)	
Last Payment Amount	Amount	Opt	Amount of last payment on case prior to going to collections, Format: 50.00 (2 decimal places) Only populated for initial referrals (A Record)	

Violation City	Char	Opt	From citation (Location of Violation)	
Vehicle Speed	Char	Opt	From CA Speeding Charge Component: Speed Amount field	
Speed Limit	Char	Opt	From CA Speeding Charge Component: Speed Limit field	
Non-Traffic Indicator (PED in License)	Char	Opt	From Citation: Vehicle Type = '60 - Pedestrian - including electric personal assistance' This field will be populated with 'Y' if the vehicle type qualifies. Otherwise it will be null.	
Judge Name	Char	Opt	Detail Tab - Judicial Officer	
Appearance Date	Date	Opt	Appear By Date, (Configured on Case Type) Format: YYYYMMDD	
Recall Type	Char	Opt	From case event mapping (text) When a case is recalled, a case event should be added to the case (configured with the 'Recall' collection status). The case event will have the LA Collections Recall Type mapping configured (ex. Bankruptcy, death) <i>This should only be populated for Recall record type.</i>	New: Mapping on event: LA Collections Recall Type Mapping will be a text field (Note: <i>There should be a case event configured for each type of recall that should be identified in the export file.</i>)
Bankruptcy Filed	Date	Opt	Bankruptcy Filed Event Date, Format: YYYYMMDD, <i>Note: This field will only be populated if there is a recall, initial referral, balance update, or party update. Adding a bankruptcy event to a case will not trigger the case to be sent on the export file.</i>	Mapping on event: LA Collections Export Bankruptcy Filed
Bankruptcy Discharged	Date	Opt	Bankruptcy Discharged Event Date, Format: YYYYMMDD <i>Note: This field will only be populated if there is a recall, initial referral, balance update, or party update. Adding a bankruptcy event to a case will not trigger the case to be sent on the export file.</i>	Mapping on an event: LA Collections Export. Bankruptcy Discharged

Warrant Type	Char	Opt	Warrant Type Description, This will be selected based on a mapping on the warrant type. This will be the most current, active warrant on the case. Note: This field will only be populated if there is a recall, initial referral, balance update, or party update. Adding a warrant to a case will not trigger the case to be sent on the export file.	Mapping on an event: LA Collections Export Warrant
I-Hold Date	Date	Opt	Warrant Date Format: YYYYMMDD	

Legend		
REQ (Required)	A field defined as required must be populated in order for the record to be included in the file. The record will be dropped to an error file if a required field is missing	
Opt (Optional)	An optional field will always be sent on the export file if it is populated. If it is missing, the record will still be sent.	

ATTACHMENT B

ATTACHMENT C

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SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES

REVENUE COLLECTION

REFERRAL FILE SPECIFICATION – FTP & CASE MANAGEMENT SYSTEM

The following is a sample referral record layout for FTP and Case Management System to CONTRACTOR:

Referral Record Layout (control record)

This is a control record. The referral file will have this record as the first record on the file. The totals are cumulative amounts of information from the detail record.

Field Name	Data Type	Width	Notes
01. Record Type	Character	1	"1"
02. Debt Type	Character	3	"COD"
03. COUNTY Code	Character	2	"19"
04. COUNTY Court Code	Character	3	"LAJ"
05. Total Records	Character	9	Zero filled
06. Total Principal	Character	12	Zero filled, 2 implied decimals.
07. Filler	Character	570	
Total		600	

Referral Record Layout – Record Type 2 (detail record)

Field Name	Data Type	Width	Notes
01. Record Type	Character	1	"2"
02. Debt Type	Character	3	"COD"
03. Action Type	Character	2	" N" = New Case, " W" = Withdraw Case " R" = Revise Case Information
04. COUNTY Code	Character	2	"19" = Los Angeles COUNTY
05. COUNTY Court Code	Character	3	"LAJ"
06. Court ID	Character	3	
07. Case Location (Type)	Character	2	"TR" = RS Case, "TS" = Failure-to-Pay Case, and "CR" = Criminal Case.
08. Defendant Number	Character	2	
09. LEA	Character	4	

ATTACHMENT C

Page 2 of 2

Payment File Layout – Record Type 2 (cont.)

Field Name	Data Type	Width	Notes
10. Case Number	Character	8	
11. Filler	Character	4	
12. COUNTY Participant ID	Character	10	
13. Social Security Number	Character	9	
14. Last Name	Character	17	
15. First Name	Character	11	
16. Middle Initial	Character	1	
17. Violation Date	Character	8	MMDDYYYY
18. Address Status	Character	1	
19. Address 1	Character	30	
20. Address 2	Character	30	
21. Apartment	Character	5	
22. City	Character	17	
23. State	Character	2	
24. Country	Character	30	If foreign
25. Zip Code	Character	9	
26. Referral Amount	Character	9	Zero filled, 2 implied decimals.
27. Filler	Character	36	
28. AKA Last Name	Character	17	
29. AKA First Name	Character	11	
30. AKA Middle Initial	Character	1	
31. Filler	Character	58	
32. Home Phone	Character	10	
33. Business Phone	Character	10	
34. Filler	Character	10	
35. Driver License Number	Character	10	
36. Driver License State	Character	2	
37. Filler	Character	12	
38. Vehicle License Number	Character	7	
39. Date of Birth	Character	8	MMDDYYYY
40. Filler	Character	10	
41. Date of Last Payment	Character	8	MMDDYYYY
42. Filler	Character	10	
43. Violation Statute 1	Character	3	
44. Violation Code 1	Character	15	
45. Violation Statute 2	Character	3	
46. Violation Code 2	Character	15	
47. Violation Statute 3	Character	3	
48. Violation Code 3	Character	15	
49. Violation Statute 4	Character	3	
50. Violation Code 4	Character	15	
52. Filler	Character	85	
	Total	600	

ATTACHMENT D

SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES
REVENUE COLLECTION

PAYMENT/CONTINUANCE ARRAIGNMENT FILE SPECIFICATION

The following are payment/continuance arraignment record layouts from CONTRACTOR to payment interface of the case management systems:

Odyssey Payment Record Specification (subject to change/update)

Client Placement Detail Record			
Field	Type	Req or Opt	Definition
Party ID	Char	Req	Party ID (Unique party identifier)
Case Number	Char	Req	Case Number
First Name	Char	Opt	Party First Name
Middle Name	Char	Opt	Party Middle Initial
Last Name	Char	Opt	Party Last Name
Suffix	Char	Opt	Party Suffix
Address	Char	Opt	Address Line 1, Current Known, then Correspondence
Address2	Char	Opt	Address Line 2, Current Known, then Correspondence
City	Char	Opt	City, Current Known, then Correspondence
State	Char	Opt	State, Current Known, then Correspondence
Zip	Char	Opt	Zip + 4, Current Known, then Correspondence
Phone #	Char	Opt	Phone Number, Current Known, If multiple types, select in this order: cell, home, work Format: xxxxxxxxxx
Extension	Char	Opt	Extension
Phone Type	Char	Opt	Phone Type (Ex. Work, Cell...)
Email	Char	Opt	Email Address
SSN	Nbr	Opt	Format: xxxxxxxxx
Payments			

Payments	Amount	Req	. Based on fee code priorities. . The Payment Type, Tender Method, Cashiering Station, and Till the transaction uses are determined by the Collection Agency Payment Configuration page.
PRIMARY COLLECTION VENDOR Receipt Number	Char	Opt	This will be stored in the Tender Method Ref# field. The tender method will need to be configured to have the reference # as an optional or required field.
PRIMARY COLLECTION VENDOR Receipt Date	Date	Opt	
Void Indicator	?	Opt	
Recalled cases	Char	Opt	If set to Yes, the Return Event configured on the Import parameter page will be added to the case. Note: The event should be configured to complete the Initial Collection Status (add the end date).
Programs - Events to be added			
Amnesty 50%	Yes/Null	Opt	If yes, trigger the Amnesty CBR. The event configured on the OCA will be added to the case.
Amnesty 20%	Yes/Null	Opt	If yes, trigger the Amnesty CBR. The event configured on the OCA will be added to the case.
Amnesty No Reduction	Yes/Null	Opt	If yes, do not trigger Amnesty CBR

Amnesty Program Fee	Yes/Null	Opt	If set to 'Yes', add the event mapped as LA Amnesty Fee Program. The event will be configured to assess the fee. <i>Note: This fee can only be assessed once to a case party.</i>
D-Hold Event	Yes/Null	Opt	If yes, add event to case.
One Third Down Event	Yes/Null	Opt	If yes, add event to case.
FTA / FTP			
FTP Hold Release event	Yes/Null	Opt	. If yes, add DMV FTP Hold Release event to case. . The DMV CBR will pick up the case event and send to the DMV.
FTA Hold Release event	Yes/Null	Opt	. If yes, add DMV FTA Hold Release event to case. . The DMV CBR will pick up the case event and send to the DMV.
FTP Hold event	Yes/Null	Opt	. If yes, add DMV FTP Hold event to case. . The DMV CBR will pick up the case event and send to the DMV.
FTA Hold event	Yes/Null	Opt	. If yes, add DMV FTA Hold event to case. . The DMV CBR will pick up the case event and send to the DMV.
Add Hearing			
Case Event			
Event Date			
Hearing Date	Date	Opt	
Hearing Time	Time	Opt	
Hearing Node ID		Opt	
Event Status			
Judge			

ATTACHMENT D

SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES

REVENUE COLLECTION

PAYMENT FILE SPECIFICATION – FTP

The following is the payment record layout from CONTRACTOR for FTP and case management system:

Payment Record Layout – Record Type 1 (control record)

This is a control record. The payment file must have this record as the first record on the file. The totals are cumulative amounts of information that are on the other records.

<u>Field Name</u>	<u>Data Type</u>	<u>Width</u>	<u>Notes</u>
01. Record Type	Character	1	"1"
02. Debt Type	Character	3	"COD"
03. COUNTY Code	Character	2	"19" = Los Angeles COUNTY
04. COUNTY Court Code	Character	3	"LAJ"
05. Total Records	Character	9	Zero filled
06. Total Amount	Character	10	Zero filled, 2 implied decimals.
07. Claim Schedule Number	Character	8	
08. Processing Date	Character	8	MMDDYYYY
09. Filler	Character	206	
	Total	250	

Payment Record Layout – Record Type 2 (detail record)

<u>Field Name</u>	<u>Data Type</u>	<u>Width</u>	<u>Notes</u>
01. Record Type	Character	1	"2", "U" = unidentified case, "I" = Identified Case "COD"
02. Debt Type	Character	3	
03. COUNTY Code	Character	2	"19" = Los Angeles COUNTY
04. COUNTY Court Code	Character	3	"LAJ"
05. Court ID	Character	3	
06. Case Location (Type)	Character	2	"TR" = RS Case, "TS" = Failure-to-Pay Case, and "CR" = Criminal Case.
07. Defendant Number	Character	2	
08. LEA	Character	4	

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Payment Record Layout – Record Type 2 (cont.)

Field Name	Data Type	Width	Notes
09. Case Number	Character	8	
10. Filler	Character	4	
11. COUNTY Participant ID	Character	10	
12. Social Security Number	Character	9	
13. Last Name	Character	17	
14. First Name	Character	11	
15. Middle Initial	Character	1	
16. Amount of Payment	Character	9	Zero Filled, 2 implied decimals.
17. Received Date	Character	8	MMDDYYYY
18. Filler	Character	10	
19. Correct Receipt No.	Character	12	correct receipt number for identifying the unidentified case.
20. Receipt Number	Character	12	Regular receipt number
21. Filler	Character	119	
	Total	250	

ATTACHMENT F
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Select court/county (see Contact Information worksheet #1)											
REPORTING PERIOD		Cal. A									
1	Beginning Date-First day of Reporting Period	01-Jul-19									
2	Ending Date-Last day of Reporting Period	30-Jun-19									
CURRENT PERIOD: FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS											
	Number of Cases Established/ Referred/Transferred	Value of Cases Established/ Referred/Transferred	Number of Cases with Payment(s) Received (Item 1 and 2)	Gross Revenue Collected	Cost of Collections (Postal Code 1463.997)	Adjustment: Amount certified by Court-ordered Suspension, Dismissal or Alternative	Discharge from Accountability (Item 3)	Change in Value (Cal. C - E - G - H)	Value of Cases on Installment Agreement (Item 8)	Default Balance Installment Agreement (Item 8)	Percentage of Debt Defaulted On (Installment Agmt.) [Cal. E / Cal. H]
Item	Cal. B	Cal. C	Cal. D	Cal. E	Cal. F	Cal. G	Cal. H	Cal. I	Cal. J	Cal. K	Cal. L
3	Non-Delinquent Collections										
4	Court Collection Program										
5	County Collection Program										
6	Private Agency										
7	FTB Court-Ordered Debt										
8	Intra-Branch Program										
9	Other										
10	Total Delinquent										
PRIOR PERIODS INVENTORY: FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS											
	Number of Cases Referred/Transferred (Ending Balance from Prior Year)	Value of Cases Referred/Transferred (Ending Balance from Prior Year)	Number of Cases with Payment(s) Received	Gross Revenue Collected	Cost of Collections (Postal Code 1463.997)	Adjustment: Amount certified by Court-ordered Suspension, Dismissal or Alternative	Discharge from Accountability	Change in Value (Cal. M - P - R - S)	Value of Cases on Installment Agmt. (Ending Balance from Prior Year)	Default Balance Installment Agreement	Percentage of Debt Defaulted On (Installment Agmt.) [Cal. V / Cal. M]
Item	Cal. M	Cal. N	Cal. O	Cal. P	Cal. Q	Cal. R	Cal. S	Cal. T	Cal. U	Cal. V	Cal. W
11	Non-Delinquent Collections										
12	Court Collection Program										
13	County Collection Program										
14	Private Agency										
15	FTB Court-Ordered Debt										
16	Intra-Branch Program										
17	Other										
18	Total Delinquent										
COMBINED: BEGINNING AND ENDING BALANCES; FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS											
	Number of Cases Beginning Balance	Value of Cases Beginning Balance	Gross Revenue Collected	Cost of Collections (Postal Code 1463.997)	Adjustment	Discharge from Accountability	Change in Value	Number of Cases - Ending Balance	Value of Cases - Ending Balance	Error Message	
Item	Cal. X	Cal. Y	Cal. Z	Cal. AA	Cal. AB	Cal. AC	Cal. AD	Cal. AE	Cal. AF	Cal. AG	
19	Non-Delinquent Collections										
20	Court Collection Program										
21	County Collection Program										
22	Private Agency										
23	FTB Court-Ordered Debt										
24	Intra-Branch Program										
25	Other										
26	Total Delinquent										
COLLECTIONS METRICS FOR FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS											
Item	Metric	Current Period	Prior Inventory	Combined	Formula	Definition					
27	Gross Recovery Rate	Cal. AI	Cal. AJ	Cal. AK	Cal. AL (Collection + Adjustment + Discharge) Referrals	Measures a collection program's ability to resolve delinquent court-ordered debt, including alternative sentences, community service, suspended sentences and discharge.					
28	Success Rate				Cal. AM Collection (Referrals + Adjustment + Discharge)	Measures the amount of revenue collected on delinquent court-ordered debt versus total delinquent accounts referred after adjustments and discharge, including NSF checks.					
VICTIM RESTITUTION AND OTHER JUSTICE RELATED REIMBURSEMENTS											
	Number of Cases - (Ending Balance from Prior Year)	Value of Cases - (Ending Balance from Prior Year)	Number of Cases Established/ Referred/ Transferred in Period	Value of Cases Established/ Referred/ Transferred in Period	Gross Revenue Collected	Adjustments	Gross Revenue Collected Value Restitution (PC 186.4 101) Only	Change in Value	Number of Cases - Ending Balance	Value of Cases - Ending Balance	Error Message
Item	Cal. AN	Cal. AO	Cal. AP	Cal. AQ	Cal. AR	Cal. AS	Cal. AT	Cal. AU	Cal. AV	Cal. AW	Cal. AX
29	Non-Delinquent Collections										
30	Court Collection Program										
31	County Collection Program										
32	Private Agency										
33	FTB Court-Ordered Debt										
34	Intra-Branch Program										
35	Other										
36	Total Delinquent										
Reviewed by Court						Reviewed by County					
Printed Name		Signature				Printed Name		Signature			
Date		Title (Court Executive or Presiding Judge)				Date		Title (County Auditor/Controller or other)			

INFRACTIONS AMNESTY PROGRAM SAMPLE REPORT

Mandatory (Infraction) Amnesty Program					
	No. Accounts Resolved:		Gross Revenue Collected	Program Operating Cost	Recovered Costs
	Reduction ⁽¹⁾	Driver's License ⁽²⁾			
October 2015					
November 2015					
December 2015					
January 2016					
February 2016					
March 2016					
April 2016					
May 2016					
June 2016					
July 2016					
August 2016					
September 2016					
October 2016					
November 2016					
December 2016					
January 2017					
February 2017					
March 2017					
TOTAL	0	0	\$0.00	\$0.00	\$0.00
Optional (Misd.) Amnesty Program					
	No. Accounts Resolved:		Gross Revenue Collected	Program Operating Cost	Recovered Costs
	Reduction ⁽¹⁾	Driver's License ⁽²⁾			
October 2015					
November 2015					
December 2015					
January 2016					
February 2016					
March 2016					
April 2016					
May 2016					
June 2016					
July 2016					
August 2016					
September 2016					
October 2016					
November 2016					
December 2016					
January 2017					
February 2017					
March 2017					
TOTAL	0	0	\$0.00	\$0.00	\$0.00
¹ Includes number of accounts that had an outstanding balance reduction under amnesty. Resolved accounts are those that have been paid in full or are current on installment payments to the amnesty payment plan. ² Includes number of accounts that had driver's license reinstated, with or without an outstanding balance reduction. Resolved accounts are those that have been paid in full or are current on installment payments to the amnesty payment plan.					
Court/County:					
Completed by:					
Title:					
Phone No.:					
Email:					

ATTACHMENT G
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Mandatory Amnesty Program	Additional Program Detail															ADLR No. Accounts: Driver's License One Payment	ADLR Total Collected: Driver's License One Payment	ADLR No. Accounts: Driver's License Payment Plan	ADLR Total Collected: Driver's License Payment Plan	ADLR Ending Balance: Driver's License (ADLR)
	No. Accounts Eligible ¹	Total Value: Eligible Accounts	No. Accounts: 50% One Pymt	Total Collected: 50% One Pymt.	No. Accounts: 50% Payment Plan	Total Collected: 50% Payment Plan	Ending Balance: 50% Payment Plan	No. Accounts: 20% One Pymt.	Total Collected: 20% One Pymt.	No. Accounts: 20% Payment Plan	Total Collected: 20% Payment Plan	Ending Balance: 20% Payment Plan								
October 2015																				
November 2015																				
December 2015																				
January 2016																				
February 2016																				
March 2016																				
April 2016																				
May 2016																				
June 2016																				
July 2016																				
August 2016																				
September 2016																				
October 2016																				
November 2016																				
December 2016																				
January 2017																				
February 2017																				
March 2017																				
TOTAL	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	

	Calls		Participation Forms ⁷				Citizen Amnesty Categories ⁸			Civil Assessment Waived			Amnesty Fine Waived		
	Incoming Calls	Web	Manual	Total Forms	Registered Citations	50%	20%	Driver's License Release	Total	50% Amount	20% Amount	Total Amount	50% Amount	20% Amount	Total Amount
October 2015												\$0			\$0
November 2015												\$0			\$0
December 2015												\$0			\$0
January 2016												\$0			\$0
February 2016												\$0			\$0
March 2016												\$0			\$0
April 2016												\$0			\$0
May 2016												\$0			\$0
June 2016															
July 2016															
August 2016															
September 2016															
October 2016															
November 2016															
December 2016															
January 2017															
February 2017															
March 2017															
TOTAL	0	0								\$0	\$0	\$0	\$0	\$0	\$0

¹ Reflects number of accounts estimated for the Amnesty Program.
² Number of accounts where only the driver's license was reinstated, the individual did not qualify for the reduced amount under amnesty. LASC does not separate reporting for license hold releases on reduction vs. non-reduction cases so this data is not available.
³ LASC reported figures represent both reduction and non-reduction cases.
⁴ Number of accounts that were set-up on an amnesty installment payment plan and the individual defaulted. Reported figures are new defaults occurring during the month.
⁵ Value of accounts in which "the court is satisfied" via alternative sentence, e.g., accounts in which community service or other is permitted and the value was reduced or waived.
⁶ Number of accounts deemed inadmissible based on the program's review of the individuals qualifications (e.g., eligibility criteria unmet).
⁷ Reflects unique case count and not number of transactions.
⁸ Los Angeles Superior Court and Los Angeles County did not elect to participate in the optional component of the amnesty program.
⁹ Reflects total number of forms submitted only. LASC requires first payment with completed form in order to be fully enrolled in the amnesty program.
¹⁰ Represents gross citations potentially eligible for the amnesty program. LASC requires receipt of first payment and in good standing in order to be fully enrolled.
¹¹ LASC allows the \$50 amnesty program fee to be included in an installment plan instead of demanding payment up front. Change was implemented March 1, 2016.
¹² Receivable aging from the date of delinquency for reduction cases only.

Court/County: Los Angeles County
 Compiled by: David Ruan
 Title: Finance Administrator
 Phone No.: 213-633-0129
 Email: druan@lacourt.org

ATTACHMENT G
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	S	T	U	V	W	X	Y	Z	AA	AB	BB = (C+F+H+K)	CC = (I+P)	DD = (E+G+JL+O+Q)
Mandatory Amnesty Program	No. Accounts w/Civil Asst.	Total Deducted: Civil Asst.	Average Age of Resolved Accounts ⁵	Total Collected: \$50 Amnesty Fee ¹¹	No. Licenses Reinstated (DL Only Abstract) ²	No. Licenses Reinstated (DL&Reduction Abstract) ³	No. Payment Plan Defaults - Reduction Cases ⁴	No. Payment Plan Defaults - Driver's License Cases ⁴	Value of Accounts: 'Court Satisfied' ⁵	No. Accounts Deemed Ineligible After Program Review ⁶	No. Accounts Resolved: Reduction (50% & 20%) ⁷	No. Accounts Resolved: ADLR ⁷	Total Gross Revenue:
October 2015											0	0	\$0
November 2015											0	0	\$0
December 2015											0	0	\$0
January 2016											0	0	\$0
February 2016											0	0	\$0
March 2016											0	0	\$0
April 2016											0	0	\$0
May 2016											0	0	\$0
June 2016											0	0	\$0
July 2016											0	0	\$0
August 2016											0	0	\$0
September 2016											0	0	\$0
October 2016											0	0	\$0
November 2016											0	0	\$0
December 2016											0	0	\$0
January 2017											0	0	\$0
February 2017											0	0	\$0
March 2017											0	0	\$0
TOTAL		\$0		\$0	0	0	-	-	\$0.00	0	0	0	\$0

ATTACHMENT H

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COURT LOCATIONS

Court ID	Court Name	Address	City	Zip Code
Central Civil & Criminal Court	Clara Shortridge Foltz Criminal Justice Center	210 W. Temple St.	Los Angeles	90012
	Stanley Mosk Courthouse	111 North Hill Street	Los Angeles	90012
	Central Civil West	600 S. Commonwealth	Los Angeles	90005
	Central Arraignment Court	429 Bauchet St.	Los Angeles	90012
	Metropolitan Courthouse	1945 S. Hill Street	Los Angeles	90007
	East Los Angeles Courthouse	214 S. Fetterly Avenue	Los Angeles	90022
	Spring Street	312 North Spring Street	Los Angeles	90012
East District	Pomona Courthouse South	400 Civic Center Plaza	Pomona	91766
	West Covina Courthouse	1427 W. Covina Parkway	West Covina	91790
	El Monte Courthouse	11234 E. Valley Blvd.	El Monte	91731
	Whittier Courthouse	7339 South Painter Ave.	Whittier	90602
Juvenile Justice Courts	Edmund D. Edelman Children's Court	201 Centre Plaza Drive	Monterey Park	91754
	Eastlake Juvenile Court	1601 Eastlake Avenue	Los Angeles	90033
	Inglewood Juvenile Court	110 Regent Street	Inglewood	90301
	Sylmar Juvenile Courthouse	16350 Filbert St.	Sylmar	91342
	Alfred J. McCourtney Juvenile Justice Center	1040 W. Avenue J	Lancaster	93534
Mental Health Department	Mental Health Department	1945 S. Hill Street	Los Angeles	90007
		5925 Hollywood Blvd.	Los Angeles	90028
North Central District	Burbank Courthouse	300 E. Olive	Burbank	91502
	Glendale Courthouse	600 E. Broadway	Glendale	91206
Northeast District	Pasadena Courthouse	300 E. Walnut	Pasadena	91101
	Alhambra Courthouse	150 W. Commonwealth	Alhambra	91801
North District	Michael D. Antonovich Courthouse	42011 4th Street	Lancaster	93534
North Valley District	San Fernando Courthouse	900 Third Street	San Fernando	91340
	Chatsworth Courthouse	9425 Penfield Ave.	Chatsworth	91311
	Santa Clarita Courthouse	23747 W. Valencia Blvd.	Valencia	91355
Northwest District	Van Nuys Courthouse – West	14400 Erwin Street Mall	Van Nuys	91401
	Van Nuys Courthouse – East	6230 Sylmar Avenue	Van Nuys	91401
South District	<i>Governor George Deukmejian</i>	<i>275 Magnolia</i>	<i>Long Beach</i>	<i>90802</i>
South District	Catalina Courthouse	215 Sumner Avenue	Avalon	90704

Court ID	Court Name	Address	City	Zip Code
South Central	Compton Courthouse	200 W. Compton Blvd.	Compton	90220
Southeast District	Norwalk Courthouse	12720 Norwalk Blvd.	Norwalk	90650
	Downey Courthouse	7500 E. Imperial Hwy	Downey	90242
	Bellflower Courthouse	10025 Flower St.	Bellflower	90706
Southwest District	Inglewood Courthouse	One Regent Street	Inglewood	90301
	Torrance Courthouse	825 Maple Avenue	Torrance	90503
	Torrance Courthouse Annex	3221 Torrance Blvd.	Torrance	90503
West District	Santa Monica Courthouse	1725 Main Street	Santa Monica	90401
	Beverly Hills Courthouse	9355 Burton Way	Beverly Hills	90210
	Airport Courthouse	11701 S. La Cienega Blvd.	Los Angeles	90045

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LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Expectations			Comments
				Does Not Meet	Meets	Exceeds	
1	Section 2.2 Compliance with Penal Code Section 1463.007	Meet components of Penal Code Section 1463.007 as set forth in the SDW	Site audits; Analyze Reports				
2	Section 2.3 Contractor Service Requirements	In accordance with all State/Federal laws	Review of collection practices				
3	Section 2.3 Contractor Service Requirements	Prepare various reports for LASC/COUNTY	Analyze Reports				
4	Section 3.5.1 Court Appearances: Procedures to inform LASC locations of debtors court appearance dates	As directed by COUNTY/LASC	Audits; Analyze Reports				
5	Section 3.5.1 Transfer data for CARS program	As directed by COUNTY/LASC	Audits; Analyze Reports				

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LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Does It Meet Expectations	Meets Expectations	Exceeds Expectations	Comments
6	Section 3.6.2 Involuntary Methods of Collection	As instructed by LASC: Institute bank levy; wage garnishments; etc.	Analyze Reports				
7	Section 3.7.4 Transfer/Interface with FTB-COD program	Monthly referral & transmission of payments	Audits; Analyze Reports				
8	Section 3.7.5 Transfer/Interface with FTB Interagency Intercept Program	Yearly referral/transmission of payments	Audits; Analyze Reports				
9	Section 3.8.1 Processing Debtor Payments	All debtor payments shall be updated within one business day of receipt (except for unidentified payments)	Audits; Analyze Reports				
10	Section 3.8.1 Transfer of Funds	Timely deposits into COUNTY bank accounts	Analyze daily deposit slips, amount deposited in COUNTY Bank Account and the sum of all payments on the Payment Report				

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LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Does Not Meet Expectations			Comments
				Meets Expectations	Exceeds Expectations	Exceeds Expectations	
11	Section 3.8.3 Unidentified Payments	5th business day of following month	Audits; Analyze Reports				
12	Section 3.8.4 Incorrect Account Payments and Adjustments	Daily report listing	Audits; Analyze Reports				
13	Section 3.8.9 Segregation of Accounts	Separate LASCICOUNTY Accounts by court location and from all other CONTRACTOR accounts	Audits/Analyze Reports				
14	Section 3.8.10 Internal Control Procedures	Appropriate control and separation of employees duties	On site audits				
15	Section 3.8.10.8 Written Internal Control Procedures	Maintained and updated as necessary	Review of CONTRACTOR'S procedures				

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LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Does It Meet Expectations	Meets Expectations	Exceeds Expectations	Comments
16	Section 3.9.2 Internet Services	Allow debtor to pay or check balances via CONTRACTOR'S web page	Review Reports				
17	Section 3.9.5.2 Complaints: Notification by phone of any verbal or written complaint	Immediately notify	Telephone call/ phone message				
18	Section 3.9.5.2 Complaints: Provide a copy of any written complaints	Within 3 business days of complaint receipt	Review reports/date and time of complaint				
19	Section 3.9.5.2 Investigative written report regarding the disposition of each verbal and written complaint	Within 14 business days of complaint receipts	Review Reports				
20	Section 3.9.5.2 Master log of all complaints	Provide a copy monthly	Review Reports				

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LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Does Not Meet Expectations	Meets Expectations	Exceeds Expectations	Comments
21	Section 3.10.7-3.10.9 Payment Information	Once each business day payment information shall be sent via electronic file and or computer/tape per specifications outlined in this Statement of Work	Audits; Analyze reports				
22	Section 3.10.11 Uncollectible Information - For Accounts Referred via CMS	Provide monthly	Audits; Analyze Reports				
23	Section 3.12.1 Invoices	Submit invoices in a timely manner, by the 5th day of each month	Analyze invoices				
24	Section 3.13.4 Reporting Requirements: Summary listing of accounts	10th business day of each month	Audits; Analyze Reports				
25	Section 3.13.4 Reporting Requirements: Summary description of account activity and status	10th business day of each month	Audits; Analyze reports				

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LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Expectations				Comments
				Does Not Meet	Meets	Exceeds	Exceeds	
26	Section 3.13.4 Reporting Requirements: Summary description of month-to-date and year-to-date performance	10th business day of each month	Audits; Analyze Reports					
27	Section 3.13.5 Provide data to be included in JCC Report	As directed by LASC	Receive; Analyze Report					
28	Section 6.1 Contract Project Manager	Prompt response to request; timely problem resolution	Monitoring; Review Reports					
29	Section 6.1.7 Current list of employees/management	Upon execution of contract, thereafter every month. Shall be kept current during the term of Contract	Analyze Reports					
30	Section 6.1.9 Representative for LASC collection meetings	Upon request	Meeting attendance audit					

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**LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020**

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Does N of Meet			Comments
				Expectations	Meets	Exceeds Expectations	
31	Section 6.2.2 Clerical staff at various LASC locations	As determined by needs of the Court	Site audits; Analyze Reports				
32	Section 6.2.2 Supervision of CONTRACTOR'S personnel at LASC locations	Ongoing	Site audits; Analyze Reports				
33	Section 9.2 Financial Remedies: Meeting minimum Success Rate	CONTRACTOR shall meet an overall minimum success rate of 31% on accounts after the second year of contract	Audits; Analyze Reports				
34	Section 11.3 Confidentiality: Require all CONTRACTOR personnel providing services in conjunction with the Contract to sign the Employee Acknowledgement and Confidentiality Contract	Submit within 3 business days of employee's start of work	Review Reports				
35	Section 11.4 Security and Control Procedures	Within 5 business days after execution of Contract (Updates to be submitted within ten business days of any change)	Audits; Analyze Reports				
			TOTAL				

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Los Angeles Superior Court Revenue Enhancement Services
DELIVERABLES

Name	Media	Frequency	SOW Reference
PLANS/PROCEDURES			
Procedures to inform COURT locations of debtors court appearance dates	Hard copy	As directed by COUNTY/LASC	Section 3 5.1
Written Internal Control Procedures	Hard copy	Maintained and updated as necessary	Section 3 8 10.8
Transition plan	Hard copy	Within 5 business days after execution of Contract	Section 4 2
Formal corrective action plan (if COUNTY/COURT deems CONTRACTOR'S performance as unsatisfactory)	Hard copy	Within 5 business days after notification	Section 8.1
Security and Control Procedures	Hard copy	Within 5 business days after execution of Contract (updates to be submitted within 10 business days of any change)	Section 11.4
Written Quality Control Plan	Hard copy	Within 5 business days after execution of Contract (Updates to be submitted within 10 business days of any change)	Section 11.5

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Los Angeles Superior Court Revenue Enhancement Services

DELIVERABLES (CONTINUED)

Name	Media	Frequency	SOW Reference
PERSONNEL			
Name, address, and telephone number of CONTRACTOR'S Project Manager and alternate	Hard copy	Upon execution of Contract	Section 6 1 6
Current list of employee management	Hard copy	Upon execution of contract, thereafter every month, shall be kept current during the term of Contract	Section 6 1 7
Representative for COUNTY/COURT collection meetings	-	Upon request	Section 6 1 9
Clerical staff and appropriate supervision to various COUNTY/LASC locations as determined by the Court	-	Upon execution of Contract	Section 6 2.2
Signed Contractor Employee Acknowledgement and Confidentiality Contract forms from all CONTRACTOR personnel providing services in conjunction with this contact.	Hard copy	Submit within 3 business days of employee's start of work	Section 11 3

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Los Angeles Superior Court Revenue Enhancement Services

DELIVERABLES (CONTINUED)

Name	Media	Frequency	SOW Reference
REPORTS/ACCOUNT INFORMATION			
Immediate notification of CONTRACTOR failure to meet the requirements of PC 1463 007	Verbal/ followed by Hard copy	Immediate	Section 2.2
Report of unidentified payments with any documents received with the payment (i.e. mailing envelope, enclosures) attached	Hard copy	5th business day of following month	Section 3.8.3
Report of incorrectly applied payments listing correct cases where payments should be applied or if payments should be refunded	Hard copy	Daily	Section 3.8.4
Immediate notification by phone of any verbal or written complaints	Verbal	Immediately	Section 3.9.5.2
Written notification of complaint to follow up phone notification	Hard copy	Within 3 business days of complaint receipt	Section 3.9.5.2
Written report of investigation of complaint	Hard copy	Within 14 business days of complaint receipt	Section 3.9.5.2
Master log of all complaints	Hard copy	Monthly	Section 3.9.5.2
Payment files	Electronic file	Once each business day	Section 3.10.7 - 3.10.9
Uncollectible accounts files	Electronic file	Monthly	Section 3.10.10
Updated account information (i.e., address, telephone number, Social Security number, etc.)	Electronic file	Upon request, as specified	Section 3.10.14
Summary listing of accounts referred in a given month	Hard copy	10th day of following month	Section 3.13.4
Summary and detailed (e.g. by account number) description of account activity and status	Hard copy	10th day of following month	Section 3.13.4
Summary description of month-to-date and year-to-date performance	Hard copy	10th day of following month	Section 3.13.4
Return of all accounts, additional information relating to accounts records and/or files pertaining to accounts	Electronic file	Within 3 business days of Contract termination	Section 3.14.3

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**Los Angeles Superior Court Revenue Enhancement Services
DELIVERABLES (CONTINUED)**

Name	Media	Frequency	SOW Reference
FINANCIAL INSTRUMENTS AND RELATED DOCUMENTS			
All financial instruments (e.g. cash, checks, credit card remittances, etc.)		No later than the business day following their receipt	Section 3.8.1
Wire transfer funds into COUNTY bank account by 2:00 p.m. PST		Daily	Section 3.8.1

Name	Media	Frequency	SOW Reference
EQUIPMENT/TECHNOLOGY			
At each COUNTYFLASC location, a personal computer at current industry standard and/or all necessary peripheral equipment and software for on-line access to COUNTY/LASC accounts on CONTRACTOR'S database		After execution of Contract	Section 3.11.2
For each clerical staff, a personal computer, at current industry standards, and all necessary computer peripherals including on-line access to COUNTY/LASC accounts on CONTRACTOR'S database.		After execution of Contract	Section 6.2.2

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TECHNICAL EXHIBIT 1 CONTRACT DISCREPANCY REPORT (CDR)

1. USER COMPLAINT to be completed by COURT Project Manager (CPM)

Today's Date: _____

Contractor: _____

Phone Number: _____ CPM: _____

Date(s) of Unacceptable Performance: _____

Description of Unacceptable Performance: _____

2. REVIEWED:

Signed: _____

COURT Project Director (CPD)

Date: _____

3. Contractor RESPONSE (to be completed by Contractor Project Manager)

Date received from CPM: _____

Explanation for Unacceptable Performance: _____

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Corrective Action Taken:

Signed: _____ Date:
Contractor Project Manager

4. INSTRUCTIONS

CPM: Forward CDR to the Contractor.

Contractor: Must respond to CPM in writing within five (5) working days of receipt of CD

EXHIBIT A2

SELECTED PORTIONS OF CONTRACTOR'S TECHNICAL PROPOSAL

--- Begins on Following Page ---



DUE: DECEMBER 6, 2019

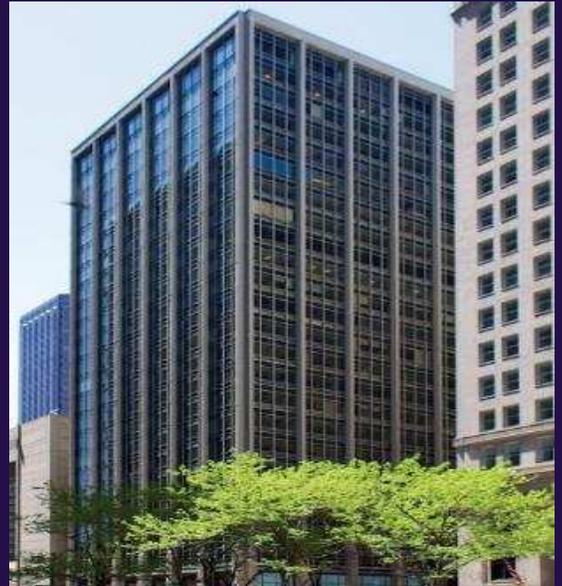
TIME: 10:00 A.M. PDT

RESPONSE TO:

SUPERIOR COURT OF
CALIFORNIA, COUNTY OF
LOS ANGELES

RFP #2019-067

REVENUE ENHANCEMENT SERVICES



HARRIS & HARRIS
CORPORATE HEADQUARTERS

TECHNICAL PROPOSAL

SUBMITTED BY:

HARRIS & HARRIS, LTD.
GOVERNMENT SERVICES DIVISION
111 WEST JACKSON BLVD.
SUITE 400
CHICAGO, ILLINOIS 60604

CONTACT:

VINCE LOBIANCO
DIRECTOR, BUSINESS DEVELOPMENT
(630) 241-1605
VLOBIANCO@HARRISCOLLECT.COM

December 6, 2019

Via BidSync

To:

Theresa Jauregui
Superior Court of California,
County of Los Angeles
Stanley Mosk Courthouse
111 North Hill St.
Los Angeles, CA 90012

Contact:

Vince LoBianco
Senior Director, Business
Development
111 West Jackson Boulevard,
Suite 400
Chicago, IL 60604-4135
(630) 241-1605 (direct)
(312) 423-2031 (fax)
vlobianco@harriscollect.com

Dear Ms. Jauregui:

I am pleased to submit our offer to Superior Court of California, County of Los Angeles (the County/Court) in accordance with RFP#2019-067 for *Revenue Enhancement Services*. After carefully studying the minimum and overall requirements of the RFP, we assert that we understand and qualify for the work to be performed and we assure the County/Court that our collection operations meet the highest standards of quality.

Per your specifications, we have submitted via BidSync:

- One (1) **Technical Proposal**
- One (1) **Cost Proposal**
- One (1) completed **Vendor Information Questionnaire**
- One (1) **Supplement to Vendor Information Questionnaire**
- One (1) completed **Acceptance, Insurance and Certifications** form

Harris & Harris, Ltd. has earned an exemplary reputation for quality and integrity over a fifty-one (51) year history. Our dedicated employees are committed to providing collection productivity at the highest level by following a corporate non-alienation policy toward your debtors. With Harris & Harris as a partner, the Court can achieve its objective of increased recovery of its delinquent court-ordered debt. We have extensive relevant experience in the collection of accounts identical to the categories of debt the Court intends to refer, as well as the implementation of innovative programs created to maximize collections revenue and improve customer service to your debtors.

As President of our firm, I am authorized to legally bind Harris & Harris, Ltd. in contract with the Court. Please contact Vince LoBianco, Senior Director of Business Development, for all matters pertaining to this RFP.

We look forward to your evaluation of our proposal and we stand ready to answer questions you may have regarding our proposed services.

Arnold S. Harris, Esq.



President & CEO



HARRIS & HARRIS



H & H

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WE HAVE FORMATTED OUR PROPOSAL ACCORDING TO THE INSTRUCTIONS IN THE RFP AND HAVE HIGHLIGHTED AND ANNOTATED YOUR QUESTIONS FOR EASE OF REVIEW OF OUR RESPONSE. WE HAVE INCLUDED THE FOLLOWING INFORMATION IN OUR RESPONSE, SEPARATED BY CORRESPONDING TAB DIVIDERS

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EXECUTIVE SUMMARY

Provide an Executive Summary of your proposal. The Executive Summary should be a high-level, general overview of how Proposer intends to accomplish the requirements of this RFP. The Executive Summary should demonstrate the Proposer's understanding of the requirements. The Executive Summary must also address how Proposer meets the minimum requirements.

Harris & Harris has prepared for Superior Court of California, County of Los Angeles (the County/Court) a complete and comprehensive proposal to provide revenue enhancement services as described in the RFP. We understand, meet, and can successfully meet or exceed all stated requirements and we are organizationally and financially prepared to execute all tasks on behalf of the County/Court to fully support collection of delinquent court-ordered debt. We present beginning below our understanding of this project and a summary of how we intend to accomplish the requirements. We also present how we meet the minimum requirements.

UNDERSTANDING REQUIREMENTS

- **Harris & Harris knows and understands collections.** For more than five decades we have continued to meet and exceed our overarching business goal of assisting debtors in settling their debt while acting in a compassionate manner that frees our clients from the worry of debtor complaints. We are licensed, registered, and authorized to perform collections nationwide. **Debt recovery for our clients is our sole focus.**

Historically we average **nearly 500,000 new accounts referred to us each month**, and our technology infrastructure is **extremely flexible and scalable** such that we can accommodate and process a virtually unlimited volume of accounts such as might occur under this contract with the County/Court. While this figure varies over time and across business sectors, we maintain approximately **17,500,000 active accounts** on an ongoing basis. In 2018, we handled nearly **8.5 million new account placements** totaling nearly **\$5 billion in value**.

- **Harris & Harris knows and understands government / municipal collections.** Since our inception in 1968, Harris & Harris has created successful collection programs for numerous government clients, collecting all manner, scope, and volume of public debt for balances, fines, fees, and other delinquent debt types for State-, County-, and City-level entities including but not limited to all of the debt types cited in the Scope of Work.

Your focus is our focus and constitutes a significant source of our overall experience. While we continue to grow in all of the markets we serve, we are particularly strong within the government sector. **Nearly 70 percent of our business is dedicated to government debt collections**, in which for several contracts we strive to achieve high collection rates on debt types and volumes identical to those set forth in this RFP. In many instances, we compete head-to-head against a second agency where we consistently outperform our competitor.

- **Harris & Harris knows and understands court collections and amnesty programs.** Harris & Harris offers ongoing parallel familiarity and experience with collecting court-related debt. We currently administer contracts for collection services with State, Circuit, District and Municipal courts across the country, several of which are similar in size and debtor demographics to the County/Court.

Harris & Harris has also created and administered successful **amnesty programs** for a number of government agencies around the country including the City of Chicago. We can develop, implement, and administer a customized amnesty program or administer the County/Court's own amnesty and special programs to help reconcile longstanding or situational debt while maintaining a positive public perception of the Court as earned through professional administration of the program.

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EXECUTIVE SUMMARY

- **Harris & Harris knows and understands your region and your debtors.** We offer the Court direct experience with public debt collection in California and in the Los Angeles region. We currently provide collection services for the following regional clients:
 - City of Los Angeles Fire Department
 - City of Los Angeles – Parking (as a subcontractor to Conduent)
 - San Diego Association of Governments (SANDAG)
 - City and County of San Francisco
 - Judicial Council of California
 - Ventura County
- **Harris & Harris knows and understands this collection project.** We offer the County/Court the full spectrum of understanding and associated experience, capacity, and capability of collecting court-owed debt on behalf of a large municipal client in a metropolitan area. We understand your core need and both the macros and micros of collections at-large and the Scope of Work for this project. Be assured that Harris & Harris can accomplish the requirements of the RFP.

ACCOMPLISHING REQUIREMENTS

As described in greater detail in *Section 3. Work Plan for Providing the Requested Services*, Harris & Harris offers the County/Court a government collections approach and methodology that focuses on creating the best possible experience for the debtor while meeting contract requirements and achieving above average recovery rates. We ensure that our core values and those of each client are consistently upheld throughout the provision of collection services, for every collection effort and across each account portfolio. For Harris & Harris, those core values include:

- Enforcing a zero-tolerance policy for abusive collection or harassing debt collection practices
- Ensuring collection representatives act in full accordance with all client and legal requirements
- Providing each debtor a full and fair opportunity to resolve the debt, including through amnesty and other special programs as available

Without question, we know that our methodology is effective and results in greater collection returns. Debtors are treated with courtesy and respect, which makes them much more willing to work to find a solution for resolving their responsibility. Collection representatives flourish using a positive, hostility-free approach, resulting in more successes and a turnover rate that is significantly lower than the industry average. This business culture permeates every level of our organization and is the reason that Harris & Harris sees little turnover in our workforce, very few debtor complaints, and collection returns that exceed our clients' expectations.

Accomplishing the Requirements

Harris & Harris can readily accomplish all the requirements of the Scope of Work. As noted here in Section 1 and again in Section 6, Harris & Harris is **licensed, registered, insured,** and **authorized** to perform collections nationwide, including in California. We will harness our differentiating strengths as an active member of the **ACA International** (American Collectors Association) and as a recipient of an **A+ rating from the Better Business Bureau** to provide collection services that are continuously characterized by integrity and legal compliance.

In Section 2 we demonstrate that we have **extensive government / court collections experience** with other courts, municipalities, and counties – **including current experience in the region and with the City of Los Angeles** – from which we will extract best practices and lessons learned to optimize

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SECTION 1

EXECUTIVE SUMMARY

collection operations for the County/Court throughout the contract. Our cited **references** in the completed and uploaded *Vendor Information Questionnaire* are prepared to readily attest to our experience and to our strong record of past performance in the collection of government / court debt and the implementation of innovative programs. .

Throughout Section 3 Harris & Harris offers a strategic **work plan** that incorporates a **state-of-the-art methodology and supporting technology infrastructure** to locate, reach, engage, persuade, and successfully collect from your debtors in a **secure, compliant, ethics-based and quality-driven collection environment** that optimizes anticipated revenue recovery. Our plan includes the key core collection outreach activities of skip tracing and contact by both phone and mail, and it addresses fulfillment of every stated requirement in the Scope of Work, from the collection of payments and account management to the administration of amnesty and other special programs. **We can readily meet all stated timeframes** established for timely implementation and transition of this contract and we have provided a *Sample Implementation Plan* that incorporates these timeframes for efficient and seamless contract start-up. We have described our **qualified key personnel and staffing** to include their specific **technical expertise** and **relevant experience** to drive successful collection operations, backed by our **organizational experience of more than 50 continuous years** of compassionate results-oriented revenue recovery for our clients. Every facet of our collection program will be available online to the County/Court 24/7/365 for monitoring and auditing, supplemented by our own multi-tiered quality assurance monitoring program. Comprehensive, accurate, and timely scheduled **reporting** that meets all stated reporting requirements are part of our continuous and open communication with the County/Court.

Sections 4 and 5 demonstrate that Harris & Harris brings exceptional organizational stability and accountability to this contract to ensure seamless and ongoing operations characterized by efficiency, effectiveness, and integrity, while Sections 6 and 7 (including the separate uploads of the Required Forms) document our legal and technical capacity to accomplish the requirements of the Scope of Work. Finally, as noted in the separately uploaded *Cost Proposal*, Harris & Harris has provided the Court with a **competitive pricing structure** that will maximize collection rates and dollars collected.

We understand the nuances of collecting a comprehensive spectrum of court debt and we will engage each of the following factors of our collection program to optimize revenue recovery:

- **Increase recovery by efficient and effective collections and portfolio management.** Harris & Harris will apply our *proven collection methodology* to Court accounts, leveraging a host of tools (including but not limited to letters, call campaigns, and skip tracing) and more than fifty-one (51) years of experience to recover debt. We are also richly experienced with and can administer amnesty and other special programs to augment recovery.
- **Reduce delinquent debt by prompt and consistent follow-up.** The seasoned government / municipal debt collectors who will be assigned to your accounts know your debtors and understand the importance of a friendly, non-confrontational but persistent approach to each debt, with debtors receiving regular calls through which they can resolve their debt, set up a payment plan, or address any other questions. Telephone contacts are further bolstered by a series of letters which are sent out according to the specifics of your collection program.
- **Provide a debtor treatment plan based on sound business practices.** For more than five decades Harris & Harris has staked its reputation on a non-confrontational collection approach, one where our representatives are trained to collaborate with debtors and view the debt as a problem to be solved together. Every debtor we contact is treated with the utmost dignity, respect, and compassion for the challenging financial circumstances that often are the cause of the delinquency.

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SECTION 1

EXECUTIVE SUMMARY

Every call is conducted with full legal compliance with all applicable federal, state, local and client regulations.

- **Assign a team of qualified representatives to client accounts.** We have hand-selected our most experienced personnel, from the Project Manager through our collection team, to participate in the success of this collections project for the County/Court. The team assigned has worked with municipalities across the nation including the City of Los Angeles, ensuring that contract performance standards and an exceptional service level will be met throughout the life of the contract.
- **Provide access to the most current receivable management technology.** Our CUBS® collection platform tracks and provides for reporting every aspect of a collection effort, down to the most granular details at the account level. The County/Court can monitor the progress made on its accounts 24/7/365 from anywhere in the world through our Client Access Web® application. We also employ sophisticated call monitoring and recording technology, and our comprehensive quality assurance program monitors our collection teams to ensure the highest quality effort.
- **Provide reporting that is transparent, meaningful and insightful.** We offer the County/Court a comprehensive suite of reports covering every facet of your collection program. Client Access Web® also enables the County/Court to examine metrics, analyze trends, and paint a picture of its collection program at both macro- and micro-cosmic levels from any online connection 24/7/365

MEETING MINIMUM REQUIREMENTS

Proposer must meet the minimum requirements listed below. Failure to comply with any one of the minimum requirements may be cause for disqualifying a proposal from further consideration. The Court may, in its discretion, waive minor deviations or defects. Only those proposals that are deemed as meeting the minimum requirements may be considered for a full evaluation and a possible contract award.

Harris & Harris meets all minimum requirements. We present below how our firm meets each of the five (5) minimum requirements stated under *E. Minimum Requirements* on pages 7-8 of the RFP, beginning with each requirement and followed by our response.

1. ***Proposal Submission Deadline.*** *The proposal must be submitted on BidSync on or before the Proposal Due Date. The Court will not accept proposals submitted by email, unless otherwise specified.*

Met. Harris & Harris uploaded its complete proposal comprised of the following files via BidSync on Thursday, December 5, 2019, which is before the proposal due date of Friday, December 6, 2019 at 10 AM PST.

- **Technical Proposal – Harris & Harris**
- **Cost Proposal – Harris & Harris**

As noted in this section in our response to *Minimum Requirement 5. Required Forms*, Harris & Harris has also completed and submitted via BidSync our completed copies of the **Vendor Information Questionnaire** (including **Supplement to Vendor Information Questionnaire**) and the **Acceptance, Insurance and Certifications** form.

2. ***Experience and Capability.*** *Proposers must have at least five (5) consecutive years documented experience providing collection services for government or public-sector entities, preferably for court-ordered debt with average annual collections of at least \$50 million for primary collections. In addition, Proposer's collection performance must meet or exceed the benchmarks prescribed by the*

RFP#2019-067 REVENUE ENHANCEMENT SERVICES
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EXECUTIVE SUMMARY

*Judicial Council of California of 34% and 31% for gross recovery rate and success rate, respectively. Proposer's Project Manager must have at least five (5) years documented experiencing managing collection projects of similar scope and complexity for courts or other government agencies. Such experience shall be documented in Proposer's Technical Proposal and by completing the **Vendor Information Questionnaire** on BidSync.*

Collections Experience

Met. Harris & Harris offers the Court **more than fifty-one (51) consecutive years of documented collections experience** in the government, healthcare, and utilities markets. Our government / public sector experience began soon after our incorporation in 1968 and has included collections for court-ordered debt in consecutive years since 1998. We present below a table of our average annual collections for primary collections for the past five (5) years.

Year	Actual Annual Collections (Primary Collections)
2018	\$415,220,065
2017	\$382,987,673
2016	\$320,394,231
2015	\$303,663,619
2014	\$259,732,835
5-year Average	\$336,399,685

Collections Performance

Met. Harris & Harris can meet or exceed the benchmarks prescribed by the Judicial Council of California of 34 percent and 31 percent for gross recovery rate and success rate, respectively. While we are fully aware there are a variety of factors that affect these rates we are comfortable Harris & Harris can meet these requirements. We present below a table of other court clients for which we have yielded similar rates over after two years of account placement.

Client	Gross Recovery Rate	Success Rate
County Court A	54%	51%
County Court B	38%	38%
County Court C	31%	30%
County Court D	34%	29%
County Court E	31%	30%

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Collections Project Manager

Met. Our proposed Project Manager, **Tammy O'Brien**, offers the Court **more than twenty (20) consecutive years of documented experience** with managing collection projects of similar scope and complexity for courts or other government agencies, including the past two (2) years with Harris & Harris. Ms. O'Brien's government agency clients have included or continue to include clients such as the City of Los Angeles, City of Las Vegas Municipal Court, City of Las Vegas Justice Court (Clark County, NV), City and County of San Francisco, City of Seattle and San Diego Association of Governments (SANDAG) Tollway. Please see Section 6.0 within *Tab 5 3. Work Plan for Providing the Requested Services* for additional and corroborating information (including resume) regarding Ms. O'Brien and her matching qualifications as Project Manager for this contract. Harris & Harris has also completed and submitted on BidSync our completed **Vendor Information Questionnaire** to include documentation of experience.

3. **Insurance.** *The selected contractor must procure and maintain the insurance coverages as indicated below. The Court **Standard Business Terms and Conditions 1.0** describes the Court's specific insurance requirements.*

Standard Terms and Conditions 1.0, Section 19.1 Insurance Requirements – General Coverage; or

Standard Terms and Conditions 1.0, Section 19.2 Insurance Requirements – Specific Coverages

Workers Compensation/Employer's Liability

Comprehensive General Liability

Business Automobile Liability

Professional Liability

Commercial Crime

Met. Harris & Harris has reviewed the insurance coverage requirements and affirms that we already fully maintain all types and levels of coverage required for this contract. Should the necessity for a new type or enhanced level of coverage arise during performance of this contract, Harris & Harris hereby affirms we can and will readily procure such coverage such that there will never be a gap in coverage for any activity performed under this contract.

4. **Business License and Certifications.** *Upon request, Proposers must submit copies of any current business licenses, professional licenses, certificates or other credentials required by the nature of the contract work to be performed by Proposer.*

Met. Harris & Harris has provided in *Tab 6. Business License and Certification* of our Technical Proposal copies of the following business or professional licenses or certificates that would be required for this contract:

- **California Certificate of Authority / Business License #3098975**
- **City of Los Angeles Tax Registration #0002080419-0001-6**

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Following those licenses we also included tables of our *Certificates of Authority* and our *Collection Agency Licensing*, respectively, to perform collections across the country.

We agree that at any time during the contract upon request from the Court, Harris & Harris will readily submit copies of the current versions of these documents and any others that are determined to be required by the nature of the contract work to be performed by Harris & Harris.

5. **Required Forms.** *Proposer must complete and submit all Required Forms posted on BidSync as directed.*

Met. Harris & Harris has completed and submitted through BidSync the following required forms:

- **Acceptance, Insurance and Certifications document**
- **Vendor Information Questionnaire**
- **Supplement to Vendor Information Questionnaire** – A supplementary Word document containing responses to questionnaire questions 6, 7, 13 and 15, for which response fields were not provided on the questionnaire.

These three documents comprise all required forms for this solicitation as confirmed on October 30, 2019 through the Proposer question and answer forum on BidSync.

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WORK PLAN FOR REQUESTED SERVICES

1.0 STATEMENT OF WORK

1.1 SCOPE OF WORK

California state statutes require each superior court and county to develop a comprehensive court/county collection program to improve enforcement of court collections.

The purpose of this Statement of Work (“SOW”) is to describe the scope of services in support of the comprehensive revenue enhancement program of the Superior Court of California, County of Los Angeles (“COURT”) and the County of Los Angeles (“COUNTY”). These services include collections of delinquent court ordered debt at the primary and secondary levels. The primary level may utilize multiple contractors simultaneously, up to three (3) vendors, at the discretion of the COURT. After primary collection efforts of one contractor are exhausted, selected delinquent accounts shall be referred to an alternate approved contractor for continuing collection efforts.

The COUNTY/COURT delinquent account collection services program is comprised of comprehensive collections of court ordered debt including, but not limited to: (1) traffic and non-traffic failure-to-appear matters; (2) traffic and non-traffic failure-to-pay matters; (3) failure-to-pay in criminal matters; (4) juror sanctions; (5) civil sanctions; (6) child custody evaluations; (7) attorney fee recovery for criminal and dependency cases; (8) collection of other fines, fees and forfeitures; (9) civil fee waivers and (10) minor’s counsel fees and parental plan assessments.

This SOW is comprised of work requirements for the primary collection level. The primary collection level may involve multiple collection contractors, up to three (3) vendors, at the discretion of the COURT. Secondary collection efforts will be provided by the California Franchise Tax Board and are not a part of this solicitation.

Agreed. Harris & Harris has read, understands, and is fully qualified to perform all work requirements for primary collections in the Scope of Work. We offer the County/Court a customized collection program and matching experience with collecting court-ordered debt including but not limited to debt in all categories cited above. We understand and acknowledge that there may be up to three (3) vendors selected for simultaneous primary collection efforts, and that secondary collection efforts are not a part of this solicitation.

1.2 BACKGROUND

The Court’s In-house collection functions performed by COUNTY/COURT may include, but are not limited to collection services noted in scope of work, and the following: 1) generate courtesy notices indicating amount owed; 2) place driver license holds through the California Department of Motor Vehicles, if applicable; 3) generate delinquency and payment notices; 4) charge civil assessment penalties upon delinquency in accordance with statute; 5) facilitate internet and Interactive Voice Response (“IVR”); phone payment arrangements and establish accounts receivable; 6) track cases through various court case management computer systems; 7) conduct financial evaluations to recover attorney fees and other fines/fees; 8) accept over-the-counter, IVR, internet and mail payments, and; 9) establish payment plans for delinquent and non-delinquent accounts.

Agreed. Harris & Harris has read and understands the in-house collections functions that will be performed by the County/Court prior to placement with the selected Contractor(s). We appreciate

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knowing the extent and nature of those efforts as we create and execute a fully informed collections program that integrates best practices and lessons learned.

1.3 CATEGORY OF REFERRAL TYPES

The scope of collection services which may be referred to CONTRACTOR include, but are not limited to, the collection categories described herein:

- *Infractions/Misdemeanors with Unadjudicated Bail (e.g., Traffic citations where a defendant fails to appear (FTA) before being sentenced).*
- *Infractions/Misdemeanors with Adjudicated Bail (e.g., Traffic citations where a defendant fails to pay (FTP) fines and/or fees after being sentenced).*
- *Misdemeanors/Felonies with Adjudicated Fines and Fees (e.g., Defendants who fail to pay fines and fees after being sentenced).*
- *Civil Fees and Sanctions on Adjudicated Matters (e.g., Fees and Sanctions owed to the COURT. In addition, the COUNTY/COURT may seek reimbursement of civil filing fees on cases where a civil fee waiver was granted for an individual, or if the plaintiff is a governmental agency).*
- *Indigent Defense Cost Recovery (e.g., COUNTY/COURT may determine that a customer who has received legal assistance from a public defender, alternate public defender, or court appointed private attorney, must reimburse the cost of attorney services. An Attorney Fee order may be collected as a civil judgement).*
- *Child Custody Evaluations (e.g., a Judicial Officer may order a party to reimburse the COUNTY/COURT for the cost of their child custody evaluation).*
- *Probate, Minor’s Counsel Fees, Juvenile Dependency Fines and Fees (e.g., a Judicial Officer may order a party to reimburse the COUNTY/COURT for the cost of legal assistance from a public defender, alternate public defender or court appointed private attorney).*
- *Juror Sanctions (e.g., Jurors that fail to appear for jury service may be ordered to pay a COURT imposed sanction).*
- *Non-Sufficient Funds and or unresolved bankcard charge backs (e.g. returned checks due to non-sufficient funds).*
- *COUNTY/COURT reserves the right to refer additional types of accounts as deemed appropriate.*

Agreed. Harris & Harris has reviewed and is ready to accept for placement all accounts referred to our firm under this contract, including but not limited to all accounts placed under every collection category cited above. We offer the County/Court matching and successful experience with collections for each of these categories. We also acknowledge the right of the County/Court to refer additional types of accounts as deemed appropriate.

1.3.1 Referral Data – (Sample) Primary Collections
(FOR ILLUSTRATIVE PURPOSES ONLY)

REFERRAL TYPE*	Avg. Annual Case Volume, Est*	Annual Case Value, net**	Average Per Case Value	Past Due Age in Days at Referral
Grand Total	318,800	\$237,240,000	\$744	180
Traffic FTA	182,000	\$144,000,000	\$791	180

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Red Light FTA	48,500	\$38,000,000	\$783	180
Non-Traffic LTA	6,300	\$3,500,000	\$555	180
Traffic FTP	40,000	\$31,000,000	\$775	180
Red Light FTP	3,900	\$2,400,000	\$615	180
Criminal Fines & Fees	24,000	\$12,700,000	\$529	180
Juvenile Dependency	6,000	\$2,700,000	\$450	180
Juror Sanctions	4,800	\$1,300,000	\$270	180
Other Fines – Fees (e.g. Civil Sanctions, Child Custody)	3,300	\$1,640,000	\$497	180

*** These estimates are for illustrative purposes only and COUNTY/COURT does not guarantee any particular case or dollar value of account referrals. Accounts available for referral may be distributed amongst multiple vendors, up to three (3) vendors, at the discretion of the COURT.**

****Referrals/account recalls may occur at any time deemed appropriate by COUNTY/COURT. Original delinquent fines and fees may be reduced after Court hearing and adjudication. Referred amounts are net of reductions, if any.**

Agreed. Harris & Harris has read, understands, and fully appreciates the provision of this sample referral data and acknowledge their value for illustrative purposes. We also have read, understand, and agree to comply with all cited disclaimers regarding potential volume, value, and distribution among contractors of placements, as well as the possibility of reduced fines and fees following Court hearing and adjudication.

1.3.2 COUNTY/COURT CONTROL OF ACCOUNTS

- **COUNTY/COURT reserves the right to modify the list of the types of accounts referred.**
- **COUNTY/COURT retains the right to refer an account to another collection agency for collections, to attempt collection activity internally, and to cancel, recall or alter accounts that have been referred to CONTRACTOR for collection at any time.**
- **COUNTY/COURT reserves the right to utilize the services of the State of California Franchise Tax Board’s Court Ordered Debt (“FTB COD”) Collection Program, FTB Interagency Intercept Collections (“FTB Tax Intercept”), the Department of Motor Vehicles’ Driver License Hold/Suspension Collection Services, and/or other collection entities and agencies as deemed appropriate.**
- **COUNTY/COURT also reserves the right to use another contractor from the Judicial Council of California (“JCC”) master vendor list for collection services.**

Agreed. Harris & Harris has read, understands, and agrees to comply with all above stated requirements, rights, and protocols regarding County/Court control of accounts.

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2.0 CONTRACTOR'S GENERAL SERVICE REQUIREMENTS

2.1 GENERAL SERVICE REQUIREMENTS

CONTRACTOR shall, at minimum, perform the services enumerated herein. To maximize the rate of collection and minimize errors, CONTRACTOR may be required to perform services in addition to those listed herein.

Agreed. Harris & Harris has read, understands, and agrees to comply with this requirement. We will perform all services enumerated herein as well as any others set forth by the County/Court to maximize the rate of collection and minimize errors.

- **All work performed by the CONTRACTOR must only occur within the United States. Work shall not be sub-contracted or performed by an entity using call centers or resources outside of the United States.**

Agreed. Be assured that one hundred percent (100%) of collections activity on behalf of the County/Court will be performed by Harris & Harris as the contractor and specifically by employees who are legally working within the United States.

- **COUNTY/COURT is committed to protecting the confidentiality of personal data on accounts referred and insuring that such data is processed only within the United States. CONTRACTOR represents that it has the capability to meet the confidentiality requirement of COUNTY/COURT during the entire period of the contract and any extension thereof.**

Agreed. Protecting the data of our clients is paramount at Harris & Harris. We offer the County/Court **fifty-one (51) years of collections experience during which we have never experienced a security breach for any client.** We also offer a proven capability to protect the confidentiality of personal data on all accounts referred (please see description of our comprehensive **Security** program in our response to 11.3 later in this section) throughout the entire contract and for any extension thereof awarded by the County/Court. As noted earlier, all collections activity including data processing will be performed solely by Harris & Harris and its employees within the United States.

- **CONTRACTOR shall have the capability to interface with the case management and collection management systems of COURT and transmit relevant collection data in a frequency deemed acceptable by COURT.**

Agreed. As noted in greater detail in our response to Section 4.2, Harris & Harris can send and receive data in any interim, in virtually any format, and from nearly any collection / accounting / case management system, whether by secure FTP, VPN, email, diskette, tape, data cartridge, or paper. Our technical personnel resources can readily adapt our programs at any time throughout the contract to accept, update, and process all records on hand from any system, no matter how common or how obscure. This includes acceptance of account information and transfer of account status changes and payment information and receipt confirmations for every transaction. Our technical personnel have implemented collection projects with many different client case management systems including a wide range of home grown legacy systems requiring Harris & Harris to provide custom programming to interface.

2.2 COLLECTION VENDOR COMPLIANCE WITH PENAL CODE SECTION 1463.007

In providing services to COUNTY/COURT, CONTRACTOR must comply with these requirements of Penal Code Section 1463.007 as identified below:

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1. *Attempts telephone contact with delinquent debtors for whom the program has a phone number to inform them of their delinquent status and payment options.*
2. *Notifies delinquent debtors for whom the program has an address in writing of their outstanding obligation within a specified number of days of delinquency as directed by COUNTY/COURT.*
3. *Generates internal monthly reports to track collections data, such as age of debt and delinquent amounts outstanding, collections by age of case referral to collection contractor.*
4. *Sends delinquent accounts to the FTB Tax Intercept Program and FTB COD Program.*
5. *Uses the Department of Motor Vehicle information to locate delinquent debtors.*
6. *Establishes wage and bank account garnishments where appropriate.*
7. *Places liens on real property owned by delinquent debtors where appropriate.*
8. *Coordinate with the County's Probation Department to locate debtors who may be on formal or informal probation.*
9. *Accepts payment of delinquent debt by credit card and debit card.*
10. *Uses local, regional, state, or national skip tracing or locator resources or services to locate delinquent debtors.*
11. *Uses an automated dialer or automated distribution system to manage telephone calls.*
12. *Uses Employment Development Department employment and wage information to collect delinquent debt.*

The CONTRACTOR must immediately inform COUNTY/COURT if at any time they fail to meet the requirements listed above.

Agreed. Harris & Harris has read and understands this requirement, and we assert that **our collection methodology (presented in Section 3.0) and associated capabilities and activities are in full compliance with every enumerated item of this requirement and by extension with Penal Code Section 1463.007.** Should Harris & Harris ever fail at any time to meet any of these requirements, we will immediately inform the County/Court.

2.3 CONTRACTOR SERVICE REQUIREMENTS

- **CONTRACTOR shall produce various reports as defined in Section 3.13.4.**

Agreed. Harris & Harris has provided in our response to Section 3.13.4 a description of our reporting capabilities and our agreement to provide a comprehensive reporting package that includes but is not limited to every required report cited in the RFP including those defined in Section 3.13.4.

- **CONTRACTOR shall conduct the following collection activities, pursuant to the Contract, in accordance with all applicable State and Federal Consumer and Collection Practice laws.**

- **Obtain and maintain appropriate licenses, approvals, permits and authorizations required by applicable laws throughout term of contract. CONTRACTOR will be responsible for all fees, costs and taxes associated with obtaining such licenses, approvals, permits and authorizations.**

Agreed. Harris & Harris will conduct all collection activities for this contract in full accordance with all applicable State and Federal Consumer and Collection Practice laws. We will continue to obtain and maintain at our cost all appropriate licensure, approvals, permits and authorizations

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required throughout the contract. We maintain a full-time **Compliance Department** to oversee our compliance – for every account of every client – with the Fair Debt Collection Practices Act (FDCPA) and all other regulatory requirements as they apply to federal, state, and local laws. Mr. Aryeh Derman, Esq., our Corporate Counsel (an ACA International Scholar since 2014 and a KG Prime Subject Matter Expert since 2017), oversees our Compliance Department which focuses on many issues including but not limited to **debt collection notices, call management, and operational issues** handled by our Information Technology Services Department.

Harris & Harris is fully compliant with all federal, state, and industry regulations, including but not limited to FDCPA, Fair Credit Reporting Act (FCRA), Telephone Consumer Protection Act (TCPA), the Gramm-Leach-Bliley Act, Red Flag Rules, and Payment Card Industry (PCI) compliance, among many others. Since we are licensed in multiple jurisdictions, we are held to a higher standard by each state that governs our license. Therefore, attention to detail on all levels applies, to ensure our entire operation is compliant with each state’s requirements.

- **CONTRACTOR shall provide COUNTY/COURT a list of all pending and closed regulatory violations or non-compliances (e.g., Fair Debt Collection Practices Act (“FDCPA”), California Fair Debt Collection Practices Act (“CFDCPA”), UDAPP violations under Frank-Dodd Wall Street Reform and Consumer Protection Act, and the Consumer Financial Protection Bureau (“CFPB”) for the last five (5) years. In addition, CONTRACTOR shall immediately notify COUNTY/COURT of any new violations or instances of non-compliance. The list shall at minimum contain: the case or file number, type of debt, name(s) of the complainant(s), a brief explanation of the violation, and the outcome/resolution. COUNTY/COURT reserves the right to independently review any or all regulatory violations/noncompliances submitted.**

Agreed. Please see our response to Section 11.2 regarding the required list and the accounting of pending, closed, and new instances of violations or non-compliance.

- **CONTRACTOR shall be legally capable and unrestricted in the business of pursuing collections on referred accounts anywhere within the United States.**

Agreed. Harris & Harris is fully licensed, authorized, certified and insured, without restriction, to pursue collections on referred accounts anywhere within the United States. We have provided in Section 6. Business License and Certification the tables of our *Certificates of Authority* and our *Collection Agency Licensing*, respectively, to perform collections across the country.

- **CONTRACTOR shall be required to report collection success on a monthly basis. The following formula, subject to change, will be used to calculate the CONTRACTOR’S success rate in collecting delinquent accounts referred by COUNTY/COURT:**

$$\text{Collection Success Rate} = \frac{\text{Amount Collected}}{(\text{Amount Referred} - \text{Adjustments} - \text{Discharges})}$$

$$\text{Gross Recovery Rate} = \frac{(\text{Amount Collected} + \text{Adjustments} + \text{Discharges})}{(\text{Amount Referred})}$$

Agreed. Harris & Harris will report collection activity to the County/Court on a monthly basis and as otherwise required via a comprehensive reporting package as described in 3.13.4. We have read, understand, and acknowledge the above formula as the metric to calculate our success in collecting delinquent accounts referred by the County/Court, and we acknowledge that this formula may be subject to change.

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3.0 CONTRACTOR'S SPECIFIC SERVICE REQUIREMENTS

INTRODUCTION

As cited in our *Executive Summary*, Harris & Harris offers the County/Court a government collections approach and methodology that focuses on creating the best possible experience for the debtor while meeting contract requirements and achieving above average recovery rates. We ensure that our core values and those of each client are consistently upheld throughout the provision of collection services, for every collection effort and across each account portfolio. For Harris & Harris, those core values include:

- Enforcing a zero-tolerance policy for abusive collection or harassing debt collection practices
- Ensuring collection representatives act in full accordance with all client and legal requirements
- Providing each debtor a full and fair opportunity to resolve the debt, including through amnesty and other special programs as available

Without question, we know that our methodology is effective and results in greater collection returns. Debtors are treated with courtesy and respect, which makes them much more willing to work to find a solution for resolving their responsibility. Collection representatives flourish using a positive, hostility-free approach, resulting in more successes and a turnover rate that is significantly lower than the industry average. This business culture permeates every level of our organization and is the reason that Harris & Harris sees little turnover in our workforce, very few debtor complaints, and collection returns that exceed our clients' expectations.

We have provided below a description of our *Collections Platform*, followed by a description of our *Collections Methodology* to be used in performance of the specific service requirements. While many elements of the methodology will be reiterated in our responses to individual requirements, we deemed that it would be helpful to the County/Court to see where / when / how certain activities (e.g., skip tracing) occur within the overall flow of the methodology. We begin address of each individual requirement following the presentation of our methodology.

Collections and Call Recording Platform

We currently utilize the Columbia Ultimate Business System (CUBS®), considered one of the most robust collection platforms on the market today. CUBS® customers include government agencies, hospitals, banks, utilities, collection firms, and other monetary recovery companies.

Every event associated with an account – whether it is a letter sent, a telephone contact (both successful and unsuccessful), a payment arrangement attained, a payment received, etc. – **is recorded in detail and is available for review**, whether during the normal quality-control checks performed by management or in the course of a client or internal audit. This capability is foundational for all of our quality control and assurance efforts.

Notable features of CUBS® include:

- 100% call recording
- Call training and evaluation
- I³ Integrated Dialer
- I³ Integrated Interactive Instant Messenger
- I³ Integrated Message Blaster

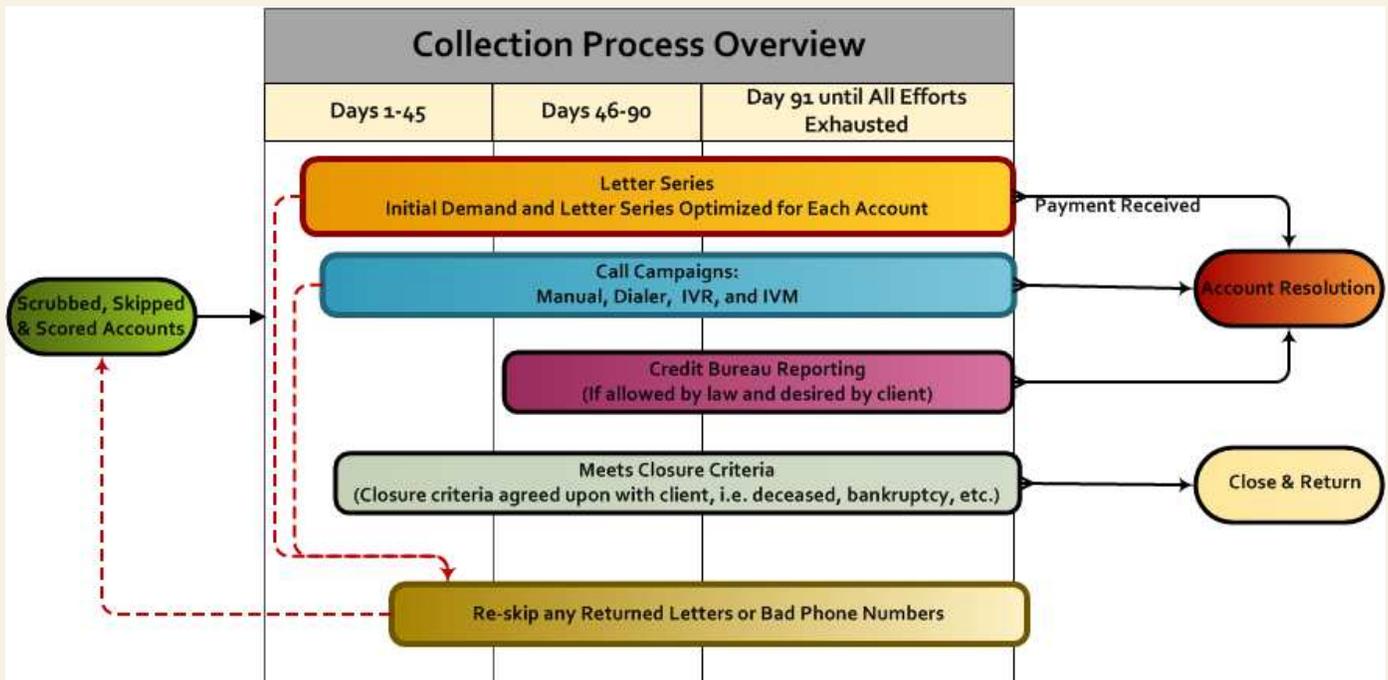
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- Online client access system
- Interactive Voice Response (IVR) payment system
- Caller ID capture server
- Call accounting and statistical system
- Skip tracing automation
- Remote call monitoring
- SAP Business Intelligence statistical analysis

Harris & Harris has been utilizing CUBS® as our collection system software vendor for more than 20 years. Our IT staff and high-level administrative personnel have attended training classes at our facility as well as the corporate headquarters for CUBS®. The system is **extremely flexible and scalable** and offers a robust suite of reporting tools. We also employ a dynamic team of onsite programmers who can write custom programs (with minimal turnaround time) to tailor CUBS® to specific client programs.

Collection Process Overview

Harris & Harris presents below a diagram of our **Collection Process Overview** as a standard guideline for our collection activities, to include timetables for the various activities comprising the collection process.



COLLECTION METHODOLOGY

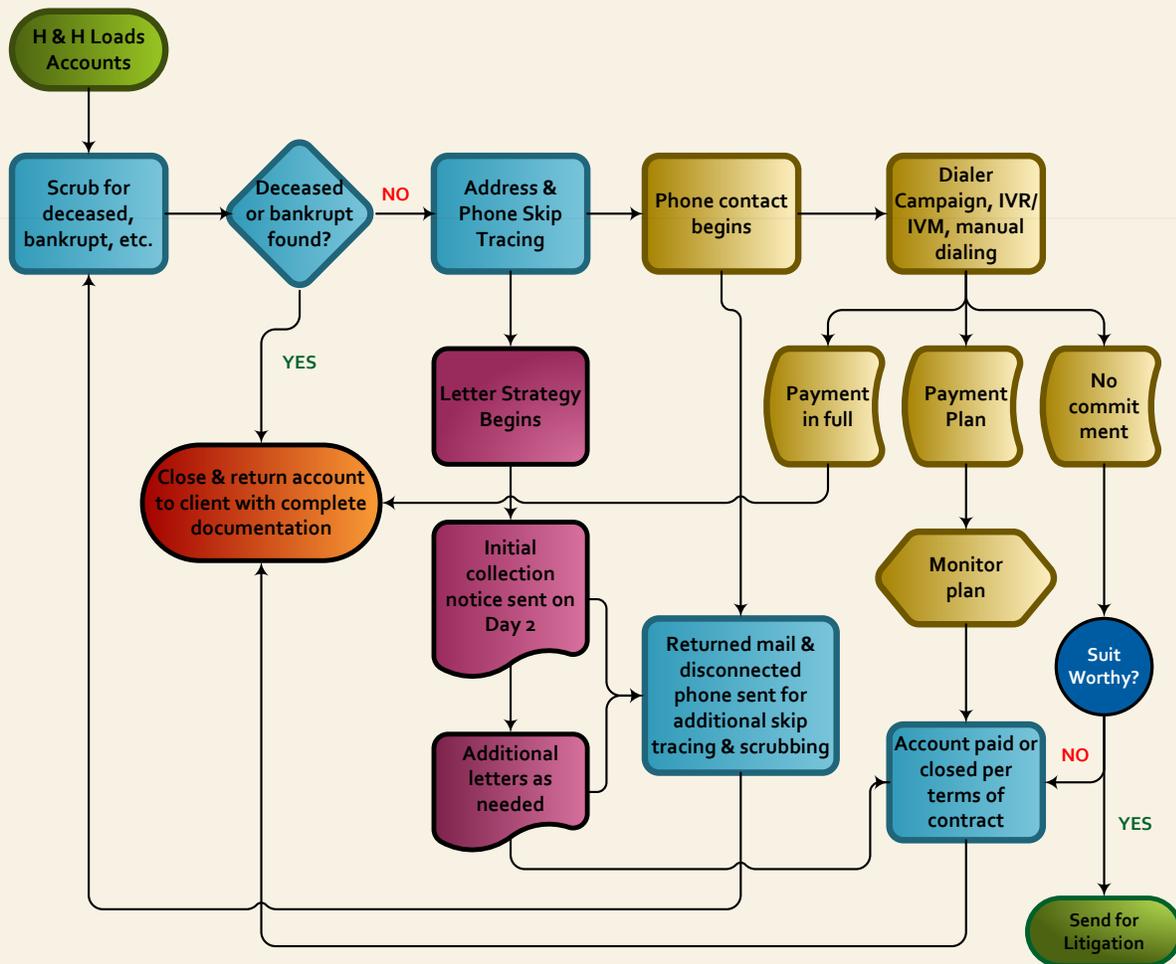
Harris & Harris offers the County/Court an **eight-phase proven methodology for debt collection**:

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- **Phase 1:** Account Placement
- **Phase 2:** Account Scrub and Skip Tracing
- **Phase 3:** Account Scoring
- **Phase 4:** Letters
- **Phase 5:** Telephone Contact
- **Phase 6:** Credit Bureau Reporting (On Allowed Accounts Only)
- **Phase 7:** Litigation (As add-on service if desired)
- **Phase 8:** Closing and Returning Accounts

A flow chart diagram depicting this collection process is presented below.

Collection Process



PHASE 1: ACCOUNT PLACEMENT

Harris & Harris has the ability to **accept account information in nearly any format and from nearly any accounting system including Benchmark by Pioneer Technology**, whether by secure FTP,

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VPN, email, diskette, tape, data cartridge, or paper. One of our greatest strengths is our experienced Information Technology (IT) staff, which has worked with many different types of file layouts including IXML, HTTPS, flat files, and manual data entry. **Our technical personnel resources can adapt our programs to accept, update, and process all records on hand from any system**, no matter how common or how obscure.

The groundwork for a seamless data transmission channel is laid during implementation. During this period, our IT experts work with your own technical representatives to discuss items such as:

- File layout
- Data mapping
- Test files
- PGP encryption
- Secure FTP sites

Our systems have in place advanced reconciliation measures to ensure the accuracy of every file transmitted to Harris & Harris from the very start of your program. Our systems verify a variety of factors, including but not limited to number of accounts transmitted, total value, balance due, payment history, and other variables. Any inconsistencies are immediately flagged and are addressed before accounts are eligible for collection.

Harris & Harris will attempt collection on every account placed by the County/Court, regardless of balance or score.

PHASE 2: ACCOUNT SCRUB AND SKIP TRACING

During the initial collection phase, we use a three-stage automated scrub process as follows:

- Verify correct address
- Verify correct phone number
- Seek new address or phone information and append the data with new information.

Accounts that come back with no new additional information are further researched using a number of third-party vendors. If we have a telephone number for a debtor but there is no contact made after 30 days of attempts, our process will attempt to obtain an alternate telephone number from a different vendor.

Bankrupt and Deceased Accounts

Accounts referred to Harris & Harris are continuously submitted to data sources that identify bankrupt and deceased debtors. ID Info® is used to ascertain bankruptcies and deceased customers. Harris & Harris will immediately (daily) notify the County/Court in any case where we discover that a debtor is deceased, and we will cease all collection efforts with respect to that particular debtor and will close and return that account to the County/Court as appropriate. Bankruptcies will also be closed and returned to the County/Court as appropriate or can be retained by Harris & Harris and processed according to business rules the County/Court determine for this contract. We will review your desired handling of these accounts during our implementation planning.

Skip Tracing

Harris & Harris knows that **skip tracing** is a valuable process within any successful collections methodology, and we use the most advanced skip tracing tools currently available. **Skip tracing services are provided as a standard service within our collections methodology** and as such are

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included in the contingency fees provided in our Cost Proposal. We have partnered with leading third-party vendors to uncover accurate mailing addresses, phone numbers, and other vital contact information. **These services enable us to identify undeliverable addresses before mailing as well, thereby dramatically reducing the extra time and cost incurred by returned mail.** We also submit all rejected files for a new address or phone number.

We will daily transmit to the County/Court any updated contact information discovered during our skip tracing efforts. When our automated processes fail to locate a debtor, we have a seasoned manual skip tracing team, composed of research investigators and expert skip tracers, to provide additional assistance. All locate efforts are performed in full compliance with the Fair Debt Collection Practices Act (FDCPA), Fair Credit Reporting Act (FCRA), and all applicable federal, state, and local laws/regulations.

Within 24 hours of account approval and system update, our system initiates a search to obtain one or more of the following:

- Correct residential address
- Updated telephone number(s)
- Contact information for relatives
- Contact information for nearby residents or neighbors
- Other applicable contact or identity verification data.

We also employ manual and online references to one or more of the following sources:

- Accurint
- Back-up information supplied by the client
- CBCInnovis
- Directory Assistance
- Experian
- First Data
- ID Info®
- LexisNexis
- Melissa Data
- Metromail
- National Change of Address Database
- Registry, Department of Motor Vehicles (where available and permitted)
- Street directories
- Tax assessors – calling to verify property ownership and/or possible landlord information
- Telephone books
- TLO
- TransUnion
- Voter registration rolls.

Highlights of our skip tracing process include:

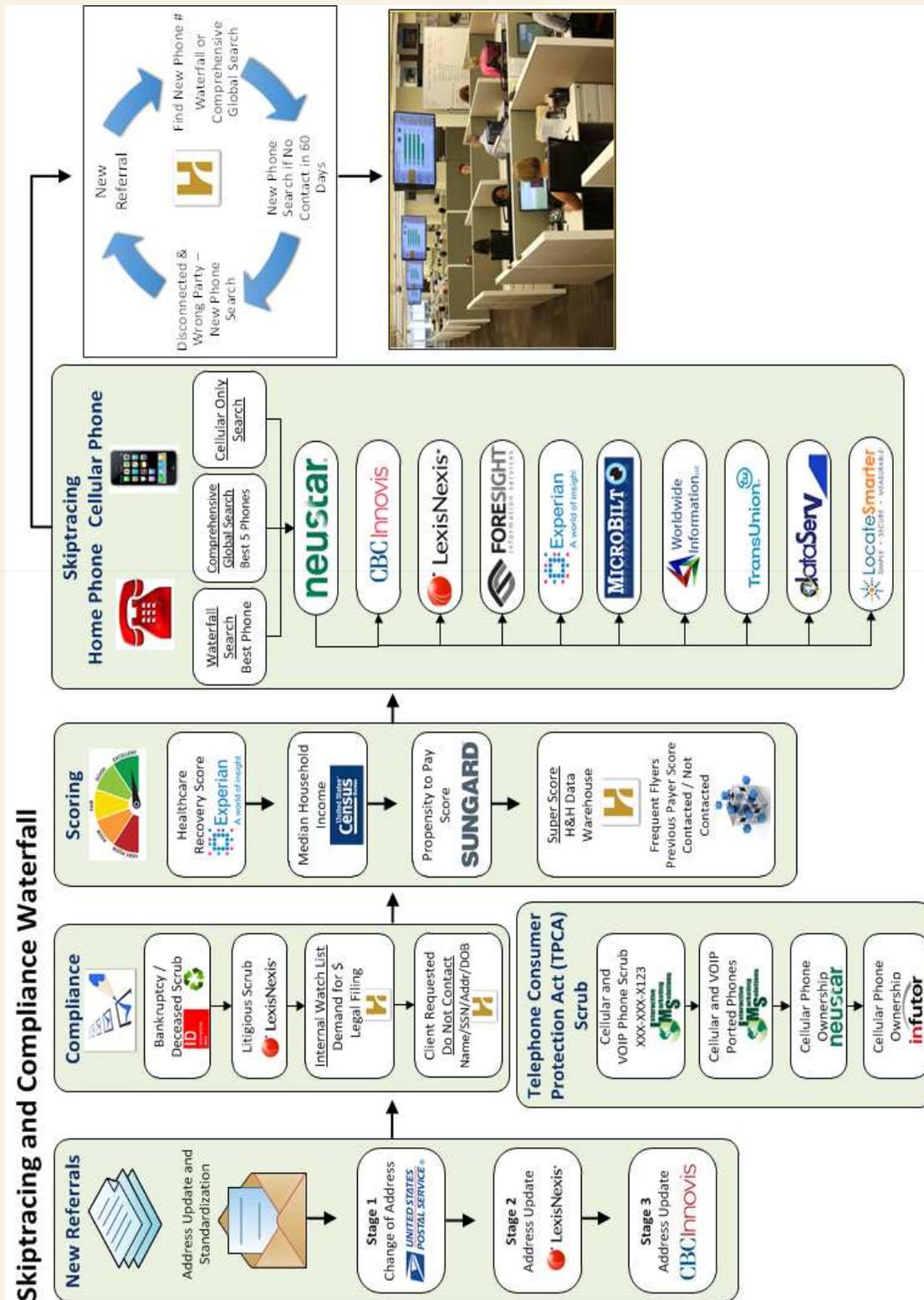
- **Initial Scrub** – Initial debtor list is simultaneously processed by three different vendors to filter for bankruptcy/deceased debtors, litigious debtors, and credit scores.
- **Address Scrub** – The debtor list is then processed for address skip tracing including two phases of scrubbing through LexisNexis National Change of Address.
- **Telephone Scrub** – The debtor list is then scrubbed through a series of skip tracing vendors for telephone information. Successful hits are imported into the collection system and “no hits” are submitted to the next vendor as part of the waterfall process.

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For this contract, wrong party contacts and contacts that cannot be reached for thirty (30) days will be resubmitted to the skip tracing waterfall to be reprocessed. Accounts that are filtered through all of the skip tracing vendors without producing a phone number will be resubmitted to the waterfall to be reprocessed every thirty (30) days. We have included a graphic depiction of our **Skip Tracing Waterfall** on the next page.

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PHASE 3: ACCOUNT SCORING

To achieve even greater collection returns, Harris & Harris developed a proprietary account scoring model. Accounts that have been scrubbed and skip traced are then analyzed by a variety of metrics, such as debtor demographic, income information, age of account, prior collection efforts, and a number of other factors. **This in-depth analysis returns a unique score for each account, which in turn determines the strategy applied to each account.** Higher-scoring accounts have a statistically higher likelihood of payment, while lower-scoring accounts are less likely to reach a resolution. This approach enables us to maximize recovery rates as early as possible in the collection cycle, resulting in more money collected sooner for the County/Court.

PHASE 4: COLLECTION LETTERS

At least one collection letter is sent prior to the first telephone call. When accounts are received into our system and account information has been verified, we automatically generate these letters, notifying the debtor that their account has been placed with us for collection. The schedule of subsequent collection letters will be determined by the needs and requirements of the County/Court, as well as by the circumstances surrounding the collection of particular accounts. The frequency of letter generation can be adjusted to meet County/Court requirements, and collection professionals have the ability to have the automated collection system generate letters for special situations. Letters are also automatically sent for payment reminders and notices of missed payments, and return envelopes are enclosed for convenience.

All letters and notices created by our firm can be customized to exact specifications, including but not limited to County/Court court account/case number, wording, type of letter generated, letter triggers, and timing. All letters will be subject to a rigorous approval process by the County/Court and by our compliance attorney. Letters are available in a variety of language formats. The vast majority of our clients elect for letters in English or Spanish; letters can also be adapted for other large foreign-language populations as needed. The letters most frequently used in a collection program are:

- Initial demand and pre-collection notices
- Second demand
- Payment plan arrangement
- Payment plan reminder notice.

We have included our *Sample Letters* package for courts in the **Appendix** to our Technical Proposal.

PHASE 5: TELEPHONE CONTACT

Experience has shown that debtors often respond better to person-to-person contact than to written notices. Therefore, our emphasis is on rapid person-to-person contact.

When we make telephone contact with the debtors, we are not just collectors -- we are communicators, ready to talk and even more importantly, ready to listen. We apply a human touch to our business by recognizing that each debtor is a unique individual, with unique situations that may require compassion and special treatment. Through communication, we will establish a good faith effort on the part of the debtors to meet their responsibility to pay their debts.

Our collectors achieve maximum liquidation through the following strategies:

- Maintain a primary goal of resolving debt balances in full and on an immediate basis

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- Collection teams work a six (6) day workweek and provide full coverage during “prime time” hours, including Saturdays and evenings
- Low collector-to-supervisor ratio, call recording of every telephone call, and auditing of collectors.

Assisted by state-of-the-art software, Harris & Harris collection experts make telephone calls from individual workstations. On all initial contacts with debtors, collection professionals do the following:

- Identify their calls as originating from Harris & Harris on your behalf
- Specify the debt, the original balance, and the amount due
- Require payment in accordance with your policy.

We have a counseling approach to collections, in which our collection experts interact with your debtor in the most professional manner. We provide pragmatic counseling to resolve each debtor’s account and strive to understand the unique circumstances faced by each debtor.

PHASE 6: CREDIT BUREAU REPORTING (WHERE ALLOWED)

Traditionally, Harris & Harris can provide a program for reporting debtors to the three major credit bureaus: Experian, Equifax, and TransUnion. Historically, credit bureau reporting provides a substantial lift in dollars recovered from debtors who otherwise are not affected by existing consequences imposed by a client.

However, enforcement action collectively initiated by thirty-one (31) State Attorneys General now **prohibits** the major credit reporting agencies from further accepting or reporting many government debts such as circuit court debt. As a result, as of September 2015 Harris & Harris stopped reporting prohibited debt types to the three major credit bureaus. During our implementation process we will work with the County/Court to define which debts (if any) may be reported.

PHASE 7: LITIGATION / LEGAL ACTIVITIES (AS ADD-ON SERVICE WHERE DESIRED)

If all collection efforts have been exhausted and if authorized by the County/Court, Harris & Harris may identify certain accounts for legal activities. Harris & Harris President and Chief Executive Officer Arnold S. Harris, Esq. is also the principal owner of **Arnold Scott Harris, P.C., Attorneys at Law**, an affiliated legal firm on premises in Chicago which under subcontract to Harris & Harris provides legal expertise to our clients. This unique relationship allows us to assist our clients with a full portfolio of services to recover revenue for our clients.

Since the establishment of our law offices in 1977, we have provided a full suite of legal services dedicated solely to the collection activities of Harris & Harris, including but not limited to garnishment of court accounts, obtaining civil judgments, and filing for bankruptcies for both dischargeable and non-dischargeable debts.



When all voluntary collection efforts have been exhausted and as desired and authorized by the County/Court, Harris & Harris can initiate any and all approved legal remedies to recover debt, working through Arnold Scott Harris, P.C., Attorneys at Law and/or through our network of national credit and collection attorney firms when necessary. We understand the need to escalate collection efforts under certain circumstances, and we have the **capability to locate assets and effect recovery in all states and legal jurisdictions** through legal means including but not limited to issuing warrants, serving levies on banks and other third parties, wage garnishment, and seizure of property. Harris & Harris operates

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within all federal, state, local, and industry guidelines and standards regarding debt collection and litigation practices.

PHASE 8: CLOSING AND RETURNING ACCOUNTS

Harris & Harris will immediately cease collection activity at any point in the collection process if the following should happen:

- If the debtor disputes or appeals the debt, we will cease activity and consult with the County/Court to verify the validity of the debt
- If an account meets a predetermined status set by County/Court
- If the County/Court elects to cancel, de-assign, or recall an account for **any** reason

Harris & Harris will declare an account uncollectible if an account meets certain highly specific criteria, or when all efforts to secure payment have been exhausted. We will follow any standards for closure specified by the County/Court, and all status codes can be fully customized to align with the accounting and auditing processes of the County/Court.

The most common factors that make an account uncollectible include the following:

- Death
- Incarceration
- Documented physical incapacity (e.g., coma, terminal cancer)
- Documented permanent physical or mental disability
- Deportation
- Invalid placement
- Bankruptcy
- Debtor refuses to pay and has insufficient assets for garnishment, levy, or attachment
- Below poverty level
- Military personnel on active duty in a war zone.

Harris & Harris will close and return any such account back to the County/Court, along with a full report detailing all collection efforts, any contact made, as well as any updated contact information we may have obtained. During the implementation phase of the contract, Harris & Harris will work with the County/Court to determine any specific criteria to incorporate into the close and return process.

3.1 COLLECTIONS VIA MAIL

3.1.1 All CONTRACTOR letters sent to debtors shall be pre-approved by the COURT Project Manager (PM).

Agreed. As noted above under Phase 4 of our collection methodology, all letters will be subject to a rigorous approval process by the County/Court and by our compliance attorney. Harris & Harris will develop and present to the Court Project Manager for pre-approval a full portfolio of letters and notices to be used throughout this contract. **All letters and notices created by our firm can and will be customized to the exact specifications of the County/Court**, including but not limited to County/Court court account/case number, wording, type of letter generated, letter triggers, and timing.

We have included our *Sample Letters* package for courts in the **Appendix** to our Technical Proposal.

3.1.2 CONTRACTOR shall employ “skip tracing” to obtain current debtor address and phone number.

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Agreed. As noted above under Phase 2 of our collection methodology, Harris & Harris knows that **skip tracing** is a valuable process within any successful collections methodology, and we use the most advanced skip tracing tools currently available. We also have partnered with leading third-party vendors to uncover accurate mailing addresses, phone numbers, and other vital contact information. **These services enable us to identify undeliverable addresses before mailing as well, thereby dramatically reducing the extra time and cost incurred by returned mail.**

Please see 3.2 Skip Tracing later in this section for greater detail regarding our skip tracing use and capabilities.

3.1.3 CONTRACTOR shall issue the first Delinquency Letter upon receipt of debtor information by COURT and/or after obtaining a current address through “skip tracing.” CONTRACTOR shall provide the debtor no more than thirty (30) days from the date of Delinquency Letter to respond to the first Delinquency Letter. If the address provided by COURT is incorrect, or if a letter is returned undeliverable, addressee unknown, etc., CONTRACTOR shall attempt to obtain a current address through “skip tracing” and commence issuing letters once a current address is obtained.

Agreed. Harris & Harris has read, understands, and agrees to comply with this requirement. Within 24 hours of account placement and system update, our system initiates a search to obtain one or more of the following:

- Correct residential address
- Updated telephone number(s)
- Contact information for relatives
- Contact information for nearby residents or neighbors
- Other applicable contact or identity verification data.

Following confirmation, we will automatically generate and issue the first delinquency letter, notifying the debtor that their account has been placed with us for collection. This letter will provide your debtor no more than thirty (30) days from the date of the letter to respond. Should the letter be returned as undeliverable due to any circumstance (e.g., incorrect address provided by Court, addressee unknown, etc.), Harris & Harris will employ its full skip tracing capabilities (see 3.2 later in this section) including resubmitting the debtor information through our Skip Tracing Waterfall to obtain a current address.

Each letter shall:

- **Identify CONTRACTOR;**
- **Inform the debtor of the origin of the debt and the current amount owed;**
- **Advise of the consequences of continued non-compliance, such as possible driver’s license suspension, wage garnishment and State tax refund intercept, if applicable;**
- **Describe payment options available such as installment payment plans;**
- **Describe how payment may be remitted;**
- **Explain that a debtor with an Infraction/Misdemeanor with Unadjudicated Bail, Sanctions, Juror Sanction, Child Custody Evaluation or other accounts as approved by COUNTY/COURT, who wish to dispute the debt must schedule a court appearance;**
- **List a toll free (e.g., “800”) telephone number, which allows debtors to remit payment, schedule a court appearance and/or obtain general information;**
- **Provide a return envelope for the submission of payment;**
- **List the contractor’s web page address, which allows debtors to remit payment.**

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CONTRACTOR shall not use or display the official seal or logo of the COURT on any of its letterheads or other communication with any debtor for any reason.

Agreed. All letters and notices created by our firm for this contract can and will be customized to exact specifications, including but not limited to every requirement cited above. Each letter will clearly identify Harris & Harris and will describe the obligation and the possible consequences of non-compliance. Each letter will provide several avenues for response/remittance, including but not limited to a toll-free number and the ability to pay online and the inclusion of a return envelope for mailed payments. Debtors will also be advised of alternate actions including setting up a payment plan or scheduling a court appearance to dispute a debt.

All letters and notices created by our firm can and will be customized to the exact specifications of the County/Court, including but not limited to County/Court court account/case number, wording, type of letter generated, letter triggers, and timing. All letters will be subject to a rigorous approval process by the County/Court and by our compliance attorney.

3.1.4 If the debtor does not respond by the 31st day of the date of mailing, CONTRACTOR shall issue a second letter provided the debtor has a valid address. Thereafter, letters with valid addresses shall be issued on a strategic basis, or until debt is satisfied in full or account is recalled/cancelled.

Agreed. The schedule of subsequent collection letters will be determined by the needs and requirements of the County/Court, to include under this contract our issuance of a second letter (for debtors with a determined valid address) if a debtor has not responded by the 31st day of the date of mailing for the first delinquency letter. We will also employ our judgment of the circumstances surrounding the collection of particular accounts to issue subsequent letters on a strategic basis to work the account to fulfillment until/unless it is recalled or canceled. We can adjust the frequency of letter generation to meet County/Court requirements as they may evolve throughout the contract, and our collection professionals have the ability to have the automated collection system generate letters for special situations.

3.1.5 CONTRACTOR may issue additional letters as deemed necessary.

Agreed. Harris & Harris has read and understands this requirement. As noted above, the schedule of subsequent collection letters will be determined by the needs and requirements of the County/Court, as well as by our judgment of the circumstances surrounding the collection of particular accounts. We can adjust the frequency of letter generation to meet County/Court requirements, and our collection professionals have the ability to have the automated collection system generate letters for special situations. Letters are also automatically sent for payment reminders and notices of missed payments, and return envelopes are enclosed for convenience.

3.1.6 All correspondence issued by CONTRACTOR shall be accompanied by a Spanish language version of the correspondence.

Agreed. Harris & Harris letters are available in a variety of language formats. The vast majority of our clients elect for letters in English or Spanish; letters can also be adapted for other large foreign-language populations as needed. For all debtor correspondence including letters and notices to be issued under this contract with the County/Court, we agree to include a Spanish language version to accompany the original correspondence.

3.2 SKIP TRACING

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3.2.1 CONTRACTOR shall utilize “skip tracing” to obtain account information (e.g., address, telephone numbers, Social Security Number, etc.) on delinquent debtors for the purpose of collecting a debt.

Agreed. As noted earlier, Harris & Harris knows that **skip tracing** is a valuable process within any successful collections methodology, and we use the most advanced skip tracing tools currently available (please see our *Skip Tracing Waterfall* flow at the end of this narrative). We have partnered with leading third-party vendors to uncover accurate mailing addresses, phone numbers, and other vital contact information. **These services enable us to identify undeliverable addresses before mailing as well, thereby dramatically reducing the extra time and cost incurred by returned mail.**

We will daily transmit to the County/Court any updated contact information discovered during our skip tracing efforts. When our automated processes fail to locate a debtor, we have a seasoned manual skip tracing team, composed of research investigators and expert skip tracers, to provide additional assistance. All locate efforts are performed in full compliance with the Fair Debt Collection Practices Act (FDCPA) and all applicable federal, state, and local laws/regulations.

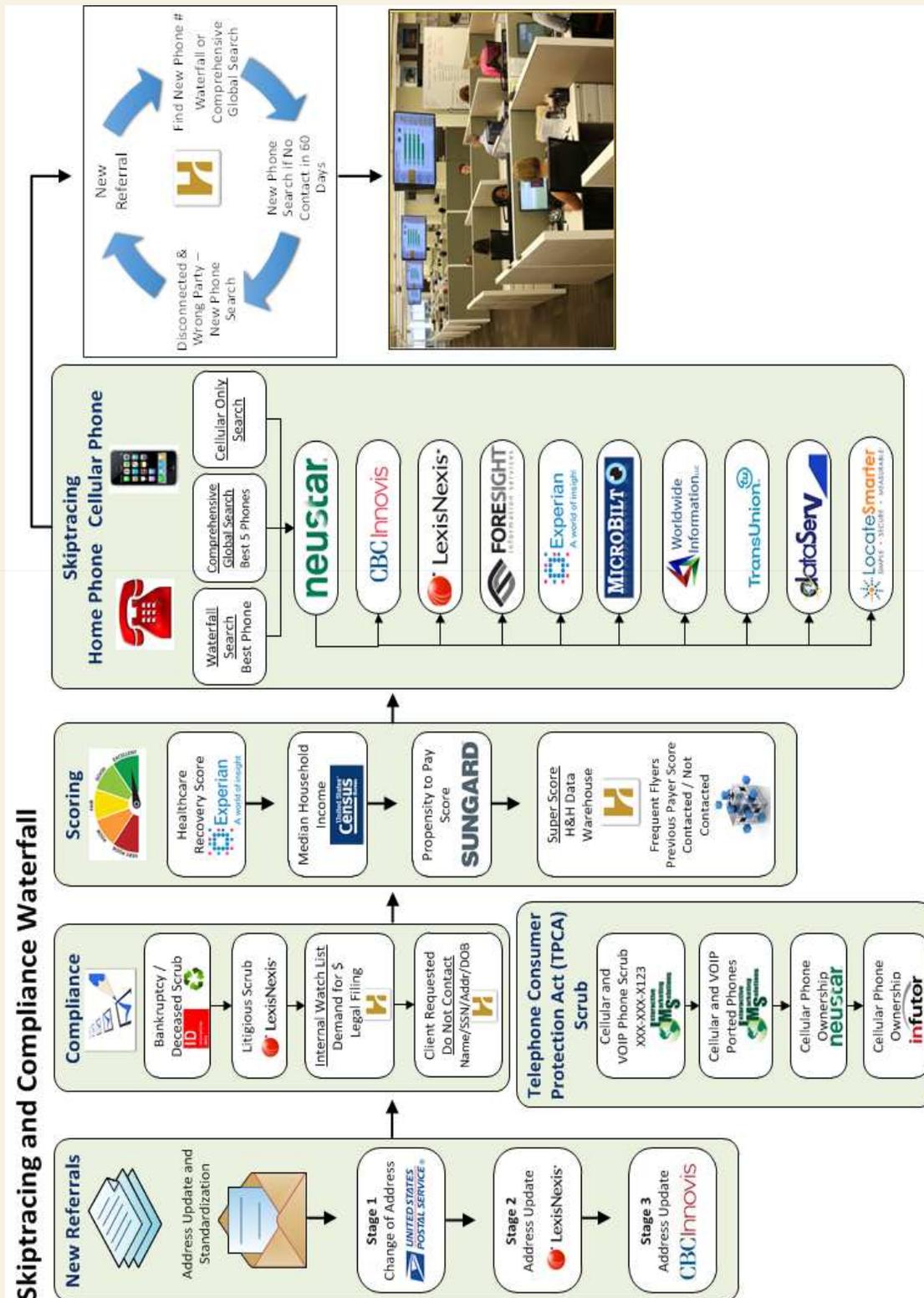
Within 24 hours of account approval and system update, our system initiates a search to obtain one or more of the following:

- Correct residential address
- Updated telephone number(s)
- Contact information for relatives
- Contact information for nearby residents or neighbors
- Other applicable contact or identity verification data.

We also employ manual and online references including but not limited to the following resources:

- Accurint
- Back-up information supplied by the client
- CBCInnovis
- Directory Assistance
- Experian / TransUnion
- First Data
- ID Info®
- LexisNexis
- Melissa Data
- Metromail
- National Change of Address Database
- Registry, Department of Motor Vehicles (where available and permitted)
- Street directories
- Tax assessors – calling to verify property ownership and/or possible landlord information
- Telephone books

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3.2.2 CONTRACTOR shall perform “skip tracing” each month until the account is deemed uncollectible, transferred or until a current/correct address is obtained.

Agreed. For this contract with the County/Court, wrong party contacts and contacts that cannot be reached for thirty (30) days will be continuously resubmitted to the Skip Tracing Waterfall to be reprocessed. Accounts that are filtered through all of the skip tracing vendors without producing a phone number will be resubmitted to the waterfall to be reprocessed every thirty (30) days until a valid address is obtained or until the account is transferred, recalled, or otherwise deemed uncollectible

3.2.3 CONTRACTOR shall provide COUNTY/COURT with updated account information (e.g., address, telephone numbers, Social Security Number, etc.).

Agreed. We will transmit to the County/Court any updated contact information discovered during our skip tracing efforts on a schedule desired by the County/Court.

3.2.4 CONTRACTOR shall utilize the following resources as legally allowed and as necessary to obtain updated account information:

- **Telephone Directories**
- **Credit Bureau Reports**
- **County Tax Assessor Records**
- **Current Voter Registration Records**
- **Debtor’s financial and banking references**
- **Debtor’s current or previous employers**
- **National Change of Address Database**
- **Department of Motor Vehicles**
- **Third party firms such as LexisNexis**
- **Relatives/Neighbors/Associates**

Agreed. As legally allowed and as necessary, Harris & Harris will utilize a full spectrum of resources to obtain updated account information on County/Court debtors, including but not limited to all of the resources cited above. As cited earlier, when our automated processes and Skip Tracing Waterfall fail to locate a debtor, we also have a seasoned manual skip tracing team, composed of research investigators and expert skip tracers, to provide additional assistance. All locate efforts are performed in full compliance with the Fair Debt Collection Practices Act (FDCPA) and all applicable federal, state, and local laws/regulations.

We also employ manual and online references including but not limited to the following resources:

- **Accurint**
- **Back-up information supplied by the client**
- **CBCInnovis**
- **Directory Assistance**
- **Experian / TransUnion**
- **First Data**
- **ID Info®**
- **LexisNexis**
- **Melissa Data**
- **Metromail**
- **National Change of Address Database**
- **Registry, Department of Motor Vehicles (where available and permitted)**

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- Street directories
- Tax assessors – calling to verify property ownership and/or possible landlord information
- Telephone books
- TLO
- Voter registration rolls

3.3 COLLECTIONS VIA TELEPHONE

A solid, reliable telephonic platform is at the center of any collections business. Harris & Harris utilizes the 2018 release of the Interactive Intelligence (I3) PureConnect telephony platform. Other call centers are limited where an agent must log into the predictive dialer or separately log into the Telephone Consumer Protection Act (TCPA) manual dialing environment. **We are the only call center in the industry that has the ability to blend calls to agents from the predictive dialing platform and the manual TCPA dialing platform** (Interactive's product is named Interactive Mobile Connect, or IMC) **while allowing agents to still receive inbound calls.** We employ the most advanced tools to optimize connectivity, from predictive dialers to right-party contact assurances, and we leverage the invaluable call metrics that are tracked by our software to further fine-tune our processes. Furthermore, we offer a fully redundant phone system with a different carrier in the event a system crashes.

3.3.1 CONTRACTOR shall employ "skip tracing" to obtain a current telephone number if COUNTY/COURT is not able to provide CONTRACTOR with debtor telephone numbers.

Agreed. As noted earlier in 3.2 in our discussion of our skip tracing capabilities, our Skip Tracing Waterfall is employed upon account approval and system update to search to obtain one or more of the following:

- Correct residential address
- **Updated telephone number(s)**
- Contact information for relatives
- Contact information for nearby residents or neighbors
- Other applicable contact or identity verification data.

We will employ our waterfall for every account placed by the County/Court, whether or not the County/Court has provided a telephone number for the debtor as part of the account placement, until we obtain a current telephone number or until the account is otherwise recalled.

3.3.2 CONTRACTOR shall initiate telephone calls to debtors once a telephone number is obtained.

Agreed. As soon as Harris & Harris locates and validates a current telephone number for a debtor, we will immediately (within one business day) begin telephoning that debtor to attempt to collect the debt due. Our experience has shown that debtors often respond better to person-to-person contact than to written notices. Therefore, our emphasis is on **rapid** person-to-person contact.

3.3.4 CONTRACTOR shall interact with debtors in a professional and courteous manner and adhere to all rules and regulations governing collection practices in the United States (e.g. Fair Debt Collections Act and the Federal Trade Commission).

Agreed. Harris & Harris offers the County/Court a government collections approach that focuses on creating the best possible experience for the debtor while meeting contract requirements, complying with all legal requirements, and achieving above average recovery rates. We ensure that our core values and

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those of each client are consistently upheld throughout the provision of collection services, for every collection effort and across each account portfolio. For Harris & Harris, those core values include:

- Enforcing a zero-tolerance policy for abusive collection or harassing debt collection practices
- Ensuring collection representatives act in full accordance with all client and legal requirements as assured through comprehensive monitoring for quality assurance and legal compliance with all rules and regulations governing collection practices in the United States (e.g., FDCPA, FTC, etc.)
- Providing each debtor a full and fair opportunity to resolve the debt, including through amnesty and other special programs as available

Harris & Harris collection representatives are connected to an average of 200 outbound calls a day. Each collection representative is required to handle each account holder with high quality customer service and professionalism and to accurately document all collection activities in our CUBS® collection system.

When we make telephone contact with debtors, we are not just collectors -- we are communicators, ready to talk and even more importantly, ready to listen. We apply a human touch to our business by recognizing that each debtor is a unique individual, with unique situations that may require compassion and special treatment. We provide pragmatic counseling to resolve each debtor's account and we strive to understand the unique circumstances faced by each debtor. Through communication, we will establish a good faith effort on the part of each debtors to meet their responsibility to pay their debts.

Assisted by state-of-the-art software, Harris & Harris collection representatives make telephone calls from individual workstations and may utilize the Intelliscript® module that automatically guides them through sensitive collection processes with pre-programmed scripts they can recite word-for-word. On all initial contact with debtors, our collection representatives do the following:

- Identify their calls as originating from Harris & Harris on your behalf
- Specify the debt, the original balance, and the amount due
- Require payment in accordance with your policy.

Scripts have been vetted by our legal department to ensure absolute compliance with all federal, state, and industry regulations governing debtor contact, and each is tailored to each client's specific needs and expectations. We have included *Sample Scripts* in the **Appendix** to our Technical Proposal.

Without question, we know that our methodology is effective and results in greater collection returns. Debtors are treated with courtesy and respect, which makes them much more willing to work to find a solution for resolving their responsibility. Collection representatives flourish using a positive, hostility-free approach, resulting in more successes and a turnover rate that is significantly lower than the industry average.

3.3.5 CONTRACTOR shall provide TTY/TDD services in English and Spanish, and multilingual translators in the following languages: Spanish, Chinese, Armenian, Korean and Vietnamese, when requested by the customer. A certified service may be used (e.g. Certified Languages, Inc.).

Agreed. Harris & Harris can readily communicate with every debtor to the County/Court, including but not limited to our provision of means via TTY/TDD services and facilitation via certified translation services.

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Non-English Speaking Debtors

Harris & Harris understands the necessity to speak with debtors in their native language. We always want to ensure that debtors fully understand their obligation, the repercussions of not resolving the debt, and their options for payment.

To that end, we employ multilingual collection representatives who can speak fluently in all common languages that we encounter, including Spanish, French, and German. For other languages we utilize a translation service, allowing us to speak effectively with any debtor at any time. Spanish speaking debtors are by far the majority of our second language debtors. We staff each of our collection units with a minimum of 25 percent Spanish/English bilingual collectors. Based on the demographics of the debtor mix, our bilingual staffing is as high as 66 percent to ensure the ability to penetrate all account placements. We constantly adjust our staffing to match the debtor-mix pool in each unit.

Hearing Impaired Debtors

Harris & Harris offers the County/Court direct experience with and established accommodation and capacity for working with hearing-impaired debtors who require the use of a TDD/TTY service. If we receive an incoming call from a hearing impaired debtor via live operator/translator, our representatives are trained to obtain proper authorization from the debtor before discussing the debt. Since these calls typically last longer than an average collection call, incoming TDD/TTY calls are transferred to the floor supervisor.

Blind Debtors

Harris & Harris accommodates debtors who are blind. Once notified that a debtor is blind, we will inquire as to the means of communication that is most suitable for the individual. If the blind debtor wishes for us to communicate with a third party, we will solicit signed approval to discuss the debt with a specifically named individual. We pride ourselves on our effective telephone communication, such that we are able to communicate verbally the information provided in every mailed notice. Payments can be made via telephone with the assistance of our representatives.

3.3.6 CONTRACTOR shall maintain telephone contact with each debtor that is in non-compliance by initiating at least one (1) call per month. During the telephone call, CONTRACTOR shall:

- **Identify CONTRACTOR;**
- **Inform the debtor of the origin of the debt and the amount owed;**
- **Advise debtor of the consequences of continued non-compliance, such as driver's license suspension, wage garnishments, State tax refund intercept and/or asset seizures or liens;**
- **Describe payment options including installment payment plans;**
- **Describe how payments may be remitted;**
- **Explain that a debtor with an Infraction/Misdemeanor with Unadjudicated Bail, Sanction, Juror Sanction, Child Custody Evaluation or other accounts as approved by COUNTY/COURT, who wish to dispute the debt, must schedule a court appearance.**

Agreed. Harris & Harris agrees that we shall maintain consistent contact with each debtor by initiating at least one (1) call per month throughout account placement. Our telephone contact will be synchronous with our written correspondence as described in 3.1.3. Each call will clearly identify Harris & Harris and will describe the obligation and the possible consequences of non-compliance. Our collection representative will provide several avenues for response/remittance, including but not limited to the ability to make a payment with the representative or to pay online. Debtors will also be advised of

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alternate actions including setting up a payment plan or scheduling a court appearance to dispute a debt.

As cited earlier, we have included *Sample Scripts* in the **Appendix** to our Technical Proposal.

3.4 DEBTOR PAYMENT OPTIONS / METHOD OF PAYMENT

3.4.1 CONTRACTOR shall provide debtors who wish to comply, but face financial hardships or difficulties, with a flexible alternative payment plan. CONTRACTOR may set the terms and conditions of the payment plan; however, interest and fees shall not be charged.

Agreed. Harris & Harris understands that the option of installment payment plans is a vital option for government agencies, as it gives debtors who might not be able to pay in full the means to resolve their debt in a way that fits into their budget. We can fully administer payment plans for this contract with the County/Court.

When contacting a debtor, Harris & Harris collection representatives always request the full balance first. However, for debtors who cannot make payment in full, we offer payment plan options in accordance with each client's specific policies. All representatives are specifically trained to gather the necessary information from the debtor to establish a reasonable payment plan that is compliant with the client's specifications and that is the largest payment possible that works within the debtor's personal budget.

Once a collector has reached agreement with a debtor on a particular payment plan, a supervisor takes over the call to confirm the arrangements. This technique assures a higher level of compliance and affords the supervisor the opportunity to review the account to make certain that the payment arrangements are reasonable. Payment arrangements are not considered binding unless the debtor has provided a debit or credit card or bank account number to which drafts may be submitted.

On receipt of the necessary banking information, the amount and the due date are confirmed with the debtor by the collection supervisor and the payment arrangement is confirmed.

There are several key elements of a successful payment plan program:

- **Down Payment:** A down payment is the first step of a payment plan program, as it means that the debtor is immediately invested in the program, and is more likely to see it through to completion.
- **Post-Dated Checks and/or Post-Dated Credit Card Payments:** Post-dated payments are a remarkably powerful tool for our collection team, as they are a tangible means of payment. Post-dated checks are entered on each account, but they do not update the account balance until the actual date of the check (the date the check is deposited). All post-dated checks are held in a suspense file and are accessible for review and updating. The actual post-dated checks are filed by date in a fireproof safe.
- **Automated Monthly Notifications:** Monthly notifications serve as consistent reminders to debtors of their monthly obligation. Notifications can be customized to client specifications, and typically include payment coupon, original balance, remaining balance, and number of payments left in the agreement.
- **Calling Campaigns:** If a debtor should happen to miss the payment deadline, we immediately begin initiating calls to the debtor, attempting to secure that month's payment.
- **Online Option:** A successful payment program is further enhanced by offering debtors the ability to set up an installment program online. Harris & Harris offers an online portal through which your debtors can explore their payment options. The Harris & Harris standard payment plan policy requires the debtor to pay half of the balance up front and then pay the balance of the amount due

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within a 90-day period. Payment plan specifics can be customized to meet your needs and expectations.

Harris & Harris will ensure that all payment plans, whether initiated by our representatives or generated online, are approved and authorized by the County/Court.

3.4.2 CONTRACTOR, at minimum, must accept the following types of financial instruments for payments for account balances:

- **Cash (only at CONTRACTOR'S local business office(s) or where CONTRACTOR has provided clerical staff)**
- **Personal checks**
- **Bank debit cards**
- **Nationally recognized credit cards (e.g., MasterCard, Visa American Express, and Discover)**
- **Money orders**
- **Cashier's checks**
- **Bank certified checks**

Agreed. Payment types that we accept (as allowed by each client) and the average percentage breakdown of those payments include:

- Cash (at Harris & Harris offices or authorized locations with Harris & Harris staff)
- Checks (personal, cashier's, and bank certified)
- Credit cards
- Debit cards

In addition to cash, we can accommodate debtors including those who may not have access to traditional banking through payment methods including:

- Cash payments at payment windows
- Money orders
- Western Union
- Quick Collect
- MoneyGram

3.4.3 CONTRACTOR shall provide a statement and a return envelope to debtors who have established a monthly payment plan. The statement shall, at minimum, inform the debtor of the remaining balance, the minimum amount due and the payment due date.

Agreed. Harris & Harris has included within the *Sample Letters* package provided in the **Appendix** to our Technical Proposal sample correspondence used with debtors who have established a monthly payment plan. As you will see, these standard samples already include the minimum information cited in this requirement and they can be fully customized by the County/Court as desired. Harris & Harris also affirms that our issuance of payment plan correspondence for any client including the County/Court always includes a return envelope to facilitate and expedite payment by the debtor.

3.4.4 CONTRACTOR shall ensure that when debtors submit personal checks, the case number or contractors file number, receipt number and defendant's last name appear on the check.

Agreed. Harris & Harris agrees that we will confirm the cited information appears on any personal check submitted to pay a defendant's debt prior to accepting and processing it as a payment toward the debt.

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3.4.5 CONTRACTOR must provide debtor a receipt for all payments received in person at CONTRACTOR'S local business office(s).

Agreed. Regardless of method of payment, Harris & Harris always provides a debtor with a receipt. For debtors who make payments in person at a Harris & Harris office or authorized payment office, we will readily provide a hard copy receipt with details including but not limited to the date and amount paid.

3.4.6 CONTRACTOR shall accept debtor payments via the internet (see 3.9.2 Debtor Services, Internet Services).

Agreed. From the "Pay Online" link at the top left of the home page of the Harris & Harris Web site, debtors can access our **secure online payment portal** to fully manage their account including checking their balances, making payments, and setting up payment plan options without needing to speak to a collection representative.

Over the next several pages we have provided samples of screen shots. These screen shots can be modified to reflect the County/Court upon contract award. Account owners can access their account by logging into the Harris Payment Portal which will be linked directly to our Web site. This Web site can also be linked to and formatted to match the Web site(s) of the County/Court. A copy of the login screen to the Harris & Harris Payment Portal appears below.

The screenshot shows the Harris & Harris logo at the top left. Below it is a "Welcome" heading. A text box contains instructions: "Please enter your Account Number and your ZIP code below. Your account number can be located on any letter you received in the bottom left corner of the page. If you are having trouble logging in or cannot locate your account number, please call our office at 855-802-9545." Below this are two input fields: "Account Number:" with the value "39929484" and "ZIP Code:" with a masked value "****". A "Login" button is positioned below the fields. At the bottom left, there is a copyright notice: "© 2017 PaymentVision, a division of Autoscribe Corporation. All rights reserved." At the bottom right, there is a "digicert Trusted SECURE" logo.

Next, contact information is verified, as depicted in the screen below.

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The screenshot shows a web interface for Harris & Harris. At the top left is the logo, and at the top right are navigation links: "Verify Contact Info", "Account Home", "View Payments", "Make Payments", and "Logout". The main content area is titled "Contact Information" and contains the text: "Please take a moment to review and update your contact information." Below this is a text box with the instruction: "If the information below is correct, click 'Next'. If you would like to make changes, click 'Update'." The text box contains the following information: JOHN TEST, 2710 GALVESTON AVE, SAMPLE CITY, TX, 60035, 3122512300, and test@harriscollect.com. At the bottom of the text box are two buttons: "Next" (highlighted in orange) and "Update" (grey). At the bottom left of the page is the copyright notice: "© 2017 PaymentVision, a division of Autoscribe Corporation. All rights reserved." At the bottom right is a "digicert Trusted SECURE" logo.

The next screen is the Account Home screen, which allows the debtor to select the individual accounts owed and validate the debt.

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[Verify Contact Info](#)
[Account Home](#)
[View Payments](#)
[Make Payments](#)
[Logout](#)

Account Home

View account information and make payments.

If more than one account is outstanding, any partial payment will be applied starting with your oldest account first until it is paid in full. We will then continue to post your payment(s) to the oldest account until all accounts are paid in full. If you would prefer to have your payment posted differently, please contact us at 855-802-9545.

Account: B_39929484_A

Account Summary

Account(s) Total Balance: \$5,096.97
Original Creditor: TEST

[Make Payment](#)

Next Scheduled Payment

No online payments scheduled at this time.

Our system has indicated that the following accounts belong to you for the above referenced client. You may have other accounts not displayed below.

Account Number	Original Creditor	Current Balance
B_39929484_A	TEST	\$1,338.13
B_39929484_A	TEST	\$982.36
B_39929484_A	TEST	\$1,150.18
B_39929484_A	TEST	\$309.28
B_39929484_A	TEST	\$1,317.02
Total Balance:		\$5,096.97

If a debtor elects to pay their debt online, the system will direct the debtor to a screen where payment information can be entered. Payments can be accepted via credit card, check and electronic funds transfer.



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Make a Payment

Please use the form below to enter your payment information. When you are finished click "Continue".

Bank accounts may be used for payment. VISA and Master Card are also accepted. Discover cards may not be accepted for all debt types.

If more than one account is outstanding, your payment will be applied starting with your oldest account first until it is paid in full. We will then continue to post your payment(s) to the oldest account until all accounts are paid in full. If you would prefer to have your payment posted differently, please contact us at 855-802-9545.

Pay To

Payee:	Harris & Harris LTD / Payment/Vision
Account Reference Code:	B_39929484_A

Payment Options

Choose one of the following

One-Time Payment Plan

One-Time Payment Options

Select a one-time payment amount

Account(s) Total Balance \$5,096.97

Other Payment

Depending on the selection made, the debtor will be directed to the appropriate screen.

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Payment Date

Select a payment date

Payment Date:

*Message:
Payments are posted as early as possible during business hours.

Payment Method

Select a payment method

Bank Account Credit / Debit Card

Bank Accounts

Select an Existing Bank Account or Add a Bank Account

Add Bank Account

Add Bank Account
Provide Details to Add a New Bank Account

Bank Routing Number:

Bank Account Number:

test Checking Savings

Is your account a Personal Business
business or personal
account?

3.5 COURT APPEARANCES

3.5.1 CONTRACTOR shall allow debtors to set a court appearance as directed by COUNTY/COURT. For example, on traffic failure to appear cases, a debtor retains the right to an arraignment/hearing. Therefore, upon request by a debtor, CONTRACTOR shall:

- **Allow a debtor to schedule a court hearing, pursuant to COURT policy, on the following types of accounts: Traffic Failure to Appear, Civil Sanctions, Juror Sanctions and Child Custody Evaluations.**

Agreed. Harris & Harris will fully train and staff the collection unit assigned to the County/Court to understand and acknowledge this option as a possible request to come from a debtor to the County/Court. We will customize scripts to guide the collection representative through processing this request and to schedule a court appearance on behalf of the debtor for the types of allowable accounts as cited above.

- **Schedule a court appearance on a day and time which has already been established by COURT (COURT will provide CONTRACTOR with dates and times for each location, as needed.)**

Agreed. Harris & Harris will use a schedule of dates and times as provided by the Court to schedule court appearances for each location. During implementation we can discuss with the County/Court

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how soon and how often dates and times are known for each location (e.g., hourly, daily, weekly) and how best to convey that information to Harris & Harris such that we can access a real-time schedule during contact with your debtors to schedule court appearances on their behalf.

- **CONTRACTOR will be responsible for transferring a data file electronically of all court dates, court locations and debtor phone numbers to the court's case management systems. In addition, a separate data file of all court dates, court locations and debtor phone numbers may need to be transmitted to an electronic system as designated by COUNTY/COURT known as the Court Appearance Reminder System ("CARS"). CARS places automated reminder calls to debtors that have pre-scheduled a court date through the CONTRACTOR.**

Agreed. Harris & Harris can readily submit at any interim desired by the County/Court (e.g., daily) a data file containing the dates, locations, and debtor phone numbers for a given interim (e.g., day) to both the court's case management systems and to the Court Appearance Reminder System (CARS) as necessary. During implementation we can discuss and determine with the County/Court the protocols and process for this transfer, including but not limited to required interims (e.g., a daily transfer at end of day) and file formats. As with other interface capabilities, this transfer will be thoroughly tested prior to implementation. We will also identify this transfer as a deliverable and monitor its fulfillment for compliance.

- **If appropriate and with express debtor consent, CONTRACTOR may notify debtor of court date and account balance via text messaging.**

Agreed. Harris & Harris does have, and can and will, exercise the capability to notify a debtor of their court date and account balance via text messaging, only as deemed appropriate and with documented debtor consent.

- **Upon scheduling a court appearance, immediately suspend all collection activity until COUNTY/COURT notifies CONTRACTOR collection activity to be resumed.**

Agreed. As noted earlier, Harris & Harris will immediately cease collection activity at any point in the collection process if an account meets a predetermined status set by the County/Court. In this instance, we will add the scheduling of a court appearance as a qualifying status to suspend all collection activity until the County/Court notifies Harris & Harris that activity should be resumed. All status codes can be fully customized to align with the accounting and auditing processes of the County/Court.

- **Debtors who are referred with either Adjudicated Infractions/ Misdemeanors or Adjudicated Misdemeanors/Felonies accounts do not retain the right to an arraignment. Contractors shall refer debtors requesting an Ability-To-Pay Hearing to the Court.**

Agreed. Harris & Harris agrees not to schedule debtors with the above-named accounts for a court appearance. We will add this protocol to the designated scripts for debtors requesting court appearances and we will ensure that the scheduling technology used does not provide an option for these debtors to be scheduled as such. Should a debtor request an ability-to-pay hearing, Harris & Harris will refer the debtor directly to the Court.

3.6 DEBTOR FAILURE TO COMPLY WITH NOTICES OF DELINQUENCY AND TELEPHONE CALLS

3.6.1 Upon a Judicial Order from COURT, CONTRACTOR shall initiate involuntary payment actions on debtors who fail to pay or establish a payment plan or satisfy their debt. COUNTY/COURT will provide a listing of types of accounts that are subject to involuntary payment actions.

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Agreed. As noted earlier in discussion of Phase 7 of our collection methodology, if all collection efforts have been exhausted on qualifying accounts and if authorized by the County/Court through a Judicial Order, Harris & Harris can initiate involuntary payment actions against debtors. Harris & Harris President and Chief Executive Officer Arnold S. Harris, Esq. is also the principal owner of **Arnold Scott Harris, P.C., Attorneys at Law**, an affiliated legal firm on premises in Chicago which under subcontract to Harris & Harris provides legal services to our clients. This unique relationship allows us to assist our clients with a full portfolio of services to recover revenue for our clients while operating within all federal, state, local, and industry guidelines and standards regarding debt collection and litigation practices.

Harris & Harris can initiate any and all approved legal remedies to recover debt, working through Arnold Scott Harris, P.C., Attorneys at Law and/or through our network of national credit and collection attorney firms when necessary. We understand the need to escalate collection efforts under certain circumstances, and we have the **capability to locate assets and effect recovery in all states and legal jurisdictions** through legal means including but not limited to issuing warrants, obtaining civil judgments, garnishment of accounts, serving levies on banks and other third parties, wage garnishment, and seizure of property, and filing for bankruptcies for both dischargeable and non-dischargeable debts.

3.6.2 CONTRACTOR shall perform the following steps for recalcitrant debtors with accounts identified by COUNTY/COURT that are subject to involuntary payment actions that fail to establish a payment plan or satisfy their debt:

- **Complete the required paperwork and obtain the appropriate court orders to enforce a civil judgment for the actions listed in this SOW.**
- **Institute one or more of the following actions:**
 - **Bank Levy**
 - **Wage Garnishment**
 - **Repossession of Property, including vehicle**
 - **Real Property Liens**

Agreed. Upon initial notification from the County/Court, Harris & Harris will complete the required paperwork to begin enforcing a civil judgment against any qualifying account as judged and referred by the County/Court for involuntary payment action. Upon receipt of a Judicial Order (and Harris & Harris obtaining any other court orders required), Harris & Harris will deem the account as active for involuntary payment action and we will institute one or more of the cited actions as appropriate. As noted earlier, we have the **capability to locate assets and effect recovery in all states and legal jurisdictions** through legal means including but not limited to issuing warrants, obtaining civil judgments, garnishment of accounts, serving levies on banks and other third parties, wage garnishment, and seizure of property, and filing for bankruptcies for both dischargeable and non-dischargeable debts.

3.6.3 Any and all associated costs incurred in instituting the actions listed above shall be paid by the CONTRACTOR and reimbursed by the debtor upon collection of the debt. COUNTY/COURT will only pay commission on the referred amount and not on any associated collection costs.

Agreed. Harris & Harris has submitted a Cost Proposal for this solicitation with full acknowledgement and understanding that the County/Court will pay commission only on the referred amount of debt for these accounts and will not reimburse Harris & Harris for any other associated costs incurred in instituting involuntary payment actions. We acknowledge that it is our right and responsibility to instead seek reimbursement from the debtor as part of collection of the debt.

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3.7 ACCOUNT MANAGEMENT

3.7.1 Withdrawal of Account

COUNTY/COURT reserves the right to withdraw any account whenever COUNTY/COURT deems such an action appropriate and necessary. Generally, COUNTY/COURT will withdraw an account that meets, but may not be limited to any one of the following conditions:

- **Account referred in error**
- **Account dismissed by a Judicial Officer**
- **Debtor is incarcerated**
- **Debtor is deceased**
- **Account is referred to another agency for continued collection efforts**

Agreed. Harris & Harris acknowledges the right of the County/Court to withdraw any account as is deemed appropriate and necessary by the County/Court. As noted earlier in Phase 8 of our collection methodology, Harris & Harris will immediately cease collection activity at any time if the County/Court elects to cancel, de-assign, or recall an account for **any** reason, including but not limited to all of the conditions cited above.

3.7.2 COUNTY/COURT shall notify CONTRACTOR in writing, e-mail or other means of electronic messaging if such action is taken. Cases that are withdrawn from CONTRACTOR shall be removed from CONTRACTOR'S system within two (2) business days of receipt of notice from COUNTY/COURT. Accounts withdrawn shall be electronically transmitted from CONTRACTOR to COUNTY/COURT according to specifications by COUNTY/COURT.

- **CONTRACTOR shall immediately cease all collection activity and close the account upon notice by COUNTY/COURT of withdrawal of the account. CONTRACTOR shall maintain a list of closed accounts.**

Agreed. Upon notification from the County/Court of an account withdrawal, Harris & Harris will **immediately** (well within two business days of receipt of notification) cease collection activity, close the account and remove it from our system, and electronically return it back to the County/Court, along with a full report detailing all collection efforts, any contact made, and any updated contact information we may have obtained.

We will follow any standards for closure specified by the County/Court, and all status codes can be fully customized to align with the accounting and auditing processes of the County/Court. During the implementation phase of the contract, Harris & Harris will work with the County/Court to determine all specifications for returning these accounts and any other criteria to incorporate into the close and return process.

- **COUNTY/COURT reserves the right to take actions deemed necessary to recover debt from an account that has been withdrawn from CONTRACTOR.**

Agreed. Harris & Harris acknowledges the right of the County/Court to take any actions deemed necessary to recover debt from a withdrawn account.

- **In the event that COUNTY/COURT withdraws an account, CONTRACTOR shall have no claim or right to compensation on any outstanding balance subsequently recovered by COUNTY/COURT, one of their agents, or another service provider on such accounts.**

Agreed. Harris & Harris acknowledges no claim or right to compensation for collections recovered by any other parties on accounts following their withdrawal from Harris & Harris.

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3.7.3 Accounts Deemed Inactive/Uncollectible

CONTRACTOR shall at minimum, every sixty (60) days, evaluate each account and report so that COUNTY/COURT may make a determination as to how collection activity should continue.

Defining attributes that shall be reported to COUNTY/COURT by CONTRACTOR for accounts to be evaluated are:

- **Missing or inaccurate contact information including phone number and address.**
- **Missing or inaccurate driver's license number.**
- **No contact with debtor for the past consecutive six months.**
- **Inactivity and no payment on account for the past consecutive six months.**
- **CONTRACTOR shall at minimum provide a monthly report to COUNTY/COURT on all accounts, including age of referral.**

Agreed. Harris & Harris offers the County/Court a collections platform (CUBS®) that provides a **distinct and clear audit trail** for our collection activity. **Every event and characteristic associated with an account** – whether a letter sent, telephone contact (both successful and unsuccessful), payment arrangements, payment received, and all attributes as defined in the requirement above – **is recorded in detail and is available for both scheduled and ad hoc / on demand reporting** on any schedule desired by the County/Court, including monthly. The system is **extremely flexible and scalable** and offers a robust suite of reporting tools to readily meet all reporting requirements.

Harris & Harris will provide through its reporting **a monthly accounting** – every thirty (30) days, on average, well within the sixty (60) day parameter – of our collection activity on each account such that the County/Court can make a determination as to how collection activity should continue. During implementation, we will discuss and implement with the determination and authorization of the County/Court all required reporting elements for this report, including the format, timing, and distribution of these reports.

We have included in the **Appendix** a *Sample Reports* package that addresses a comprehensive spectrum of reporting needs, including sample monthly reporting. These samples – including the format and appearance – can be customized to meet the requirements and reporting needs of the County/Court.

- **In the event an account has been deemed inactive and returned to COUNTY/COURT, CONTRACTOR shall have no right to compensation on any outstanding balance subsequently recovered by COUNTY/COURT, one of their agents, or another service provider.**

Agreed. Harris & Harris acknowledges no claim or right to compensation for collections recovered by any other parties on accounts that have been deemed inactive and subsequently returned by Harris & Harris to the County/Court.

3.7.4 Transfer of Accounts Deemed Inactive or Uncollectible

COUNTY/COURT reserves the right to take actions deemed necessary to recover debt from an account that has been deemed inactive or uncollectible, including, but not limited to referral of such accounts to the California Franchise Tax Board or other collection entity. Accounts requested to be returned shall be transferred back to COURT within 10 business days.

- **Accounts to be returned to COUNTY/COURT include, but are not limited to, the following:**
 - **Any account meeting the criteria in Section 3.7.3 “Accounts Deemed Inactive / Uncollectible”**

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- **Any account referred to CONTRACTOR for a period exceeding 12 months from the referral date that has not been transferred to FTB-COD pursuant to Section 3.7.4**
- **Any account that CONTRACTOR has referred to FTB Interagency Intercept Collection pursuant to Section 3.7.5 that remains unresolved.**
- **All accounts referred to CONTRACTOR for a period exceeding 12 months from the referral date that have no payment on the account for the past consecutive 90 days.**

Agreed. Harris & Harris acknowledges the right of the County/Court to take any actions deemed necessary to recover debt from an account that is deemed inactive or uncollectible, including but not limited to referral to the California Franchise Tax Board or other collection entity.

Upon notification from the County/Court of an account being deemed inactive or uncollectible and subsequently requested for return (as determined by account characteristics including but not limited to all those cited in the above requirement), Harris & Harris will **immediately** (well within the ten business day window) cease collection activity, close the account and remove it from our system, and electronically return it back to the County/Court, along with a full report detailing all collection efforts, any contact made, and any updated contact information we may have obtained.

We will follow any standards for closure specified by the County/Court, and all status codes can be fully customized to align with the accounting and auditing processes of the County/Court. During the implementation phase of the contract, Harris & Harris will work with the County/Court to determine all specifications for returning these accounts.

3.7.5 Transfer of accounts to Franchise Tax Board, Court Ordered Debt

- **CONTRACTOR shall have the capability to interface with the FTB COD Program.**

Agreed. Harris & Harris can seamlessly interface with the FTB COD Program. We can send and receive data in any interim, in virtually any format, and in exchange with nearly any collection / accounting / case management system, whether by secure FTP, VPN, email, diskette, tape, data cartridge, or paper. Our technical personnel resources can readily adapt our programs at any time throughout the contract to accept, update, and process all records on hand from any system, no matter how common or how obscure. This includes acceptance of account information and transfer of account status changes and payment information and receipt confirmations for every transaction. Our technical personnel have implemented collection projects with many different client case management systems including a wide range of home grown legacy systems requiring Harris & Harris to provide custom programming to interface.

Account information may be transferred to the FTB COD Program by:

- FTPS – File Transfer Protocol over Secure Socket Layer (SSL)
- SFTP – SSH File Transfer Protocol
- FTP/PGP – File Transfer Protocol with PGP Encrypted File
- HTTPS - File Transfer via Secure Website
- Secure Email
- Standard Email with PGP Encryption

We provide data encryption for file transfers, we maintain Secure FTP or SFTP transfers, and we have implemented Cisco IronPort e-mail security technologies.

- **Upon direction from COUNTY/COURT, the CONTRACTOR shall transmit selected collection inventory to the FTB COD for secondary collection efforts. COURT reserves the right to process referrals directly to FTB.**

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Agreed. Upon notification from the County/Court, Harris & Harris can readily transmit selected accounts to the FTB COD for secondary collection. We also acknowledge the right of the Court to process referrals directly to the FTB COD.

➤ **Immediately upon transfer, CONTRACTOR shall transmit account information to update COURT collection management system.**

Agreed. Upon transfer of any account to the FTB COD, Harris & Harris will **immediately** cease collection activity and we will send an electronic file update to the Court’s collection management system to update the account’s status accordingly, along with a full report detailing all collection efforts, any contact made, and any updated contact information we may have obtained.

➤ **Upon referral of an account to the FTB COD, CONTRACTOR shall cease all collection activity on the account but, at a minimum, remain responsible for the following:**

- **CONTRACTOR shall electronically send and receive account information to FTB COD in a format agreed upon by COUNTY/COURT and FTB COD.**
- **Payment information received by CONTRACTOR from FTB COD will be electronically transmitted by the CONTRACTOR to COUNTY/COURT. The CONTRACTOR will be responsible for updating the CONTRACTOR’S collection system and transmitting payment information to COUNTY/COURT using the process described in Section 3.10 – Transmission of Account Information.**
- **CONTRACTOR shall mail a notice to the debtor advising them that the CONTRACTOR no longer is pursuing collections, and the account has been referred to FTB COD.**
- **Upon approval from COUNTY/COURT, CONTRACTOR may be required to refund to the debtor any over-collected amount received from FTB COD.**
- **CONTRACTOR will be responsible for all costs associated with programming identification, transfer and separate reporting of accounts referred to the FTB COD.**
- **CONTRACTOR shall not receive compensation on accounts that are collected by the FTB COD.**

REFERRAL TYPE*	*Estimated Annual Case Volume
Franchise Tax Board Court Ordered Debt	20,000

***Case volume provided is an estimate only. COUNTY/COURT does not guarantee any particular annual volume of accounts referred.**

Agreed. As previously noted, upon transfer of any account to the FTB COD, Harris & Harris will **immediately** cease collection activity and we will send an electronic file update to the Court’s collection management system to update the account’s status accordingly, along with a full report detailing all collection efforts, any contact made, and any updated contact information we may have obtained.

That said, we agree to still maintain responsibility for all itemized activities in the above requirement, including notifying by mail the affected debtors accordingly as described. During implementation we will establish a data interface with the FTB COD (subject to approval by the County/Court and FTB COD) to electronically exchange information including payment information, for which we will both update our collection system and share this information with the County/Court in full alignment with 3.10 Transmission of Account Information.

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Harris & Harris acknowledges that we will not be due compensation on accounts that are collected by the FTB COD, and in Court-approved cases we may refund to a debtor any over-collected amount received from the FTB COD. We also acknowledge that we will maintain financial responsibility for costs associated with programming identification, transfer and separate reporting of accounts referred to the FTB COD.

3.7.6 Collections Transfer of accounts to Franchise Tax Board, interagency intercept collections

- **CONTRACTOR shall have the capability to interface with the FTB Tax Intercept Program.**
Agreed. Harris & Harris can seamlessly interface with the FTB Tax Intercept Program. As noted earlier in our response to 3.7.5, we can send and receive data in any interim, in virtually any format, and in exchange with nearly any collection / accounting / case management system, whether by secure FTP, VPN, email, diskette, tape, data cartridge, or paper. Our technical personnel resources can readily adapt our programs at any time throughout the contract to accept, update, and process all records on hand from any system, no matter how common or how obscure. This includes acceptance of account information and transfer of account status changes and payment information and receipt confirmations for every transaction. Our technical personnel have implemented collection projects with many different client case management systems including a wide range of home grown legacy systems requiring Harris & Harris to provide custom programming to interface.
- **CONTRACTOR shall transmit selected collection inventory to the FTB Tax Intercept for secondary collection efforts at the direction of COUNTY/COURT.**
Agreed. Upon direction from the County/Court, Harris & Harris can readily transmit selected accounts to the FTB Tax Intercept for secondary collection.
- **Upon referral of an account to the FTB Tax Intercept, CONTRACTOR shall cease all collection activity on the account but, at a minimum, remain responsible for the following:**
 - **CONTRACTOR shall electronically send and receive account information to FTB Tax Intercept in a format agreed upon by COUNTY/COURT and FTB Tax Intercept.**
 - **CONTRACTOR shall attempt and obtain debtor Social Security Number via skip tracing tools (e.g. LexisNexis).**
 - **Payment information received by CONTRACTOR from FTB Tax Intercept will be electronically transmitted by the CONTRACTOR to COUNTY/COURT. The CONTRACTOR will be responsible for updating the CONTRACTOR'S collection system and transmitting payment information to COUNTY/COURT using the process described in Section 3.10 – Transmission of Account Information.**
 - **CONTRACTOR shall mail a notice to the debtor advising them that the CONTRACTOR no longer is pursuing collections and the account has been referred to FTB Tax Intercept.**
 - **Upon approval from COUNTY/COURT, CONTRACTOR may be required to refund to the debtor any over-collected amount received from FTB Tax Intercept.**
 - **CONTRACTOR will be responsible for all costs associated with programming identification, transfer and separate reporting of accounts referred to the FTB Tax Intercept.**
 - **CONTRACTOR shall be responsible for all costs associated with placing the accounts with FTB Tax Intercept.**
 - **CONTRACTOR shall be responsible for any costs associated with obtaining the debtors Social Security Number.**
 - **CONTRACTOR shall schedule court dates and handle inquiries from debtors, as necessary.**

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- **CONTRACTOR shall not receive compensation on accounts that are collected by the FTB Tax Intercept.**

REFERRAL TYPE*	*Estimated Annual Case Volume
Franchise Tax Board Tax Intercept	70,000

***Case volume provided is an estimate only. COUNTY/COURT does not guarantee any particular annual volume of accounts referred.**

Agreed. As previously noted, upon transfer of any account to the FTB Tax Intercept, Harris & Harris will **immediately** cease collection activity and we will send an electronic file update to the Court’s collection management system to update the account’s status accordingly, along with a full report detailing all collection efforts, any contact made, and any updated contact information we may have obtained.

That said, we agree to still maintain operational and financial responsibility for all itemized activities in the above requirement, including notifying by mail the affected debtors accordingly as described and continuing to skip trace affected accounts to obtain Social Security numbers where not already known. During implementation we will establish a data interface with the FTB Tax Intercept (subject to approval by the County/Court and FTB Tax Intercept) to electronically exchange information including payment information, for which we will both update our collection system and share this information with the County/Court in full alignment with 3.10 Transmission of Account Information.

Harris & Harris acknowledges that we will not be due compensation on accounts that are collected by the FTB Tax Intercept, and in Court-approved cases we may refund to a debtor any over-collected amount received from the FTB Tax Intercept. We agree to continue to schedule court dates and handle inquiries from debtors as necessary. We also acknowledge that we will maintain financial responsibility for costs associated with account placement to the FTB, locating Social Security numbers, and programming identification, transfer and separate reporting of accounts referred to the FTB Tax Intercept.

3.8 PROCESSING DEBTOR PAYMENTS

3.8.1 Transfer of Funds

CONTRACTOR shall establish a separate bank account designated solely for processing debtor payments under the Contract and shall deposit all financial instruments (e.g., cash, checks, credit card remittances, etc.) received as debtor payments into this bank account (CONTRACTOR Bank Account). Each business day CONTRACTOR shall prepare an accounting of all debtor payments received on that day, reconcile the account for any adjustments and transfer all funds into a designated COUNTY of Los Angeles Bank Account (COUNTY Bank Account) no later than 2:00 p.m. (PST) the following business day.

Agreed. All debtor payments collected for a Harris & Harris client are deposited daily (business day) into established client depository trust accounts. The branch depository trust accounts are restricted so that funds may only be removed for transfer to the client. All collections are remitted from client trust accounts as per statute. For this contract with the County/Court, we agree that the daily transfer of funds to the designated bank account will occur no later than 2 pm PST on the following business day.

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- **Except where payments are unidentified, all payments shall be updated in CONTRACTOR'S computer system within one (1) business day.**
Agreed. Regardless of method or means of payment, upon receipt of an identified payment each account is instantly updated in our computer system to provide real-time status of an account. As such, we affirm that all payments will be updated in our system well within the one (1) business day requirement.
- **CONTRACTOR shall have a process to determine unidentified cases (see Section 3.8.3 - Unidentified Payments).**
Agreed. Harris & Harris offers the County/Court a defined process to determine unidentified cases. We have described this process in Section 3.8.3 as appropriate.
- **All financial instruments shall be deposited in the CONTRACTOR Bank Account as soon as received but no later than the close of the business day of their receipt.**
Agreed. All debtor payments collected for a Harris & Harris client are deposited daily (same business day) into established client depository trust accounts. We agree that all funds for this contract with the County/Court will be deposited as soon as they are received into the client depository account and no later than the close of the business day of their receipt.
- **By the tenth business day of each month, CONTRACTOR shall submit to COUNTY/COURT a copy of the prior month's banking statement (official copy from CONTRACTOR bank) for the CONTRACTOR Bank Account.**
Agreed. Harris & Harris will submit to the County/Court by the tenth (10th) business day of each month a copy of the prior month's banking statement for our designated client depository trust account.
- **COUNTY will establish and have sole ownership over the COUNTY Bank Account. CONTRACTOR shall not have the right to withdraw funds from the COUNTY Bank Account.**
Agreed. Harris & Harris understands and acknowledges the sole ownership of the County bank account and under no circumstance would we nor will we attempt to withdraw funds from the account.

3.8.2 Automated Clearing House Transfers and Reporting

The Automated Clearing House (ACH) transfer must equal the sum of all the payments on the daily payment report which include unidentified payments, other collections not on the payment report, less non-sufficient funds check amounts for that date. The dates of the ACH transfer and payment report must match.

Agreed. Harris & Harris uses Automated Clearing House (ACH) for the electronic transfer of funds. EFT transmittals are always accompanied by a remittance report. Harris & Harris will prepare and submit each business day a *Remittance Report*, or Payment Report. Each report will have been fully reconciled by our accounting department such that the sum of all payments listed (including unidentified payments and other collections not on the payment report, less NSF check amounts) will always equal the amount transferred via ACH in the County bank account.

Whether in electronic or hard copy form, our standard remittance report includes a detailed report of all relevant account data including but not limited to a copy of the bank deposit total and itemization by debtor name, debt account numbers, amount, NSF occurrences, and date and location collected. All remittance statements can and will be customized to meet the needs of the County/Court.

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Our Payment Posting Report is a listing of all payment activity posted on accounts. Payment processing personnel generate this report each day prior to the end of the work day. Control totals on the Payment Posting Report must agree with the control totals on the Daily Payment Reconciliation form and the Payment Batch Control Log.

Harris & Harris maintains stringent check-and-balance policies and procedures to ensure accuracy:

- between total amount of payment instruments and posting total
- between posting total and deposit total
- between deposit total and bookkeeping total
- between posting transaction total (include negative reversals) and statement total
- between the date of the ACH transfer and the date of the payment report
- between statement total to our remittance (wire amount or ACH, or check payment)

Remittance reports are generated on either a “gross remit” or “net remit” basis based on the business needs of our clients.

3.8.3 Unidentified payments

Unidentified payments are those that the CONTRACTOR is unable to determine debtor identity (e.g., debtor mails payment to CONTRACTOR and does not provide identifying information).

Unidentified payments received by CONTRACTOR shall be deposited daily into the CONTRACTOR Bank Account and ACH transferred into the COUNTY Bank Account.

- **CONTRACTOR shall attempt to identify all unidentified payments within the thirty (30) calendar days of payment being received. If the CONTRACTOR cannot identify payment(s), the CONTRACTOR shall, by the fifth (5) business day of each following month, provide COUNTY/COURT with a report listing unidentified payments and attach any documents received with the payment (e.g., mailing envelope, enclosures). CONTRACTOR shall not issue any refunds on unidentified cases.**

Agreed. All payments that the payment processor cannot match with an account will be posted to a special account specifically for unidentified items. The physical check will be accounted for and deposited with the current day's receipts into our designated trust account for ACH transfer to the County bank account. For the next thirty (30) calendar days following receipt, the payment processor will attempt to identify the correct account (using a copy of the check) by performing additional account inquiries, telephoning the sender of the payment, and writing follow-up letters to the debtor to validate the account if there is any information on the check to perform these activities.

If a payment can be identified, it is reversed from the unidentified account and posted to the proper debtor account. If it cannot be identified, Harris & Harris will provide the County/Court with a report of unidentified payments, to include any supporting documentation from receipt of payment, by the fifth (5th) business day of each following month. During implementation we will discuss and determine the format, appearance, and other aspects to be incorporated into the unidentified payments report, and we will include this report in our standard reporting package and as a deliverable for the contract.

- **CONTRACTOR shall not receive compensation on unidentified cases.**

Agreed. Harris & Harris acknowledges that we will neither invoice for nor receive compensation on unidentified cases.

3.8.4 Incorrect Account Payments and Adjustments

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On cases where CONTRACTOR applies payment to an incorrect account or case, CONTRACTOR shall provide COUNTY/COURT with a daily report listing the correct case where the payment should be applied. If payment should be refunded, CONTRACTOR shall provide supporting documentation.

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of this requirement and its protocol regarding Harris & Harris applying payments to an incorrect account/case, including documentation in a daily report of the correct case to have applied the payment. In all instances including cases where payment should be refunded, Harris & Harris will provide supporting documentation.

➤ ***If CONTRACTOR transfers funds that are determined not to belong to a COUNTY/COURT referral, the CONTRACTOR shall provide documentation and submit a written request for refund.***

Agreed. Harris & Harris has read, understands, and agrees to comply with this requirement. Should Harris & Harris transfer non-County/Court funds to the County/Court, we will submit a written request for refund and provide supporting documentation for the request.

➤ ***If CONTRACTOR believes that an adjustment to the COUNTY Bank Account is necessary, CONTRACTOR shall inform COUNTY/COURT of the following:***

➤ ***The amount in dispute***

➤ ***The reasons for the adjustments***

➤ ***Copies of any documentary evidence that supports CONTRACTOR'S claim***

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of this requirement regarding possible adjustments to the County bank account. In such cases we will immediately inform the County/Court of the amount in dispute and the reason(s) for adjustment, to include any supporting documentation.

3.8.5 Cashier Variances / Discrepancies in Amounts Collected and Receipted

CONTRACTOR shall be responsible for all cashier variances, losses and other discrepancies between amounts collected and receipted by CONTRACTOR, such as shortages, counterfeit bills, etc. CONTRACTOR shall reimburse COUNTY/COURT for cashier variances, losses and any other discrepancies between amounts collected and receipted by CONTRACTOR on the day of collection.

Agreed. Harris & Harris accepts all responsibility for cashier variances, losses, and other discrepancies between amounts we collect and receipt on behalf of the County/Court, including but not limited to shortages and the receipt of counterfeit bills. We agree to immediately reimburse the County/Court for all discrepancies accordingly on the day of collection and processing.

3.8.6 Personal Check / Credit Card Verification

CONTRACTOR shall subject all personal checks received to a verification or authorization service (e.g., TeleCheck) to determine whether the personal checks submitted by debtors are valid and are covered by sufficient funds. CONTRACTOR shall obtain verification or authorization for every credit card transaction submitted by a debtor.

Agreed. Harris & Harris regularly uses verification and authorization services for every debtor payment for every client for instances of payment by personal check or credit card. We agree to

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use these services for every payment by personal check or credit card to be processed throughout this contract with the County/Court.

3.8.7 Returned Checks

In the event a debtor submits a personal check that is returned to CONTRACTOR Bank Account as non-sufficient fund checks (“NSF”), or because the checking account is closed, CONTRACTOR shall attempt to recover those funds. If CONTRACTOR is unable to recover the funds within thirty (30) calendar days, CONTRACTOR may then recover monies on a Deposit Reconciliation by listing the NSF amount(s). The CONTRACTOR may assess a returned check fee not to exceed \$25 dollars in return checks.

CONTRACTOR shall submit to COUNTY/COURT a detailed NSF report by individual court locations that includes, at minimum, the following:

- ***Defendant name***
- ***Citation/Case number***
- ***NSF amount***
- ***Receipt number***

Agreed. When we receive notification of a non-sufficient funds (NSF) from a check payment or that an account is closed, our business office immediately alerts the collection managers. The account that generated the NSF is flagged in the system, and the payment credit is reversed. The collection representative assigned to the account attempts to contact the debtor at once, calling a minimum of two times a day until they establish contact and recover funds. If we are unable to recover the funds within thirty (30) calendar days, we acknowledge and appreciate the options to recover monies via a Deposit Reconciliation and to assess a returned check fee not to exceed \$25.

The collection manager will track progress of the account via collector notes and system reports, ensuring that every effort is made to obtain reliable payment. Harris & Harris will submit to the County/Court a detailed NSF report by individual court locations that includes at a minimum all of the information cited above. During implementation we will discuss and determine with the County/Court the format, appearance, timing, and other aspects of the NSF report, and we will incorporate it into the reporting package to be provided to the County/Court under this contract.

3.8.8 Credit Card Fees, Collection Costs, etc.

CONTRACTOR shall not pass any other additional fees not referred by COUNTY/COURT (e.g., collection costs, check verification fees, credit card fees, etc.) on to the debtor or COUNTY/COURT with one exception:

- ***Any associated costs incurred by the CONTRACTOR in instituting the involuntary payment actions listed in Section 3.6.2 may be passed on to the debtor.***

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of this requirement, affirming that we will not pass on additional fees to either the debtor or the County/Court except in the case of the one cited exception.

3.8.9 Segregation of Accounts

The CONTRACTOR shall segregate all accounts referred by COUNTY/COURT from all other CONTRACTOR accounts (see Section 3.8.1 – Transfer of Funds). All information relating to the accounts referred and assigned shall be kept confidential and shall not be open to examination for any purpose not directly connected with the servicing of the accounts by the CONTRACTOR.

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Agreed. Protecting the data of our clients is paramount at Harris & Harris. We maintain an Information Security Policy that ultimately **restricts access to programs, data and other information resources**, such that only account representatives assigned to this contract with the County/Court can access it solely in service of the account. Privileged access rights to the AIX Operating System are approved by senior management. Primary logical access control to the AIX server is provided by security provisions of the AIX operating system, which includes access to data, programs, and system utilities. The system security level requires a unique user ID and password for sign-on. Password management controls at the network and operating system layers (e.g., minimum length, expiration requirements, complexity, etc.) have been implemented in compliance with corporate security standards.

Users are restricted by their user profiles to an initial program which directs them to the CUBS® application. Application level security is provided by Columbia Ultimate, and is administered by the IT Department. **System files, utilities, authorization lists, data files, and application programs are restricted through the user's AIX profile.** Users do not have update or delete access to sensitive files. Access rights are removed or modified as necessary if/when employees change job functions. Be assured that all accounts referred by the County/Court will be fully segregated to ensure secure and rightful access and the integrity and confidentiality of all debtor information contained within.

The CONTRACTOR must track accounts by court locations and category of account. (Refer to Section 1.3.1 – Referral Data).

Agreed. Harris & Harris can and will create multiple client numbers as necessary in order to segregate accounts by category and by court location as desired by the County/Court. Many of our clients have requested or required similar categorical tracking and reporting (e.g., separate client numbers for accounts for placements from new systems vs. legacy systems), and we program and thoroughly test these system capabilities prior to implementation. We also have the ability to segregate statements and remits per the specific client number. During implementation we will discuss and determine with the County/Court the full scope of tracking and reporting capabilities required – including but not limited to the parameters in this requirement – and we will create and test that tracking accordingly, with the full review and approval of the County/Court prior to the contract start.

3.8.10 Internal Control Procedures

3.8.10.1 Cash handling and record keeping duties shall be appropriately separated by assigning different CONTRACTOR staff responsible for each duty. Any cash received should be receipted immediately and put in a safe or other secured location.

Agreed. Our payment processing is carefully controlled and supervised by our controller and accounting manager to ensure immediate and accurate recording and receipting of all payments, secure handling of all cash, and instant posting and deposit of all payments on a daily basis. The posting unit is separate from all collection and operational areas, and controls are in place by upper management to track and monitor by hour the status of all posting and cash handling.

Collection representatives are located in the call center and are not allowed access to the business offices or technology areas. All payment handling, employee work surfaces, and the safe are monitored and recorded via digital camera recording. Payment processing is performed in a secure payment processing room that has the following security features:

- Biometric lock access by finger print recognition
- Authorized individuals are limited to those absolutely critical to the processing operation

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- Motion sensors are employed throughout the area and are operational 24/7/365

Our payment processing is carefully controlled and supervised by our Controller and Chief Financial Officer to ensure accurate recording of all payments, secure handling of all cash, and instant posting and deposit of all payments on a daily basis.

The posting unit is separate from all collection and operational areas, and controls are in place by upper management to track and monitor the status of all posting and cash handling. The following procedures are followed:

- Team members of the posting staff work in tandem to sort all incoming mail
- Team members are members of our staff with tenure, and this responsibility is rarely shifted
- If these duties are reassigned, the employees must have a minimum of three years tenure with Harris & Harris,
- To ensure all payments are documented, each employee runs a total of all payments within the batch
- The supervisor verifies that the totals
- All batched mail that is not distributed for immediate processing is kept locked in a fireproof safe in the Controller's office
- All hard copies of the batch control sheets and posting key-in sheets are maintained in a secure area within the Controller's office
- All cash, checks, money orders, cashier's checks, and deposit slips are placed in the safe until the daily deposit is made.

3.8.10.2 CONTRACTOR shall restrictively endorse all checks and money orders when the mail is opened each day. Immediately after receiving, payments shall be logged into a Control Log showing the date of payment, payment instrument (e.g., check, money order, cash), debtor's name, amount received, case number (if available) and number of the payment instrument. The Control Log is reviewed and signed by an employee with supervisor rank or greater. Payments should be posted immediately to the CONTRACTOR computer system and a system generated receipt report is reviewed and signed by a supervisor matching to the Control Log. The actual checks and money orders should be locked in a secure location with restricted or limited access until deposited during or at the end of the day. This location should remain locked during the day. Two (2) independent adding machine tapes, or other verification approved by COUNTY/COURT, should be run on the receipts and compared to actual cash and checks, and initialed by the two (2) mail openers.

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of this requirement. We will employ both a Payment Reconciliation Process and the above-mentioned cash handling and posting protocols to open mail and log and post payments in full compliance with and incorporation of all requirements above, including maintaining a separate Control Log which will ultimately be reviewed and signed by authorized personnel and reconciled against a receipt report. Our process and protocols already provides for two (2) mail openers and two (2) accounts of reconciliation on adding machine tape. All cash, checks (including all unidentified, post-dated, and NSF checks), money orders, cashiers checks, and deposit slips are carefully accounted for and subsequently placed in the safe in an additionally locked location until the daily deposit is made.

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3.8.10.3 All walk-in payments shall be receipted in the presence of the debtor by a CONTRACTOR employee who does not have the ability to post collections to debtor accounts.

Agreed. Harris & Harris payment windows at all court locations will be staffed by clerical personnel who can accept and receipt payments but who otherwise do not have account access to post collections to debtor accounts.

3.8.10.4 Mail and walk-in payments shall be picked up by a CONTRACTOR employee for deposit in accordance with section 3.8.1, who does not have cash handling duties or access to accounting records. This requirement can also be satisfied by the use of a private courier service to pick up the mail and walk-in payments, which is to be arranged by the CONTRACTOR. CONTRACTOR shall not use COURT courier services. Mail should be opened by at least two (2) employees in order to document and verify the amount of mail payments. These employees should not have access to accounting records or be collectors.

Agreed. Harris & Harris will further ensure the integrity of our collections accounting by arranging for and assigning an employee (or private non-Court courier service) to pick up mail and walk-in payments who does not have cash handling duties or access to accounting records. Also as noted in our response to 3.8.10.1, assigned payment processing team members work in tandem to open mail and document and verify the amount of individual mail payments. We confirm that as payment processing team members these employees are not collection representatives and do not have access to accounting records.

3.8.10.5 CONTRACTOR shall use receipts that are electronically system generated and controlled but in the event of system incapacity, offer pre-numbered, multi-part forms with copies for the debtor, accounting offices and one retained as a control copy. Each copy must be marked for distribution. Receipts are to be issued by CONTRACTOR'S clerical/administrative staff not by CONTRACTOR'S collectors.

- **Issued receipts shall be numerically controlled and kept in a secure place. Office management staff should maintain accountability for all receipt stock and all used and voided receipts.**
- **A copy of the receipt must be given to the debtor by the CONTRACTOR'S clerical/administrative staff not by CONTRACTOR'S collectors. Signage should be posted in English and Spanish instructing the debtor to request and obtain a receipt from clerical/administrative staff.**
- **Receipts shall be used in numerical order.**

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of this requirement for both electronic and hard copy receipting. All receipting documents will be multi-part, pre-numbered, and used in sequential order accordingly. As noted earlier, receipts will be issued by clerical personnel (not collection representatives) who can accept and receipt payments but who otherwise do not have account access to post collections to debtor accounts. Our office management staff will keep all receipting documents in a secure and locked location under multiple levels of security (e.g., locked safe within a locked room). We also agree to clearly post signage in English and Spanish to instruct and encourage all paying debtors to request and obtain a receipt from our clerical staff.

3.8.10.6 All cash is to be secured and the receipt used for posting purposes. Unidentified, post-dated and NSF checks shall be accounted for and listed on a separate log that provides a complete audit trail from receipt to disposition.

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Agreed. Throughout this section Harris & Harris has confirmed our various abilities and protocols for these actions. All cash, checks (including all unidentified, post-dated, and NSF checks), money orders, cashiers checks, and deposit slips are carefully accounted for and subsequently placed in the safe until the daily deposit is made. In the case of unidentified, post-dated, and NSF checks, we will maintain a separate log that documents every action and event that occurs from initial receipt to final disposition to ensure a complete audit trail for the County/Court.

Our payment processing is carefully controlled and supervised by our controller and accounting manager to ensure immediate and accurate recording and receipting of all payments, secure handling of all cash, and instant posting and deposit of all payments on a daily basis. The posting unit is separate from all collection and operational areas, and controls are in place by upper management to track and monitor by hour the status of all posting and cash handling.

3.8.10.7 CONTRACTOR'S office management staff shall reconcile the amount of mail and walk-in payments to the total deposit each day. The office management staff shall receive one (1) copy of the mail payment's tape and the amount of walk-in payments and compare them to the amount of the daily deposit slips and the post-dated and unidentified check logs.

Agreed. We present below our *Payment Reconciliation Processes* that fulfill the entirety of this requirement.

PAYMENT RECONCILIATION PROCESSES

After all the payments (including walk-in and by mail) are posted for a given day, the payment processor completes the Daily Payment Reconciliation form. The three important control totals are compared to the respective deposit/report, and any discrepancies are resolved. A copy of the form, signed by the payment processor and the payment processing manager, along with a copy of the deposit slip, are sent to the controller.

Payment Batch Control Log

Payment Batch Control Log contains control totals, which must agree with the control totals on the Daily Payment Reconciliation form and the Payment Posting Report. This procedure is supervised by the controller and the accounting manager.

Payment Posting Report

The Payment Posting Report is a listing of all payment activity posted on accounts. Payment processing personnel generate this report each day prior to the end of the work day. Control totals on the Payment Posting Report must agree with the control totals on the Daily Payment Reconciliation form and the Payment Batch Control Log.

Bank Account Reconciliations

The Harris & Harris Accounting Department reconciles all depository trust and remitting trust bank accounts on a monthly basis. Part of this reconciliation process includes the reconciling of amounts posted to the amount actually deposited. Every discrepancy uncovered is promptly resolved.

Verification of Data

Harris & Harris maintains stringent check-and-balance policies and procedures to ensure accuracy:

- between total amount of payment instruments and posting total

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- between posting total and deposit total
- between deposit total and bookkeeping total
- between posting transaction total (include negative reversals) and statement total
- between statement total to our remittance (wire amount or ACH, or check payment)

Our payment processing is carefully controlled and supervised by our controller and accounting manager to ensure accurate recording of all payments, secure handling of all cash, and instant posting and deposit of all payments on a daily basis. The posting unit is separate from all collection and operational areas, and controls are in place by upper management to track and monitor by hour the status of all posting and cash handling.

3.8.10.8 CONTRACTOR shall submit written internal control procedures to COURT PM prior to commencement of contract. Written internal control procedures shall be maintained and periodically updated as necessary. CONTRACTOR personnel shall at least annually be instructed in said procedures. Office management staff shall continuously monitor operations to ensure compliance therewith. New employees shall be instructed within the first two (2) weeks of hire.

Agreed. During implementation and prior to commencement of contract, Harris & Harris will submit an omnibus of our written internal control procedures to the Court Project Manager for review and approval. All Harris & Harris personnel engaged in the activities of this contract will receive annual training and instruction, including new employees who will receive this training (as part of their client training) during the first two (2) weeks of their three-week new hire training. Our accounting manager, controller, and chief financial officer will continuously monitor operations through ongoing reconciliation processes and their physical proximity to the target areas requiring internal control, backed by the ongoing monitoring and surveillance of our compliance department.

3.9 DEBTOR SERVICES

3.9.1 Telephone Services

CONTRACTOR shall provide a toll-free telephone number (e.g., 800 area code, etc.) so that debtors may be able to:

- **Obtain information on the debt, such as status, amount due, payment options, etc.**
- **Schedule a court appearance**
- **Remit payment**
- **Establish a payment plan**

Agreed. Harris & Harris will provide the County/Court with a dedicated toll-free number for debtors to access their account and commence any number of actions including but not limited to all of the actions cited above.

Our **Interactive Voice Response System (IVRS)** provides multiple features to aid the call center in recoveries. It provides an automated, 24/7/365 interactive voice messaging system that lets the account holder easily access all of their account information and access functionalities to schedule/remit payments over the phone and/or establish a payment plan. Harris & Harris can implement a quick, effective, and customer-friendly IVR payment solution for the County/Court to include the additional functionality of scheduling a court appearance. Account holders who call a dedicated toll-free number provided by Harris & Harris will hear an automated message welcoming them to the bill payment center. Clear, easy-to-understand menus will guide your debtors to access the functionality(ies) they need.

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CONTRACTOR shall provide an option that offers multilingual translation services in Spanish, Armenian, Chinese Mandarin, Korean and Vietnamese, provided by either multilingual collection staff and/or third-party services (e.g., Certified Languages, Inc.).

Agreed. As cited earlier in our response to 3.3.5, Harris & Harris understands the necessity to speak with debtors in their native language. We always want to ensure that debtors fully understand their obligation, the repercussions of not resolving the debt, and their options for payment.

To that end, we employ multilingual collection representatives who can speak fluently in all common languages that we encounter, including Spanish, French, and German. For other languages we utilize a multinational translation service, allowing us to speak effectively with any debtor at any time. Spanish speaking debtors are by far the majority of our second language debtors. We staff each of our collection units with a minimum of 25 percent Spanish/English bilingual collectors. Based on the demographics of the debtor mix, our bilingual staffing is as high as 66 percent to ensure the ability to penetrate all account placements. We constantly adjust our staffing to match the debtor-mix pool in each unit.

CONTRACTOR shall also provide a toll-free telephone number (e.g. 800 area code, etc.) for the hearing impaired with a telecommunication device (TTY/TDD) that offers the services specified above.

Agreed. As cited earlier in our response to 3.3.5, Harris & Harris offers the County/Court direct experience with and established accommodation and capacity for working with hearing-impaired debtors who require the use of a TTY/TDD service. We can and will establish a toll-free number specifically for the hearing impaired as described and can readily accommodate TTY/TDD communication. If we receive an incoming call from a hearing impaired debtor via live operator/translator, our representatives are trained to obtain proper authorization from the debtor before discussing the debt. Since these calls typically last longer than an average collection call, incoming TTY/TDD calls will be transferred to the floor supervisor.

CONTRACTOR'S telephone services shall be available 24 hours a day, 7 days a week.

Agreed. Beyond the telephone services available during the standard business hours of 8 am to 9 pm Pacific Standard Time (PST) Monday through Friday and 8 am to noon on Saturday for this contract, our **Interactive Voice Response System (IVRS)** provides an automated, 24/7/365 interactive voice messaging system that will let the debtor easily access all of their account information as well as functionalities to schedule/remit payments over the phone, establish a payment plan, and/or schedule a court appearance. Our IVR enables County/Court debtors to act on their account at any given time.

3.9.2 Internet Services

CONTRACTOR shall create and maintain a comprehensive website that allows a debtor to create and update personal account profile(s), make payment(s), enter into installment payment plans and check balance(s) via the internet on the CONTRACTOR'S website.

Agreed. Harris & Harris maintains its main Web site at www.harriscollect.com, with a direct link on the home page for debtors to access and take action on their account, including but not limited to making payments, setting up payment plans, and scheduling court appearances. As an example, we have provided below a description and sample screenshots of our Online Payment Portal.

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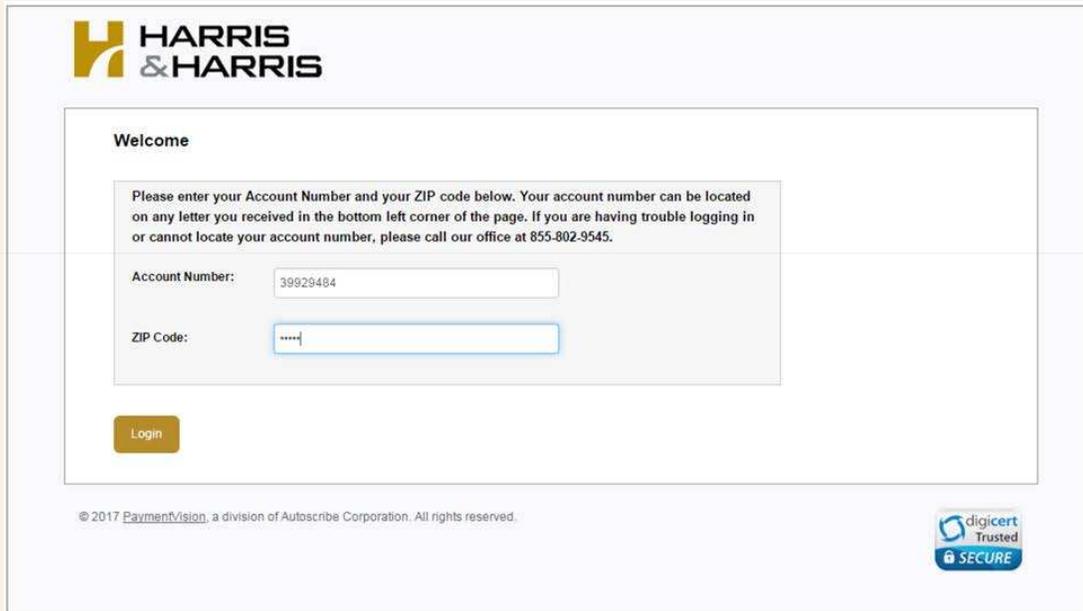
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ONLINE PAYMENT PORTAL

From the “Pay Online” link at the top left of the home page of the Harris & Harris Web site, debtors can access our **secure online payment portal** to fully manage their account including checking their balances, making payments, and setting up payment plan options without needing to speak to a collection representative.

Over the next several pages we have provided samples of screen shots. These screen shots can be modified to reflect the County/Court upon contract award. Account owners can access their account by logging into the Harris Payment Portal which will be linked directly to our Web site. This Web site can also be linked to and formatted to match the Web site(s) of the County/Court. A copy of the login screen to the Harris & Harris Payment Portal appears below.



Next, contact information is verified, as depicted in the screen below.

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HARRIS & HARRIS Verify Contact Info Account Home View Payments Make Payments Logout

Contact Information
Please take a moment to review and update your contact information.

If the information below is correct, click "Next". If you would like to make changes, click "Update".

JOHN TEST
2710 GALVESTON AVE
SAMPLE CITY, TX
60035
3122512300
test@harriscollect.com

Next Update

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The next screen is the Account Home screen, which allows the debtor to select the individual accounts owed and validate the debt.

HARRIS & HARRIS Verify Contact Info Account Home View Payments Make Payments Logout

Account Home
View account information and make payments.

If more than one account is outstanding, any partial payment will be applied starting with your oldest account first until it is paid in full. We will then continue to post your payment(s) to the oldest account until all accounts are paid in full. If you would prefer to have your payment posted differently, please contact us at 855-802-9545.

Account: B_39929484_A

Account Summary

Account(s) Total Balance:	\$5,096.97
Original Creditor:	TEST

Make Payment

Next Scheduled Payment

No online payments scheduled at this time.

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Linked Accounts

Our system has indicated that the following accounts belong to you for the above referenced client. You may have other accounts not displayed below.

Account Number	Original Creditor	Current Balance
B_39929484_A	TEST	\$1,338.13
B_39929484_A	TEST	\$982.36
B_39929484_A	TEST	\$1,150.18
B_39929484_A	TEST	\$309.28
B_39929484_A	TEST	\$1,317.02
Total Balance:		\$5,096.97

If a debtor elects to pay their debt online, the system will direct the debtor to a screen where payment information can be entered. Payments can be accepted via credit card, check and electronic funds transfer.

Make a Payment
Please use the form below to enter your payment information. When you are finished click "Continue".

Bank accounts may be used for payment. VISA and Master Card are also accepted. Discover cards may not be accepted for all debt types.

If more than one account is outstanding, your payment will be applied starting with your oldest account first until it is paid in full. We will then continue to post your payment(s) to the oldest account until all accounts are paid in full. If you would prefer to have your payment posted differently, please contact us at 855-802-9545.

Pay To

Payee:	Harris & Harris LTD / Payment/Vision
Account Reference Code:	B_39929484_A

Payment Options

Choose one of the following

One-Time Payment Plan

One-Time Payment Options

Select a one-time payment amount

<input checked="" type="radio"/> Account(s) Total Balance	\$5,096.97
<input type="radio"/> Other Payment	<input type="text" value="\$0.00"/>

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Depending on the selection made, the debtor will be directed to the appropriate screen.

The screenshot shows a web form with two main sections: "Payment Date" and "Payment Method".

Payment Date: A section titled "Select a payment date" with a "Payment Date:" label and a text input field containing "4/12/2017". Below it is a "*Message:" label and the text "Payments are posted as early as possible during business hours."

Payment Method: A section titled "Select a payment method" with two radio buttons: "Bank Account" (selected) and "Credit / Debit Card". Below this is a sub-section titled "Bank Accounts" with the instruction "Select an Existing Bank Account or Add a Bank Account" and a radio button for "Add Bank Account".

Under "Add Bank Account", there is a sub-section "Provide Details to Add a New Bank Account" with two text input fields: "Bank Routing Number:" and "Bank Account Number:". Below these are two radio buttons for account type: "Checking" (selected) and "Savings".

At the bottom of the "Payment Method" section is the question "Is your account a business or personal account?" with radio buttons for "Personal" (selected) and "Business".

At the bottom left of the form are two buttons: "Continue" (highlighted in orange) and "Cancel" (grey).

COUNTY/COURT may approve the website's form, functionality and available content and CONTRACTOR shall make programming changes and updates at the direction of COUNTY/COURT. CONTRACTOR'S website shall maintain full compliance with applicable statutes and guidelines.

Agreed. We acknowledge the right of the County/Court to approve the form, functionality, and available content of the portion(s) of our site regarding the County/Court and its debtors. During implementation with the County/Court, we will develop and test the technical links between the respective sites and also determine the most strategic, appropriate, compliant, and debtor-friendly placement and visual presentation for these links.

CONTRACTOR and COUNTY/COURT shall develop and maintain a website link between COUNTY/COURT and CONTRACTOR'S website.

Agreed. Harris & Harris maintains a singular and sometimes reciprocal Web site presence via text or icon links with many of its clients. During implementation with the County/Court, we will develop and test the technical links between the respective sites and also determine the most strategic, appropriate, compliant, and debtor-friendly placement and visual presentation for these links.

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3.9.3 Office Locations and Services

CONTRACTOR shall have at least one (1) fully operational business office by the end of the Transition Period (see Section 4.0 – Implementation of Service). The business office shall be open Monday through Friday from 8:00 a.m. through 9:00 p.m. PST. In addition, the business office shall be open from 8:00 a.m. through 12:00 p.m. PST on Saturdays, and shall offer the following services which allow debtors to:

- **Obtain information on the debt, such as status, amount due, payment options, etc.**
- **Schedule a court appearance**
- **Establish a payment plan**
- **CONTRACTOR shall provide multilingual translation in Spanish, Armenian, Mandarin Chinese, Korean and Vietnamese by own staff and/or third-party service (e.g. Certified Languages, Inc., etc.).**

Business office hours may be modified with the approval of County/Court.

Agreed. Harris & Harris already maintains fully operational business offices across the country. The project will be executed from our combined corporate office and call center in Chicago. By the end of the transition period we will have trained personnel ready to staff all requested court locations. These trained staff members will:

- be available to accommodate your debtors on the days described above, and for the full respective timeframes, with acknowledgement that hours may be modified with the approval of the County/Court
- offer the full portfolio of debtor capabilities required by the County/Court, including but not limited to:
 - » obtaining information on the debt
 - » scheduling a court appearance
 - » establishing a payment plan
- offer full support of multilingual translation capabilities as accommodated both through staffing and via professional translation services.

3.9.4 Debtor Refunds – Issuance and Determination of a Debtor Refund & Collection Fees on an Account when Monies are refunded

COURT has the sole authority to issue debtor refunds and determine whether a refund is due. If CONTRACTOR believes that a refund should be issued to a debtor, CONTRACTOR shall provide COUNTY/COURT with the following information:

- **The debtor's name, receipt and account numbers**
- **The amount in dispute**
- **The reasons for the refund**
- **Supporting documentation**
- **COUNTY/COURT will not compensate CONTRACTOR for services in the event COUNTY/COURT refunds the entire amount of collected money to a debtor (see Section 3.13.3 – Invoices which include Account NSF Checks, or Account with a Debtor Refund).**
- **In the event of a partial refund, the Collection Fee shall be adjusted to the amount of collected money retained by COUNTY/COURT.**

Agreed. Harris & Harris acknowledges the sole authority of the Court to issue refunds. We have read, understand, and will readily follow this protocol upon our determination that a refund might be due. We understand and acknowledge that compensation to Harris & Harris is altogether forfeited should the

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County/Court refund the entire amount to the debtor; similarly, we acknowledge that in cases where a partial refund is granted, the collection fee due to Harris & Harris will be adjusted and based on the amount of collected money retained.

3.9.5 Customer Service

3.9.5.1 Debtor Comment Line

CONTRACTOR shall set-up a message/survey line so that customers may leave voice mail messages/take survey regarding CONTRACTOR'S customer service. All voice mail messages/surveys received shall be retained for a period of five (5) years and be available for review by COUNTY/COURT as requested. All associated fees shall be at the expense of contractor.

Agreed. Harris & Harris will establish, at no initial or ongoing cost to the County/Court, a dedicated message/survey line for the express purpose of receiving debtor feedback regarding our customer service. We acknowledge and welcome the opportunity for this forum of direct feedback and thank the County/Court for its inclusion in this Scope of Work. All feedback will be documented and retained for a period of at least five (5) years (as per requirement and as aligned with our Document Retention Policy), and we will make this content available for review as requested.

3.9.5.2 Complaints

➤ **The term "complaint" refers to any written, electronic or verbal protest lodged by a debtor, which alleges that CONTRACTOR, or one of its employees, engaged in inappropriate, unfair or harsh method(s) of collection, or conduct.**

Agreed. Harris & Harris acknowledges the definition of "complaint" for this contract.

➤ **In the event CONTRACTOR receives any verbal complaint, the CONTRACTOR shall immediately notify the COURT PM by telephone or email. The verbal notification shall be followed up in writing within three (3) business days.**

Agreed. Harris & Harris agrees to **immediately** notify the Court Project Manager by telephone or email upon receipt of a verbal complaint. Harris & Harris will then follow up with the Court Project Manager in writing within three (3) business days.

➤ **In the event the CONTRACTOR receives any written complaint, the CONTRACTOR shall immediately notify the COURT PM by telephone or email. The CONTRACTOR shall provide the COURT PM with a copy of any written complaint within three (3) business days of receipt.**

Agreed. Harris & Harris agrees to **immediately** notify the Court Project Manager by telephone or email upon receipt of a written complaint. Harris & Harris will then provide the Court Project Manager with a copy of the written complaint within three (3) business days of receipt.

➤ **CONTRACTOR shall promptly investigate all complaints and provide a written report to the COURT PM regarding the disposition of each verbal and written complaint within fourteen (14) business days of receiving the complaint. At minimum the report shall include the following:**

- **A copy of the complaint (if applicable)**
- **Identification by name of CONTRACTOR employee(s)**
- **Results of the investigation**
- **A statement describing the corrective action taken to resolve and avoid a reoccurrence of such a complaint, if applicable**
- **A response letter to the customer when directed by the COURT PM, if applicable**

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Agreed. Harris & Harris acknowledges that we will promptly investigate all complaints and provide a written report to the Court Project Manager regarding the disposition of every verbal and written complaint within fourteen (14) business days of receiving the complaint. This report will include but not be limited to all of the content items cited in the requirement above. During implementation with the County/Court we will discuss and determine all content to be included as well as other facets (e.g., format, appearance) and we will identify and schedule it as a deliverable and incorporate it into the standard reporting package to be provided to the County/Court.

As a courtesy we have provided below our standard complaint process to augment our response to the actual requirements regarding complaint investigation. This content is for information purposes only and to highlight that Harris & Harris takes complaints very seriously. Although the content below might in places supplement the response above, it does not replace or supersede our response to the actual requirement.

Addressing Debtor Complaints

Harris & Harris recognizes that the potential for debtor concerns is inherent in the performance of collection tasks on any given day, with any given debtor. We take all concerns and issues very seriously and view them as an opportunity to further improve our processes and approach. We strive to keep clients fully informed regarding any complaint received, including the details of the encounter, the corrective actions taken, and the recording of the actual call.

The foundation of our collection approach is to establish friendly, collaborative relationships with debtors, which has resulted in notably higher recovery percentages and a much lower incidence of debtor concerns than most agencies in our field. All concerns are tracked within our proprietary **Harris Online Solution Tracker (HOST)** (see details below). HOST and call recording software enables us to extract any information and send it electronically to our clients. One hundred percent (100%) of our telephone calls, whether inbound or outbound, are recorded and are available in a .wav file format for your review.

Harris & Harris collection representatives are trained to escalate telephone calls with debtors in a variety of instances. The debtor may simply have a question that the collector cannot answer, or the debtor may be upset with the collection situation. The collector has several options to obtain assistance on these types of calls:

- The call may be transferred to our Customer Service Department if the debtor's issues would be better answered by a customer service representative
- The collector may request that a supervisor join the call
- The collector may transfer the call to a supervisor

Supervisors may escalate a call to their manager. Harris & Harris will attempt to resolve debtor issues with the debtor directly without the need to involve County/Court staff. We realize that this is not always possible, and we can modify our process to include any County/Court-specific call escalation procedures. The collection unit dedicated to the County/Court will be trained on this specific procedure, along with all other client-specific policies.

After the issue has been resolved, the Collection Supervisor will schedule a follow-up meeting with the representative to discuss the details of the encounter and identify ways that the representative can improve performance and avoid future conflicts. The supervisor reviews the nature of the concern and determines whether the representative requires additional training.

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If the concern was of a particularly serious nature, David Harris, COO of Harris & Harris, will review the concern and work with the County/Court to ensure that the client is fully informed about the incident and the steps taken to successfully resolve the issue. Mr. Harris takes every concern very seriously and he personally sits down with the representative to listen to the call recording to provide advice and develop strategies for future encounters. The ultimate goal of these meetings is to provide meaningful, actionable feedback to help the representatives maintain positive, complaint-free interactions with the debtors they contact. Depending on the severity of the infraction, additional disciplinary measures are enforced, which can include additional side-by-side monitoring sessions, retraining seminars or termination.

- **CONTRACTOR shall also maintain a Complaint Tracking Log (Attachment A) and a system to track complaints to the individual accounts and CONTRACTOR employee(s) handling the account. CONTRACTOR shall provide copy of the log to the COURT PM each month covering the prior month's activities.**

Agreed. Harris & Harris agrees to maintain a *Complaint Tracking Log* consistent with Attachment A and we agree to provide a copy of this log to the Court Project Manager each month for the prior month's activities. During implementation with the County/Court we will discuss and determine factors such as when to submit this report, and we will identify and schedule it as a deliverable and incorporate it into the standard reporting package to be provided to the County/Court.

Harris & Harris will also provide our Harris Online Tracking Solution (HOST) for tracking and addressing individual complaints. We have provided a description of this system beginning below.

Harris Online Solution Tracker (HOST)

Harris Online Solution Tracker (HOST) is a system designed to monitor and track complaints (and other operational issues) from the moment a complaint is lodged through its resolution. HOST ensures that Harris & Harris clients receive superior customer service by ensuring **every question or problem receives real-time management attention** and remains available for trend evaluation. The system is based on a documented, orderly, and functional platform where every debtor and client concern is documented, corrective action taken, and business practices altered to prevent reoccurrence. Automated emails are sent communicating the issue to teams affected and to those involved in the resolution process. Automated email notifications also remind users of newly assigned issues and due dates to ensure quick and orderly responses. HOST ensures that Harris & Harris clients receive superior customer service by ensuring every request receives real-time management attention and remains available for trend evaluation. As an integral part of our day to day business operations, HOST is more than just a tracking tool. HOST increases communication, improves efficiencies and provides companywide accessibility to tasks, projects and process controls.

Real Time Tracking

As soon as an issue arises Harris & Harris staff immediately get to work by entering the complaint, request or concern into HOST. All issues are further categorized, prioritized and assigned due dates to ensure our clients receive a quick and orderly response.

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Assigned to you <small>[show / hide]</small>					
	Log #	Lvl	Reporter	Status	Summary
	2	1	Henry Jones	ASSIGNED	Missing proof of payment for a refund issued i...
	53	1	Alyssa Isaacs	ASSIGNED	New report
	1 <small>(M2,M4)</small>	1	Sarah Headly	ASSIGNED	Set up archiving for electronic pay direct rep...
	18 <small>(OVR,M1,M2)</small>	1	Sarah Headly	ASSIGNED	Audit and Edit Bankruptcy Handling Documentation
	17	2	Valued Client	ASSIGNED	Please send quarterly report
	7	1	Sarah Headly	ASSIGNED	Too many calls
	23	1	Sarah Headly	ASSIGNED	Bankruptcy Handling of Grouped Accounts

Due:
TRN: 1 days left

Reported by you <small>[show / hide]</small>					
--	--	--	--	--	--

CC'ed to you <small>[show / hide]</small>					
---	--	--	--	--	--

Corrective Action

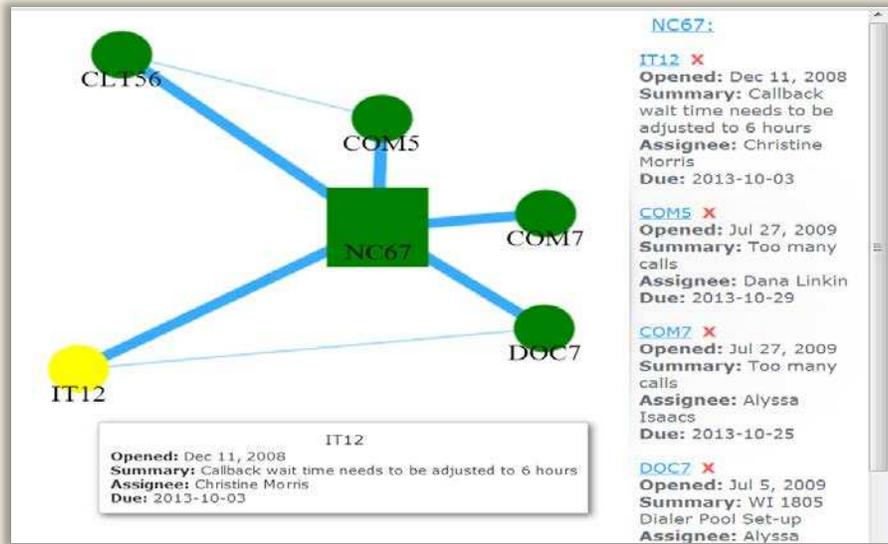
If an issue arises due to process inefficiency or malfunction, management determines the root cause of the problem and tracks the corrective action to prevent reoccurrence.

Root Cause	08/31/2005 - 13:10 Alice Pearson: No work instruction was in place for managing refunds. Mary filled in for Dan and was not aware of the cross check required before mailing refunds to make sure they are sent to the proper person.
	Root Cause Category: <input type="text" value="Documentation"/> <ul style="list-style-type: none"> Documentation Other People Process
Corrective Action	08/31/2005 - 13:10 Alice Pearson: Work instruction WI 842 with Dan, tested with Mary and imported it to ArgusDMS. CFPB personnel affected by work instruction has reviewed through subscription notification verification process in Argus.
	09/28/2005 - 12:38 Sarah Headly: Verified everyone is aware of the new documentation

Management Oversight

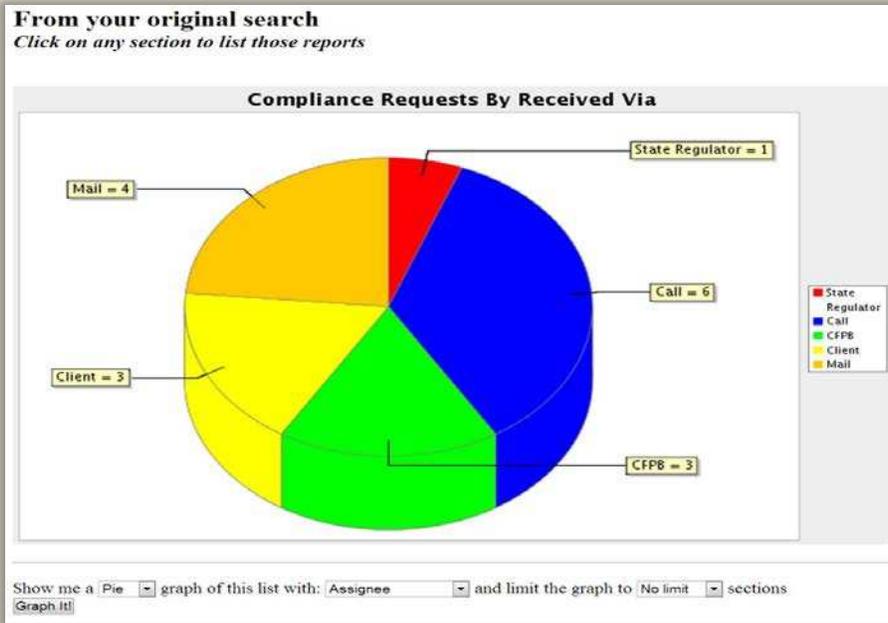
Linking of reported issues and tasks present a visual map for management to ensure all actions to correct the issue have been taken, including technology improvements, training, process improvements and new or changed policies and procedures.

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Trend Analysis

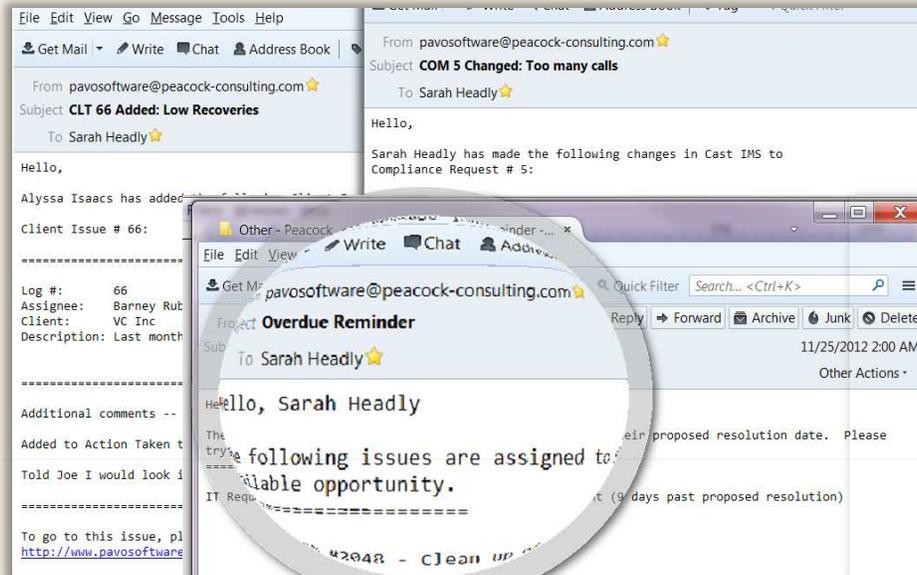
Extensive ad-hoc reporting and graphing functionality provides critical information regarding any areas of risks and allows management to initiate appropriate process improvements and training.



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Communication

Automated emails are sent communicating the issue to teams affected and to those involved in the resolution process. Email notifications also remind users of newly assigned issues and due dates to ensure quick and orderly responses.



Document Control

Version controls and extensive permission options for company documentation allows for policies, procedures and work instructions to remain current and accessible to the appropriate staff.

[View Files \(3\)](#)
[Add File](#)

#	Filename	Actions		N/A?
3	Bankruptcy_ch13[2].doc <small>Sarah Heady, 2013-08-05 (13:01:30)</small>	Details	Download	<input type="checkbox"/>
2	Bankruptcy_ch13[1].doc <small>Alyssa Isaacs, 2011-06-09 (12:49:23)</small>	Details	Download	<input checked="" type="checkbox"/>
Changed step 2 to read... ***Marked inactive by: Sarah Heady 2013-08-05 13:01:30 View Download History Verify File				
1	Bankruptcy_ch13.doc <small>Sarah Heady, 2009-07-05 (11:54:18)</small>	Details	Download	<input checked="" type="checkbox"/>

Download History for DOC # 3 Attachment # 2

User	Download Time
Sarah Heady	08/05/2013 01:00 PM
Alyssa	08/24/2011 12:34

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3.9.6 Dispute of the Outstanding Balance

In the event a debtor disputes the bail on an Infraction/ Misdemeanor with Unadjudicated Bail, CONTRACTOR shall verify the case records with the Revenue Enhancement Unit and upon verification, continue with collection activities. If debtor continues to dispute, CONTRACTOR will inform the debtor that they may schedule a court appearance to dispute the balance/amount.

Agreed. Harris & Harris knows that in some instances, debtors may dispute an unpaid balance or request an explanation of their account balance. These disputes may be valid or they may be an attempt by the debtor to further delay resolution. Either way, our representatives are trained to handle these disputes in a timely manner while maintaining a high level of debtor service.

Upon receipt of a dispute over the telephone, the collection representative will first discuss the nature of the dispute with the debtor to fully understand the concern. When a dispute is received in writing, our correspondence department documents the dispute in the collection system and transfers the account to a client services representative for resolution. Often times, the dispute is resolved during the call and requires no additional information. In the event that the dispute requires further investigation, the debtor's account is placed into a dispute queue. Our CUBS® collection system automatically assigns the account to a client services representative who will verify the case records with the Revenue Enhancement Unit; upon verification, all information is documented and attached to the debtor's account in our collection system and the disputed account is transferred back to the collection representative's queue.

However, if a debtor to the County/Court continues to dispute the debt, we will inform the debtor of their right to schedule a court appearance to dispute the balance or amount.

CONTRACTOR shall suspend all collection activities immediately when the debtor schedules a court appearance. Collection activities shall resume only when directed by COUNTY/COURT (see Section 3.5 - Court Appearances).

Agreed. As noted earlier in Phase 8 of our collection methodology, Harris & Harris will immediately suspend collection activity at any time if a debtor disputes a debt. When this occurs, we will cease activity and consult with the County/Court and Revenue Enhancement Unit to verify the validity of the debt. We acknowledge that collection activities may be resumed only as/when directed by the County/Court.

3.9.7 Claim of Death

Upon receipt of a certified copy of a death certificate, CONTRACTOR shall forward to COUNTY/COURT a copy of the correspondence and the certified copy of the death certificate and deem the account uncollectible.

Agreed. As noted earlier in Phase 8 of our collection methodology, Harris & Harris will immediately cease collection activity at any point in the collection process if an account meets a predetermined status set by the County/Court. We know that confirmed death is one of the most common factors that make an account uncollectible.

In this instance, Harris & Harris will add "upon receipt of a certified copy of a death certificate" as a predetermined status. Upon receipt of this certificate, we will forward to the County/Court a copy of the certificate and all related correspondence and we will declare the account uncollectible. Harris & Harris will close and return any such account back to the County/Court, along with a full report detailing all collection efforts and any contact made.

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CONTRACTOR shall verify claims of death for which a certified copy of a death certificate is not received against the Social Security Administration Master Death File.

Agreed. Harris & Harris will pursue verification of any claim of death for which a certified copy of a death certificate is not received against the Social Security Administration Master Death File.

3.9.8 Claim of Incarceration

In the event the debtor submits documentary evidence which indicates that the debtor is incarcerated, CONTRACTOR shall forward to COUNTY/COURT a copy of the correspondence and the documentary evidence. Collection activities shall be suspended if the debtor is determined to be incarcerated 364 days or less.

Agreed. As noted earlier in Phase 8 of our collection methodology, Harris & Harris will immediately suspend collection activity at any point in the collection process if an account meets a predetermined status set by the County/Court. We know that incarceration is one of the most common factors that make an account uncollectible.

In this instance, Harris & Harris will add “claim of incarceration” as a predetermined status. Upon receipt of documentary evidence that confirms a debtor is incarcerated, we will forward to the County/Court a copy of the evidence and all related correspondence and we will declare the account suspended if the debtor is determined to be incarcerated 364 days or less. Harris & Harris will resume collection activity at the end of the incarceration period.

CONTRACTOR shall resume collection activity at the end of the incarceration period. For debtors incarcerated 365 days or more, the account shall be deemed uncollectible and returned to the COUNTY/COURT.

Agreed. Harris & Harris will resume collection activity at the end of the incarceration period. In contrast, when the debtor is determined to be incarcerated for 365 days or more, we will forward to the County/Court a copy of all related documentation and we will declare the account uncollectible. Harris & Harris will close and return any such account back to the County/Court, along with a full report detailing all collection efforts and any contact made.

3.10 TRANSMISSION OF ACCOUNT INFORMATION

3.10.1 Data transmissions mentioned below will be processed by real-time application programming interface (“API”) and/or an automated batch process by electronic file transfers. CONTRACTOR shall provide daily back-up provisions for electronic data. COURT will refer account information from multiple automated case management and information systems with multiple file layouts including but not limited to:

- **Tyler Technologies’ Odyssey case management - source of Infractions and Misdemeanors with Adjudicated and Unadjudicated Bail and Fine accounts and child custody evaluation fees.**
- **Journal Technologies’ eCourt case management – source of civil, juror and attorney sanctions.**
- **The Collection Data Base System (“CDBS”) - source of Adjudicated misdemeanor and felony delinquent accounts.**
- **Payment information from accounts referred via Odyssey will be entered into the case management system.**

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➤ **Payment information from accounts referred via eCourt will be entered into the case management system.**

➤ **Payment information from accounts referred via CDBS will be entered into the CDBS.**

Agreed. Harris & Harris has read, understands, and can readily comply with the entirety of this requirement. **We can send and receive data and provide daily back-up in any interim, in any format, and from nearly any collection / accounting / case management system – including but not limited to all listed in the requirement – whether by secure FTP, VPN, email, diskette, tape, data cartridge, or paper.** Our technical personnel resources can readily adapt our programs at any time throughout the contract to accept, update, and process all records on hand from any system, no matter how common or how obscure. This includes acceptance of account information and transfer of account status changes and payment information and receipt confirmations for every transaction. Our technical personnel have implemented collection projects with many different client case management systems including a wide range of home grown legacy systems requiring Harris & Harris to provide custom programming to interface.

Account information may be forwarded for collection by:

- FTPS – File Transfer Protocol over Secure Socket Layer (SSL)
- SFTP – SSH File Transfer Protocol
- FTP/PGP – File Transfer Protocol with PGP Encrypted File
- HTTPS - File Transfer via Secure Website
- Secure Email
- Standard Email with PGP Encryption

We provide 128 bit data encryption for file transfers using the PGP standard, we maintain Secure FTP or SFTP transfers, and we have implemented Cisco IronPort e-mail security technologies.

The groundwork for a seamless data transmission channel is laid during implementation. During this period, our IT experts work with your own technical representatives to discuss items such as:

- File layout
- Data mapping
- Test files
- PGP encryption
- Secure FTP sites

Be assured that our Client Technical Support Staff stands ready to accommodate any account referral method and will readily work with County/Court departments during implementation to ascertain and test all aspects of interconnectivity prior to contract launch and will provide technical support throughout the contract. Our technical support staff have worked with many different types of file layouts and have developed custom software that is able to accept electronic files in the following data types:

- EDI – Electronic Data Interchange
- XML – Extensible Markup Language
- Fixed Length ASCII data
- Comma Separated Value (CSV)
- Tab Delimited
- Excel Spreadsheet

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AutoMate 9 and VIP Task Manager

Harris & Harris utilizes a variety of solutions to automate the creation and delivery of files to update client systems. Our IT operations team manages all day to day file transfers for each client using AutoMate9 and VIP Task Manager Professional software to ensure quality control and business continuity during implementation and throughout the contract. Our collection platform, CUBS®, provides automated file creation capabilities that are setup and scheduled per each client's specific requirements. These settings are thoroughly tested during the implementation process.

Once CUBS® creates the daily file, our AutoMate9 automation server picks up the file and delivers it to the appropriate client SFTP site. AutoMate9 allows us to script file handling procedures, and add additional safeguards and alerts to make sure files are transferred in a timely fashion. The automate jobs are set up to retry on failure, and to generate alerts to the AutoMate9 administrators.

AutoMate9 transfers files to our hosted SFTP solution, which is provided by Ipswitch. Ipswitch is an industry leader in the FTP hosting arena, and provides a solution that complies with numerous stringent regulations, including the Federal Information Security Act (FISMA) and the Personal Information Protection and Electronic Documents Act (PIPEDA). On file delivery, an automated email is sent to the appropriate client contacts to alert them that the file is ready for pickup. All transfers and pickups are tracked in searchable audit logs.

Every Harris & Harris client has unique overlay needs, so our in-house team of IT professionals tailor programs to accommodate each overlay. **Regardless of the customization needed, each program will accomplish the following:**

- Analyze every collection case file to determine if the account is a new placement or an overlay
- Extract the overlay records and match against existing records in the database
- Extract existing records in the database and identify data that should be archived in notes or separate database tables (e.g., phone numbers, addresses, etc., depending on client requirements)
- Archive selected data
- Overlay new data onto the existing database record
- Produce exception reports on special status accounts for operations review
- Process new (non-overlay) records into the system with a new placement date

CUBS® has built-in duplication checks which flag accounts that have already been entered into the system for a specific client, and indicate whether the accounts are still active. This feature is essential to a successful overlay process. The workflow on the next page illustrates the data update process.

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Our IT operations team uses VIP Task Manager Professional in conjunction with AutoMate9 to ensure completion of both manual and automated tasks. Any IT operations team member dedicated to the County/Court can schedule, track, and report on any file transfer related task. As shown below, this includes the ability to monitor status, priority, assigned parties, and target date of completion to optimize productivity for each task and for overall contract performance.

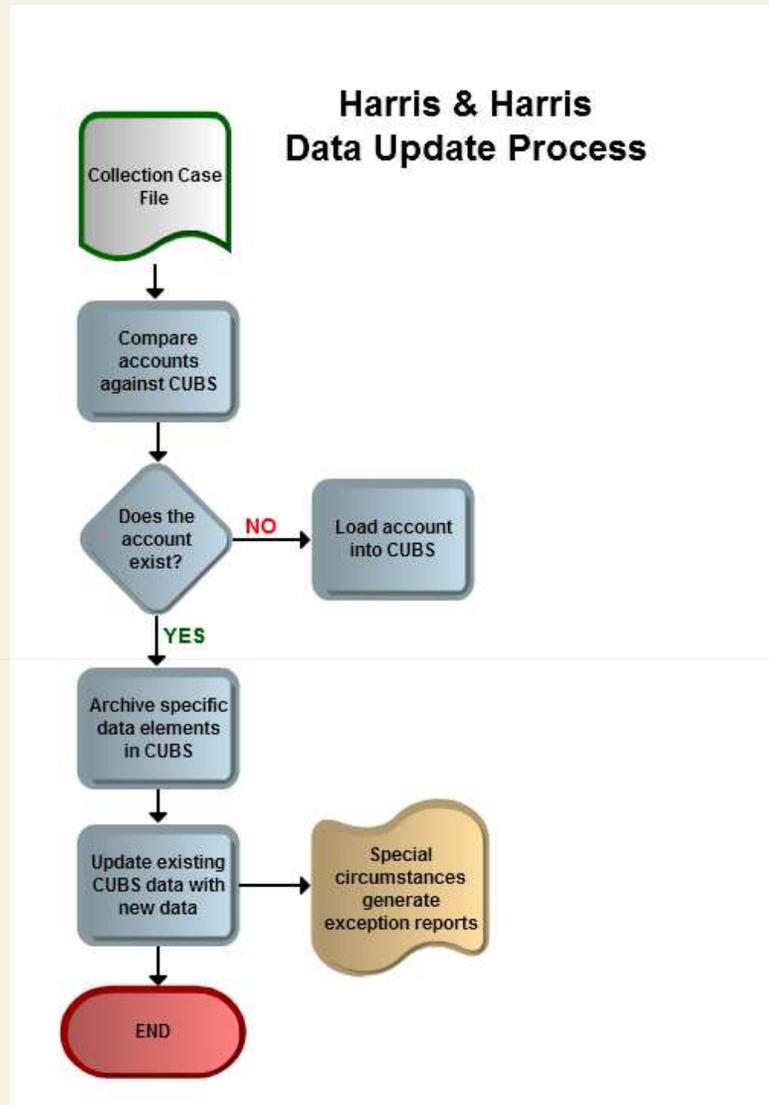
CONTRACTOR shall modify data transmission specifications, procedures and protocols when requested by COUNTY/COURT.

Agreed. Upon request from the County/Court, our technical personnel resources can readily adapt our programs, data transmission specifications, procedures, and protocols at any time throughout the contract to accept, update, and process all records on hand from any system, no matter how common or how obscure. This includes acceptance of account information and transfer of account status changes and payment information and receipt confirmations for every transaction. Our technical personnel have implemented collection projects with many different client case management systems including a wide range of home grown legacy systems requiring Harris & Harris to provide custom programming to interface.

CONTRACTOR shall have the capability to develop and test the necessary interfaces with the COUNTY/COURT CMS prior to July 1, 2020. CONTRACTOR shall not be compensated for any development or programming changes necessary to be able to interface with the COUNTY/COURT CMS and fulfill the requirements of this SOW.

Agreed. Harris & Harris will develop and test all interfaces to the satisfaction of the County/Court prior to July 1, 2020. Testing interface capability is a standard but pivotal activity for which we do not additionally charge our clients, regardless of any necessary development or programming changes.

We have invested heavily in the setup of a fully segregated testing environment. This testing environment can easily send, receive, and process files without affecting production-related activity. The



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architecture of the testing environment mirrors the existing production environment, guaranteeing no negative impact when programs and files are moved into production.

The test environment operates on an IBM server with 8 processors, redundant power supplies, and long-term uninterruptible battery backup. The server operates on IBM AIX. Our storage array is striped across 110 disk drives, and can survive the loss of up to 12 drives simultaneously without data loss. The test platform is located at the Harris & Harris Disaster Recovery facility, which is a Tier IV data center environment.

Test Environment Network Configuration

The test environment on the CUBS® collection platform test server runs the same version of the CUBS® collection software, but with its own test databases, completely separate and unconnected to the production server. The test environment is secured to allow access only to programmers involved in client implementation and administrators that manage the equipment. Programs written for the test environment are backed up on a daily basis. The data on the test environment is refreshed on a weekly basis so that the system mirrors production data.

Harris & Harris has the system and personnel resources available to create Test Data in all test phases as required. We have dedicated system resources for testing as this is an aspect that is addressed with every client implementation. Personnel resources are allocated based on the client needs for expanded testing.

Test Data Creation

Harris & Harris analyzes the data elements of the client files to determine the needed test cases and test data. Test data is created that reflects that specific files and data that is passing to and from the client. The following test categories are covered in the setup of the test data:

1. **Business Rules:** Run test cases specific to client dictated business rules for account closure, overlay processes, payment file creation, return file codes, etc.
2. **No data:** Run test cases on blank data. Validate that the proper exception reports are generated.
3. **Valid data set:** Create to check if application is functioning as per client requirements and valid input data is properly saved in database or outgoing files.
4. **Illegal data set:** Prepare invalid data set of illegal data format. System should not accept data in invalid or illegal format. Validate that the proper exception reports are generated.
5. **Invalid data set:** Prepare invalid data set to check application behavior for negative values, alphanumeric string inputs.
6. **Boundary Condition data set:** Data set containing out of range data. Identify application boundary cases and prepare data set that will cover lower as well as upper boundary set.
7. **Data set for performance, load and stress testing:** Create a large data set that exceeds 50,000 records.

Test Case Creation

For each test category listed above a set of test cases is generated. Each test case is documented to include the following information:

1. **Test Case ID:** Unique id for the case for reference purposes
2. **Test Case Statement:** This will indicate what is being tested and how.

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3. **Unit To Test:** What is being tested? Specify program and inbound/outbound
4. **Assumptions:** Detail any assumptions specific to outcome
5. **Test Data:** Capture test data up to and including line of data in files.
6. **Steps To Be Executed:** listing of steps outside of programs that will generate output data.
7. **Expected Result:** Detail what should happen with test data utilized.
8. **Actual Result:** Detail results of test
9. **Pass/Fail:** Detail pass/fail of test case
10. **Comments:** Comments on expected/unexpected results and changing the test case.

Each test category will have a minimum of three test cases that will be completed. Test cases will be completed for valid conditions prior to completing test cases for invalid conditions.

Each test case is tracked in an excel spreadsheet which details out the case and related information. For each test case failure, a set of two additional test cases is generated and set for completion once the appropriate programming has been remediated. All failed test cases will provide additional detail in the comments section reflecting all possible solutions and the effect of the bug on the data/system.

All test cases will be performed by the program manager or an assigned programmer that is not responsible for the coding of the programs. Testing will be performed in the test environment during a designated testing period. During the assigned testing period, programmers will be restricted from making any modifications to programs.

In addition to the test data and test cases mentioned, the County/Court will be asked to perform a quality assessment of the data mapping to ensure that mapping of fields is consistent between the CUBS[®] system and all County/Court systems to be engaged for this contract.

Testing Utilities

The following software and/or applications are utilized in tracking test cases/data and in the actual testing.

- **CUBS[®] test system:** generate test data from preexisting test data
- **Excel:** tracking of test cases and results

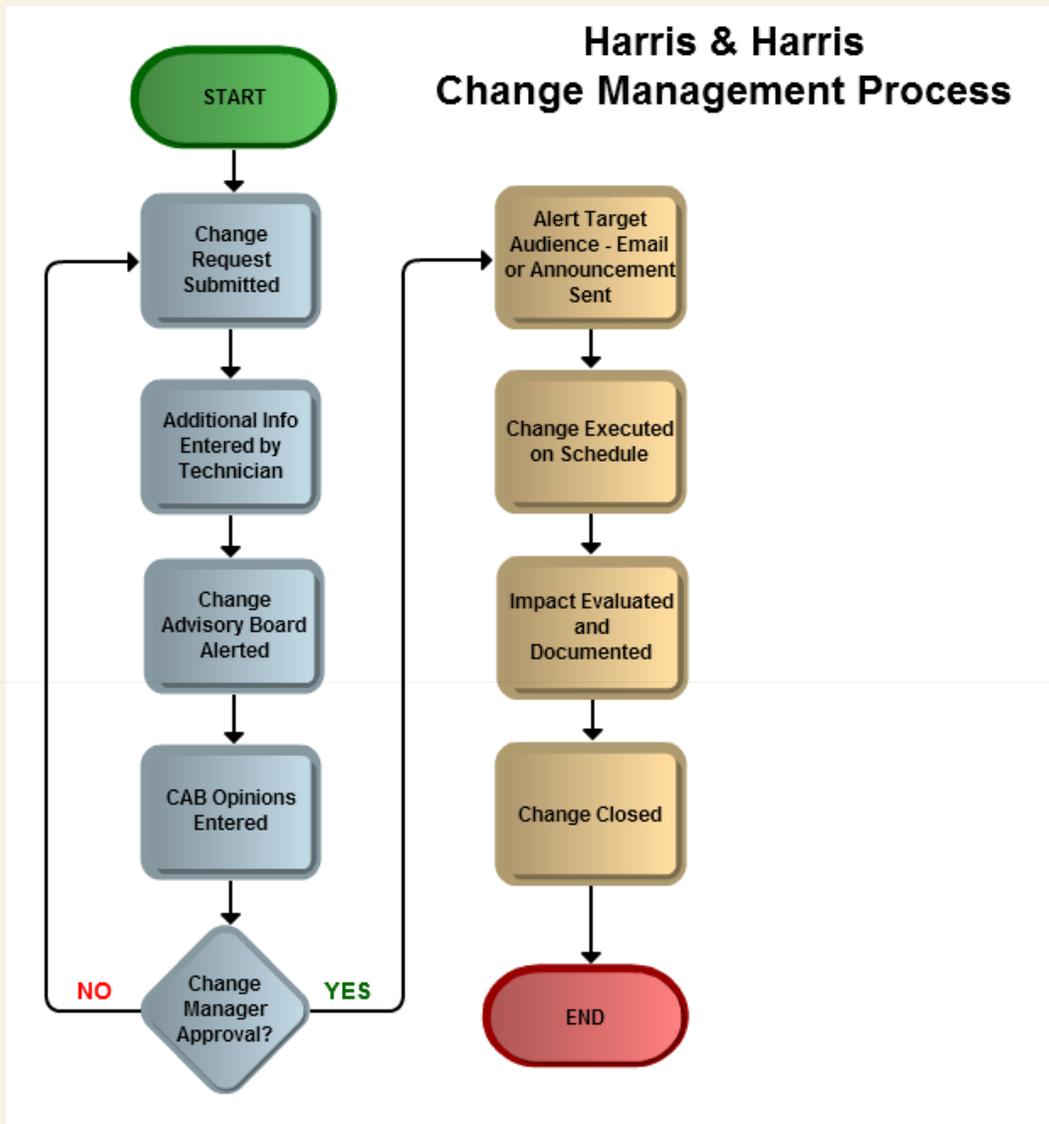
Move to Production

Once testing is complete, programs that are ready for production are processed onto the production server through a Change Management process. As part of the change request, new programs are run through a QA process by the program manager to verify vendor specifics are met before they load and compile the program in production. A change management log is maintained for all changes. The log contains, but is not limited to:

- Date of submission and date of change
- Owner and custodian contact information
- Nature of the change
- Indication of success or failure

The workflow below illustrates the overall change management process:

WORK PLAN FOR REQUESTED SERVICES



3.10.2 Data entry of hard copy format

CONTRACTOR shall be required to data input into their system any account information specified and referred by COUNTY/COURT that is in hard copy format.

Agreed. We can readily fulfill this requirement, as we can send and receive data and provide daily back-up in any interim, in any format, and from nearly any collection / accounting / case management system – including but not limited to all listed in the requirement – whether by secure FTP, VPN, email, diskette, tape, data cartridge, or **hard copy paper**.

3.10.3 Determination of the Data to be Transmitted, Transaction Codes, etc.

- **All data exchanges described in the processes below must be in compatible information system interfaces, specifications, code and formats as specified by COUNTY/COURT.**

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Agreed. Again, Harris & Harris can send and receive data and provide daily back-up in any interim, in any format, and from nearly any collection / accounting / case management system – including but not limited to all listed in the requirement – whether by secure FTP, VPN, email, diskette, tape, data cartridge, or hard copy paper. We acknowledge that all data exchanges must be in compatible information system interfaces, specifications, code and formats, and that these specifications are to be made by the County Court. We equally assert our ability to ensure seamless compatibility throughout the contract, both at the onset as defined and at any point in the contract should any development or programming changes be required.

- **The field definitions and specifications, data to be transmitted, and transaction codes for all the account information and/or electronic files listed below will be determined by COUNTY/COURT and CONTRACTOR.**

Agreed. During implementation, Harris & Harris will work in conjunction with the County/Court to determine the field definitions and specifications, data to be transmitted, and transaction codes for all the account information and/or electronic files listed below. We will also test all facets accordingly.

3.10.4 Referral Information – Referrals from Case Management System (CMS)

- **COUNTY/COURT, at its discretion, shall refer delinquent accounts from the CMS to CONTRACTOR.**
- **COUNTY/COURT may refer delinquent accounts to CONTRACTOR by using the Odyssey Configuration Integration Publisher that allows COUNTY/COURT to send information directly to CONTRACTOR's web service endpoint in the form of an XML message for CONTRACTOR's consumption or by using a collections export file batch process determined by COUNTY/COURT. Illustrative sample is provided for in (Attachment B).**
- **COUNTY/COURT may refer delinquent accounts to CONTRACTOR by using eCourt API interfaces that allows COUNTY/COURT to send information directly to CONTRACTOR's web service endpoint in the form of an XML message for CONTRACTOR's consumption or by using a collections export file batch process determined by COUNTY/COURT.**
- **COURT Referrals shall correspond to CMS referral file specifications and may be subject to change.**

Agreed. Harris & Harris has read, understands, and will comply with the entirety of this requirement regarding referrals from CMS. We can readily accept and process these referrals accordingly. We also acknowledge the possibility that CMS referral file specifications will change.

3.10.5 Re-Referral Information – Re-Referrals from CMS

- **COUNTY/COURT shall re-refer debtors who have scheduled a court appearance through CONTRACTOR and subsequently failed to appear in court.**
- **COUNTY/COURT shall either re-refer debtors through the CMS referral file, or through an alternate mechanism developed by CONTRACTOR and COUNTY/COURT.**

Agreed. Harris & Harris has read, understands, and can and will comply with the entirety of this requirement regarding re-referrals from CMS. We can readily accept and process these re-referrals as described.

3.10.6 Referral Information – Referrals from CDBS

- **COUNTY/COURT shall refer accounts from CDBS to CONTRACTOR through a mechanism developed by CONTRACTOR and COUNTY/COURT.**

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- **Referrals shall correspond to CDBS referral file specifications and may be subject to change. Illustrative sample is provided for in (Attachment C).**

Agreed. Harris & Harris has read, understands, and can and will comply with the entirety of this requirement regarding referrals from CDBS. We can readily accept and process these re-referrals as described. We have reviewed and take no exception to Attachment C as an illustrative sample, and we acknowledge that referral file specifications may be subject to change.

3.10.7 Payment Information

The sum of all payments on file transmissions, manual and electronic, must equal the amount deposited into the COUNTY Bank Account, the sum of all the deposit slips, and the sum of all the payments listed on the payment report (see Section 3.13.6 - Payment Reports).

Agreed. As described in our response to 3.13.6, Harris & Harris will prepare and submit each business day a *Remittance Report*, or Payment Report. Just as each report will have been fully reconciled by our accounting department such that the sum of all payments listed will always equal the amount transferred via ACH in the County bank account, we confirm that this reconciliation will be reflected in accordance with this requirement, such that the sum of all payments on file transmissions (manual and electronic) will equal the amount deposited into the County bank account, the sum of all the deposit slips, and the sum of all the payments listed on the payment report.

3.10.8 Payment Information – For Accounts Referred via CMS

- **At a frequency to be determined, but no less than once daily, CONTRACTOR shall submit current payment information to COUNTY/COURT via a mechanism developed by CONTRACTOR and COUNTY/COURT.**

Agreed. Harris & Harris agrees to submit no less than once daily (but at a frequency acknowledged to be determined) the current payment information for accounts referred via CMS via a mechanism developed jointly by the County/Court and Harris & Harris.

- **CONTRACTOR may notify COUNTY/COURT of payment information by submitting information required by Odyssey API web services or by submitting a payment import file specified by COUNTY/COURT. For API interface, the Odyssey Integration Toolkit web services will use the information to update appropriate Odyssey components. Illustrative sample is provided for in (Attachment D).**

Agreed. Harris & Harris has read, understands, and can and will comply with the entirety of the requirement regarding using either of these means to notify the County/Court of payment information for accounts referred via CMS. We also acknowledge that the payment file may be subject to change. We have reviewed and take no exception to Attachment D as an illustrative sample.

- **CONTRACTOR may notify COUNTY/COURT of payments collected by submitting information required by eCourt API web services or by submitting a payment import file specified by COUNTY/COURT. For API interface, the eCourt web services will use the information to update appropriate eCourt components. The payment file shall correspond to CMS file specifications and may be subject to change.**

Agreed. Harris & Harris has read, understands, and can and will comply with the entirety of the requirement regarding using either of these means to notify the County/Court of payment information for accounts referred via CMS. We also acknowledge that the payment file may be subject to change.

3.10.9 PAYMENT Information – For Accounts Referred via CDBS

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- **Once each day, CONTRACTOR shall submit current payment information to COUNTY/COURT via electronic file and/or computer tape.**

Agreed. Harris & Harris agrees to submit once each day the current payment information for accounts referred via CDBS via electronic file and/or computer tape.

- **The payment file shall correspond to CDBS specifications and may be subject to change. Illustrative sample is provided for in (Attachment E).**

Agreed. We acknowledge that the payment file will correspond to all CDBS specifications but may be subject to change. We have reviewed and take no exception to Attachment E as an illustrative sample.

3.10.10 Uncollectible Information – For Accounts Referred via CMS

- **Once each month, CONTRACTOR shall return accounts deemed uncollectible to COUNTY/COURT via electronic file.**
- **CONTRACTOR shall return such accounts to COUNTY/COURT with any updated account information obtained (e.g., addresses, telephone numbers, Social Security Numbers, etc.).**
- **The uncollectible file shall correspond to COUNTY/COURT CMS specifications.**

Agreed. Harris & Harris will integrate this requirement with our own aforementioned protocol for returning uncollectible accounts. For accounts referred via CMS that are deemed uncollectible, we will compile all instances in a given month into a single electronic file that corresponds to County/Court and CMS specifications and transfer it to the County/Court. As with our standard protocol, the return for each such account will be accompanied with a full report detailing all collection efforts, any contact made, and any updated contact information we may have obtained on each account. During implementation with the County/Court we will discuss and determine report characteristics (e.g., format, appearance, delivery schedule) for this report, and we will identify and schedule it as a deliverable and incorporate it into the standard reporting package to be provided to the County/Court.

3.10.11 Uncollectible Information – For Accounts Referred via CDBS

- **Once each month, CONTRACTOR shall return accounts deemed uncollectible to COUNTY/COURT via electronic file and/or tape.**
- **CONTRACTOR shall return such accounts to COUNTY/COURT with any updated account information obtained (e.g., addresses, telephone numbers, Social Security Numbers, etc.).**
- **The uncollectible file shall correspond to CDBS and/or COUNTY/COURT CMS specifications. A mechanism to provide this information to COUNTY/COURT will be developed by CONTRACTOR and COUNTY/COURT.**

Agreed. Harris & Harris will integrate this requirement with our own aforementioned protocol for returning uncollectible accounts. For accounts referred via CDBS that are deemed uncollectible, we will compile all instances in a given month into a single electronic file that corresponds to CDBS and County/Court CMS specifications and transfer it to the County/Court. As with our standard protocol, the return for each such account will be accompanied with a full report detailing all collection efforts, any contact made, and any updated contact information we may have obtained on each account. During implementation with the County/Court we will discuss and determine report characteristics (e.g., format, appearance, delivery schedule) for this report, and we will identify and schedule it as a deliverable and incorporate it into the standard reporting package to be provided to the County/Court.

We acknowledge that the mechanism to provide this information to the County/Court shall be developed jointly by the County/Court and Harris & Harris.

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3.10.12 Court Appearance Information

At minimum once each day or a frequency specified by COUNTY/COURT, CONTRACTOR shall submit court appearance information. A mechanism to provide this information to the individual locations will be developed by CONTRACTOR and COUNTY/COURT.

Agreed. Harris & Harris shall submit court appearance information at least once each day (or at an alternate frequency to be specified by the County/Court). We acknowledge that the mechanism to provide this information to the County/Court shall be developed jointly by the County/Court and Harris & Harris.

3.10.13 Updated information to CONTRACTOR on COUNTY/ COURT Accounts

As needed, COUNTY/COURT will inform CONTRACTOR with any updated account information. A mechanism to provide this information to CONTRACTOR will be developed by CONTRACTOR and COUNTY/COURT.

Agreed. Harris & Harris acknowledges that the County/Court will inform Harris & Harris as needed with any updated account information. We acknowledge that the mechanism to provide this information to Harris & Harris shall be developed jointly by the County/Court and Harris & Harris.

3.10.14 Updated Information on COUNTY/COURT Accounts from CONTRACTOR

➤ **At minimum once each day or a frequency specified by COUNTY/COURT, CONTRACTOR shall submit updated account information obtained (e.g., addresses, telephone numbers, Social Security Numbers, etc.).**

Agreed. As cited elsewhere throughout this section of our proposal, Harris & Harris will remit at least once daily (or at an alternate frequency to be specified by the County/Court) an Updated Account Information File for each day's activity to include updated account information obtained that day for any account placed with Harris & Harris.

➤ **At minimum once each day or a frequency specified by COUNTY/COURT, the Updated Account Information File shall correspond with the CMS and/or CDBS specifications, and/or other alternative formats as specified by COUNTY/COURT.**

Agreed. Every Updated Account Information File created by Harris & Harris and submitted to the County/Court – at least once daily or at an alternate frequency to be specified by the County/Court – will fully correspond with all respective CMS / CDBS specifications and/or any other alternative formats specified by the County/Court.

3.10.15 Modification of file layouts

COUNTY/COURT has the right to modify file layouts identified above and COUNTY/COURT shall provide CONTRACTOR with new file layouts and a reasonable time period to implement.

Agreed. Harris & Harris acknowledges the right of the County/Court to modify any of the file layouts identified above. We also acknowledge and appreciate that the County/Court will provide with the new file layouts and a reasonable time period to implement them.

3.11 COLLECTIONS ON-LINE REQUIREMENTS

3.11.1 CONTRACTOR shall provide each COURT location with "Online" access, or a direct computer link to CONTRACTOR'S referred account database

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- **COURT locations with CONTRACTOR'S staff assigned (see Section 6.2.2 – CONTRACTOR'S Personnel at Various COURT Locations) will require full access to the CONTRACTOR'S computer system (e.g., input, inquiry, etc.)**
- **Specified COURT locations without CONTRACTOR'S staff assigned will require inquiry access only to the CONTRACTOR'S computer system.**

Agreed. Harris & Harris will provide each court location our state-of-the-art Web-based tool **Client Access Web®**, to which our assigned staff and any authorized representatives of the County/Court will have **secure online real-time 24/7/365 access** to the referred account database.

County/Court-approved staff will be furnished with a unique user name and password to gain their authorized level of access. Our Information Technology professionals will train authorized staff to ensure that authorized representatives of the County/Court can access and benefit from the full functionality of Client Access Web®. All information is secured behind the robust firewalls of our system.

Client Access Web® is a richly-featured tool that authorized users can use to monitor all phases of the collection process, whether reviewing a single account's history, reviewing collection representative notes, or analyzing trends across the entire portfolio of placed accounts. Depending upon a user's approved level of access, Client Access Web® offers:

- Intuitive interface
- Fast access to information
- Account lookup screen
- Detailed account view
- Ability to attach source document images
- Account entry screen
- Online payment acceptance module
- Robust reporting including batch tracking
- Dynamic ad hoc report builder
- Enhanced data mining tools
- Statistical reports by status, aging, amount, and other values

One of the most exciting elements of Client Access Web® is the *Report Builder*. Client inventory reports, categorical reports or other custom compilations can be created in seconds through the use of your client portal, allowing you to have valuable information at your fingertips whenever it is needed.

Sample Screens

We have provided beginning on the next page some sample screen displays from our Client Access Web® application. Unlimited options for inquiry and reporting are available within this application.

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Combined	Transactions	Correspondence	Comments	Miscellaneous	Online Activity	Attachments
Date/Time	Text					Collector
1/11/2016 5:03 PM	ODSKHB1 (MCVE-BACK-CF)					ICMV
1/9/2016 3:23 PM	ODSK69					IBIZ
1/27/2006 2:46 PM	OPH-N:312-423-7482					JJC
1/25/2006 8:45 AM	NOT WORTHY OF FURTHER SKIP					IBIZ
3/14/2005 11:21 AM	BEG STRAT NONE					
3/14/2005 11:21 AM	REQ SERIES NONE (NO-NOTICE)					
3/14/2005 11:21 AM	END STRAT NCNE					
3/14/2005 11:21 AM	INTEREST START DT 03-14-05					
3/14/2005 11:21 AM	TICKLER EXCLLDE, DESK 99 NOT PAPERLESS					

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Statistics by Account Status

StatusDescription	Status	Number	AmountAssigned	CancelAmount	Net Assigned	PrincipalCollected	CurrBalance	RCVY%
ACCURNT HOLD STATUS	ACU	2	\$9,454.89	\$0.00	\$9,454.89	\$0.00	\$14,820.28	0.0 %
ACTIVE ACCOUNT	ACT	60877	\$563,806,416.25	\$0.00	\$563,806,416.25	\$16,152.59	\$606,513,605.85	0.0 %
AMT TOO SMALL FOR LEGAL.	SSM	1	\$124.00	\$0.00	\$124.00	\$0.00	\$124.00	0.0 %
BANKRUPTCY	BAN	1	\$12,380.00	\$0.00	\$12,380.00	\$0.00	\$12,380.00	0.0 %
BANKRUPTCY - CHAPTER 7	BK7	1	\$203.92	\$0.00	\$203.92	\$0.00	\$203.92	0.0 %
BANKRUPTCY CHAPTER 13	B13	29	\$33,136.97	\$189.30	\$32,947.67	\$0.00	\$43,344.55	0.0 %
BANKRUPTCY CHAPTER 7	B7	35	\$14,356.85	\$346.23	\$14,010.62	\$750.00	\$22,031.57	5.4 %
CANCELLED BY CLIENT	CBC	42	\$23,693.39	\$0.00	\$23,693.39	\$55.84	\$23,637.55	0.2 %
CANCELLED BY CLIENT REQUEST	CAN	12	\$4,106.63	\$394.80	\$3,711.83	\$0.00	\$4,053.24	0.0 %
CEASE AND DESIST	CND	2	\$1,254.57	\$0.00	\$1,254.57	\$0.00	\$1,254.57	0.0 %
CEASE AND DESIST BY CLIENT	CAD	1	\$220.10	\$0.00	\$220.10	\$0.00	\$220.10	0.0 %
CHARITY ACCT	CHR	1	\$7,176.25	\$0.00	\$7,176.25	\$0.00	\$21,105.65	0.0 %
CLOSED BY AGENCY	CBA	11	\$3,098.97	\$0.00	\$3,098.97	\$0.00	\$3,098.97	0.0 %
CLOSED FOR RETURN TO CLIENT	CFR	1	\$34,263.00	\$0.00	\$34,263.00	\$0.00	\$34,263.00	0.0 %
DEALING WITH ATTORNEY ONLY	ATY	8496	\$67,360,694.23	\$0.00	\$67,360,694.23	\$200.00	\$228,348,334.63	0.0 %
DECEASED, NO ESTATE OR BEYOND CLAIM	DEC	3	\$1,189.99	\$0.00	\$1,189.99	\$100.00	\$1,089.99	8.4 %
DISPUTE PENDING RESOLUTION	DPR	1	\$224.85	\$0.00	\$224.85	\$0.00	\$224.85	0.0 %
DISPUTED	DIS	6	\$5,270.68	\$0.00	\$5,270.68	\$0.00	\$11,608.09	0.0 %

Default Reports

View: Icons

- Cancellation Requests
- Compass Documents
- Edit Requests
- Files Previously Uploaded
- Payments Reported
- Precollect Changes
- Precollect Report
- Stair-Step History Report
- Standard History Report
- Statistics by Account Status
- Statistics by Age At Assignment
- Statistics by Age From Date Assigned
- Statistics by Amount Assigned
- Status Descriptions
- Suspended Precollect Accounts

Uploaded Reports

Show Hidden Reports

Favorite	Type	File Name	File Size	Date Created

No records to display.

Page size: 10

0 items in 1 pages

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The screenshot shows a web browser window with the Harris & Harris logo and navigation menu. The main content area displays a table titled "ABC Company - ALL Accounts". The table has the following columns: Client Name, Client Num, Name, Date Assigned, H & HD, Client Account ID, Amount Assigned, Principal Collected, and Current Balance. The table contains 18 rows of data for ABC Company accounts.

Client Name	Client Num	Name	Date Assigned	H & HD	Client Account ID	Amount Assigned	Principal Collected	Current Balance	Status
ABC Company	100		9/29/2006	10096600	DDA195665887	\$528.37	\$0.00	\$528.37	AC
ABC Company	100		9/29/2006	10097000	DDA199355833872	\$295.64	\$0.00	\$295.64	AC
ABC Company	100		9/29/2006	10108400	DDAC196647069	\$755.94	\$0.00	\$765.94	HP
ABC Company	100		9/29/2006	10108800	DDAC417C71574	\$299.78	\$0.00	\$299.78	AC
ABC Company	100		9/29/2006	10109200	DDAC422600217	\$135.22	\$0.00	\$135.22	AC
ABC Company	100		9/29/2006	10109700	DDAC750580848	\$214.66	\$0.00	\$214.66	AC
ABC Company	100		9/29/2006	10099200	DDAC0325554C1	\$250.37	\$0.00	\$260.37	AC
ABC Company	100		9/29/2006	10110300	DDAC793293044	\$1,248.33	\$0.00	\$1,248.33	AC
ABC Company	100		9/29/2006	10110600	DDAC793314733	\$733.78	\$0.00	\$733.78	AC
ABC Company	100		9/29/2006	10111800	DDA182355893419	\$443.36	\$0.00	\$443.36	AC
ABC Company	100		9/29/2006	10101600	DDA4346530359	\$157.18	\$0.00	\$157.18	AC
ABC Company	100		9/29/2006	10103900	DDA8505609043	\$109.59	\$0.00	\$109.59	AC
ABC Company	100		9/29/2006	10096525	DDA1955061333	\$7,435.04	\$0.00	\$7,435.04	AC
ABC Company	100		9/29/2006	10096625	DDA195716566	\$948.55	\$0.00	\$948.55	AC
ABC Company	100		9/29/2006	10108325	DDAC19650525	\$300.74	\$0.00	\$300.74	AC
ABC Company	100		9/29/2006	10108425	DDAC196677884	\$8,646.08	\$0.00	\$8,646.08	AC
ABC Company	100		9/29/2006	10108825	DDAC417C75820	\$152.57	\$0.00	\$152.57	AC

3.11.2 On-line Capabilities

At minimum the on-line system shall provide the following information:

- Account Number
- Debtor Name
- Debtor Address
- Identifying Information (e.g., Date of Birth, Driver's License Number and Social Security Number)
- Court Appearance Date
- Updated/Current Address (e.g., addresses found via Skip Tracing)
- Account Status (e.g., Paid, Open, Closed, Withdrawn, Uncollectible)
- Amount Due
- Amount Paid
- Balance Due
- Last Date of Payment
- Last Notice Date
- Account History
- General Comments

Agreed. At a minimum, Client Access Web® can and will provide access to every element of information cited in this requirement.

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3.11.3 CONTRACTOR shall perform daily update and back-up on all account information systems accessed by on-line terminals at COURT locations.

Agreed. Our on-line terminals at Court locations will be tied into our collection systems and thus will be subject to update and backup as described for our collection system.

3.12 FEES FOR SERVICES

3.12.1 Invoices

CONTRACTOR shall invoice COUNTY/COURT only for collection fees for services that have resulted in the remittance of financial instruments (e.g., cash, checks, credit card remittances, etc.) to CONTRACTOR and subsequent deposit of the financial instruments into COUNTY Bank Account. CONTRACTOR shall not be compensated for activities on accounts for which debtor payments are not obtained.

CONTRACTOR shall be compensated only for services that result in the collection of revenue. COUNTY/COURT will not compensate CONTRACTOR for expended services in the event debtor payment is not obtained.

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of this requirement regarding invoicing only for fees for services that resulted in the collection of revenue and the remittance and subsequent deposit as described. We acknowledge that no compensation is due – and as such, no invoicing will be issued - on accounts worked where payments were not obtained or for other expended services.

The amount of the CONTRACTOR'S invoices shall be calculated in accordance with the following formula: Commission Rate (%) x total collections deposited in to COUNTY Bank Account during the period of the invoice.

Agreed. Harris & Harris will follow and incorporate this formula into all invoicing to be prepared and submitted to the County/Court.

CONTRACTOR shall submit to COUNTY/COURT an invoice each month by the 5th business day of the month for the prior month's deposits to the COUNTY Bank Account. Invoice shall be presented to COUNTY/COURT under the conditions and with the information set forth in Section 3.13.1 – Cycle for Submission of Invoices. An invoice without the required information will not be approved for payment.

Agreed. Harris & Harris will submit a monthly invoice to the County/Court by the 5th business day of the following month as described. This invoice will be prepared under the conditions and information set forth in Section 3.13.1 and will contained all of the required information. We acknowledge that an invoice lacking any of the required information will not be approved for payment. Harris & Harris has provided on the next page a *Sample Invoice* that can and will be customized to include but not be limited to all information cited in this requirement including itemization by case and subtotal for each court location.

WORK PLAN FOR REQUESTED SERVICES

HARRIS & HARRIS, LTD.
111 WEST JACKSON
SUITE 400
CHICAGO, IL 60604
312-251-2300

[] County Municipal Court
Attention: John Doe
1234 West Main Street
Any Town, [] 00000

Invoice#: 332211
Invoice Date: 08/17/18
PO#: 333444
Week Ending: 08-14-18
Contract#: ABC87654

DATE	NAME	CASE NUMBER	CD	STS	PAYMENT AMOUNT	FEE AMOUNT
08/8/2018	Debtor	XYZ000			\$55.00	\$6.74
08/8/2018	Debtor	XYZ001			\$2.00	\$0.25
08/8/2018	Debtor	XYZ002			\$5.00	\$0.61
08/8/2018	Debtor	XYZ003			\$7.00	\$0.86
-----PAGES SKIPPED FOR SAMPLE PURPOSES-----						
08/14/2018	Debtor	XYZ200			\$10.00	\$1.22
08/14/2018	Debtor	XYZ201				
08/14/2018	Debtor	XYZ202				
08/14/2018	Debtor	XYZ203				
08/14/2018	Debtor	XYZ204			\$7.00	\$0.86
08/14/2018	Debtor	XYZ205			\$2.00	\$0.25
08/14/2018	Debtor	XYZ206			\$10.00	\$1.22
08/14/2018	Debtor	XYZ207			\$23.00	\$2.82
08/14/2018	Debtor	XYZ208			\$60.00	\$7.32
08/14/2018	Debtor	XYZ209			\$85.00	\$10.41
08/14/2018	Debtor	XYZ210			\$106.00	\$12.99
08/14/2018	Debtor	XYZ211			\$15.00	\$1.88
08/14/2018	Debtor	XYZ212			\$85.00	\$10.41
08/14/2018	Debtor	XYZ213			\$15.00	\$1.88
08/14/2018	Debtor	XYZ214			\$85.00	\$10.41
08/14/2018	Debtor	XYZ215			\$50.00	\$6.12
08/14/2018	Debtor	XYZ216			\$7.00	\$0.86
08/14/2018	Debtor	XYZ217			\$7.00	\$0.86
08/14/2018	Debtor	XYZ218			\$10.00	\$1.22
08/14/2018	Debtor	XYZ219			\$26.00	\$3.19
08/14/2018	Debtor	XYZ220			\$100.00	\$12.25
08/14/2018	Debtor	XYZ221			\$5.00	\$0.61

This is a Code column, with codes to be determined during implementation.

This is a Status column, with statuses to be determined during implementation.

SAMPLE

-----FINAL VOUCHER PAGE-----
GROSS COLLECTIONS FOR THIS INVOICE: \$35,270.50
PLEASE REMIT YOUR CHECK FOR: \$4,224.33

I hereby certify, under penalty of perjury, that the above invoice is just and correct and that reimbursement for such expenses listed on this invoice has not been previously received from the Municipal Court, nor any other source.

Project Manager

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All invoices submitted by the CONTRACTOR for payment must have the written approval of the COURT PM prior to any payment thereof. In no event shall COUNTY/COURT be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld, and in no instance will such approval take more than three (3) weeks from receipt of properly prepared invoices by the COURT PM.

Agreed. Harris & Harris has read and understands this requirement. We acknowledge the right and authority of the Court Project Manager to review and provide written approval of all invoices submitted prior to receipt of any payment and that we will not otherwise hold the County/Court liable for such payments. We also acknowledge and appreciate that written approval of an invoice will take no more than three (3) weeks following receipt of a properly prepared invoice.

3.12.2 Payment on Accounts with a Court Appearance after referral

In the event a debtor appears in court and subsequently pays the debt, COUNTY/COURT will compensate CONTRACTOR the amount that is adjusted (e.g., if a debtor's balance is reduced from \$550.00 to \$350.00 at a court appearance, and payment is made, the Collection Fee will be based on the new court ordered amount).

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of this requirement regarding payment on accounts with a court appearance after referral.

3.12.3 Dismissed Accounts

CONTRACTOR shall not receive compensation on any account that has been dismissed or suspended at a court appearance wherein a subsequent court fee has been imposed or otherwise dismissed or suspended by judicial order.

CONTRACTOR shall not receive compensation on an account where community service has been granted in lieu of fine.

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of this requirement regarding dismissed accounts and our forfeit of any related compensation as described.

3.12.4 Failure to Pay Accounts

- **CONTRACTOR shall not receive compensation on an account in the event a debtor fails to pay the debt after a court appearance.**
- **COUNTY/COURT reserves the right to take actions deemed necessary to recover debt from a debtor who has failed to pay after a court appearance.**
- **CONTRACTOR shall not receive compensation in the event that COUNTY/COURT, one of its agents, or another service provider, recovers revenue on a debtor who failed to pay the debt after a court appearance.**

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of this requirement regarding failure to pay accounts. We also acknowledge our forfeit of any related compensation when a debtor fails to pay the debt after a court appearance or when the County/Court, one of its agents, or another service provider recovers revenue from a debtor who initially failed to pay debt following a court appearance. We also acknowledge the right of the County/Court to take actions it deems necessary to recover debt from a debtor who failed to pay following a court appearance.

3.12.5 Partial Payments/Prorated Fees

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The Commission Rate shall be based on the amount of gross revenue collected. For example, if a partial payment is made, commission shall only be paid on the partial payment amount.

Agreed. Harris & Harris acknowledges the basis for payment as the amount of gross revenue collected, including for accounts where a partial payment is made, i.e., commission will be paid only on the partial payment amount.

3.12.6 Payment on Accounts Deemed Uncollectible, or Withdrawn by COUNTY/COURT

COUNTY/COURT will not compensate CONTRACTOR for an account collection if the debtor's payment, in whole or part, is received by COUNTY/COURT, one of its agents, another service provider, or the CONTRACTOR after an account has been returned by CONTRACTOR to COUNTY/COURT as Uncollectible or for accounts withdrawn by the COUNTY/COURT.

Agreed. Harris & Harris acknowledges that we will not be compensated for any partial or whole collection on an account – whether by Harris & Harris, the County/Court, one of its agents, or another service provider – after such account has either been withdrawn/recalled by the County/Court or returned to the County/Court as uncollectible.

3.12.7 Accounts with NSF Checks

➤ ***CONTRACTOR shall not receive compensation for services in the event a debtor submits a NSF check or a chargeback is received on a debit/credit card transaction.***

Agreed. Harris & Harris acknowledges that we will not be compensated for services when a debtor submits an NSF check or when a chargeback is received on a debit card or credit card transaction.

➤ ***Bank imposed NSF check fees charged to the CONTRACTOR may be added (maximum of \$25.00) to the account balance. CONTRACTOR may attempt to collect bank imposed fees after the COURT referral amount is satisfied. CONTRACTOR shall not receive compensation from COUNTY/COURT on NSF check fees charged to the CONTRACTOR. CONTRACTOR shall not transmit or pass bank-imposed fees to COUNTY/COURT.***

➤ ***CONTRACTOR is not entitled to commission on bank imposed fees.***

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of these requirements related to bank-imposed NSF check fees. We accept our full responsibility in this regard and we acknowledge that we will neither petition nor bill the County/Court for compensation for these fees or for commission on these fees. We also acknowledge the collection on the account is foremost, such that we will attempt to collect bank-imposed fees from the debtor only after the referral amount is satisfied.

3.13 REVENUE RECOVERED BY CONTRACTOR

CONTRACTOR shall not deduct its fee directly from any collected revenue. CONTRACTOR shall receive payment from COUNTY/COURT by submitting an invoice as identified in Section 3.12 of this SOW.

Agreed. Harris & Harris has read and understands this requirement. We agree anew that we will receive payment only by submitting an invoice, and that at no time will we deduct a fee directly from any collected revenue.

3.13.1 Cycle for Submission of Invoices

CONTRACTOR shall submit an invoice once per month. Invoices shall only include collection fees

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- **Invoices must correspond with and include, an itemized list of the ACH transfers into the COUNTY Bank Account made during the billing cycle.**
Agreed. Harris & Harris will provide monthly invoicing for collection fees only to the County/Court. This invoicing will include an itemized list of the ACH transfers into the County bank account made during the billing cycle.
- **The invoice should be itemized by case and include, at a minimum, the following information:**
 - **Case Number**
 - **Client Code**
 - **Date Paid**
 - **Debtor Name**
 - **Amount Referred**
 - **Amount Paid on the Invoice**
 - **Total Amount Paid to Date**
 - **CONTRACTOR'S Commission Cost on Current Payment**
 - **CONTRACTOR'S Total Commission Cost Charged to Date**
 - **Civil Assessment Amount Collected**
 - **Total Civil Assessment Amount Collected to Date**
 - **Fine Amount Enclosed**
 - **Total Fine Amount Collected to Date**
 - **Balance Due**
- **The invoice must be subtotaled for each COURT location.**
Agreed. Harris & Harris has provided on the next page a *Sample Invoice* that can and will be customized to include but not be limited to all information cited in this requirement including itemization by case and subtotal for each court location.

WORK PLAN FOR REQUESTED SERVICES

**HARRIS & HARRIS, LTD.
111 WEST JACKSON
SUITE 400
CHICAGO, IL 60604
312-251-2300**

[] County Municipal Court
Attention: John Doe
1234 West Main Street
Any Town, [] 00000

Invoice#: 332211
Invoice Date: 08/17/18
P0#: 333444
Week Ending: 08-14-18
Contract#: ABC87654

DATE	NAME	CASE NUMBER	CD	STS	PAYMENT AMOUNT	FEE AMOUNT
08/8/2018	Debtor	XYZ000			\$55.00	\$6.74
08/8/2018	Debtor	XYZ001			\$2.00	\$0.25
08/8/2018	Debtor	XYZ002			\$5.00	\$0.61
08/8/2018	Debtor	XYZ003			\$7.00	\$0.86
-----PAGES SKIPPED FOR SAMPLE PURPOSES-----						
08/14/2018	Debtor	XYZ200			\$10.00	\$1.22
08/14/2018	Debtor	XYZ201				
08/14/2018	Debtor	XYZ202				
08/14/2018	Debtor	XYZ203				
08/14/2018	Debtor	XYZ204			\$7.00	\$0.86
08/14/2018	Debtor	XYZ205			\$2.00	\$0.25
08/14/2018	Debtor	XYZ206			\$10.00	\$1.22
08/14/2018	Debtor	XYZ207			\$23.00	\$2.82
08/14/2018	Debtor	XYZ208			\$60.00	\$7.32
08/14/2018	Debtor	XYZ209			\$85.00	\$10.41
08/14/2018	Debtor	XYZ210			\$106.00	\$12.99
08/14/2018	Debtor	XYZ211			\$15.00	\$1.88
08/14/2018	Debtor	XYZ212			\$85.00	\$10.41
08/14/2018	Debtor	XYZ213			\$15.00	\$1.88
08/14/2018	Debtor	XYZ214			\$85.00	\$10.41
08/14/2018	Debtor	XYZ215			\$50.00	\$6.12
08/14/2018	Debtor	XYZ216			\$7.00	\$0.86
08/14/2018	Debtor	XYZ217			\$7.00	\$0.86
08/14/2018	Debtor	XYZ218			\$10.00	\$1.22
08/14/2018	Debtor	XYZ219			\$26.00	\$3.19
08/14/2018	Debtor	XYZ220			\$100.00	\$12.25
08/14/2018	Debtor	XYZ221			\$5.00	\$0.61

This is a Code column, with codes to be determined during implementation.

This is a Status column, with statuses to be determined during implementation.

SAMPLE

-----FINAL VOUCHER PAGE-----
GROSS COLLECTIONS FOR THIS INVOICE: \$35,270.50
PLEASE REMIT YOUR CHECK FOR: \$4,224.33.

I hereby certify, under penalty of perjury, that the above invoice is just and correct and that reimbursement for such expenses listed on this invoice has not been previously received from the Municipal Court, nor any other source.

Project Manager

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3.13.2 Revenue Recovered after a Court Appearance

- **CONTRACTOR'S invoices shall not include accounts which were set for a court appearance.**
- **In the event revenue is collected by COURT on accounts that were set for a court appearance, CONTRACTOR shall provide supporting documentation of the payment as instructed by COUNTY/COURT. COUNTY/COURT will determine the total amount to be compensated for each monthly billing cycle, and will compensate CONTRACTOR accordingly.**

Agreed. At no time will our invoices include accounts which were set for a court appearance. In instances where the Court collects revenue on these accounts, we agree to provide documentation of the payment as instructed by the County/Court. We acknowledge that the County/Court in turn will determine any amount to be compensated and shall compensate Harris & Harris accordingly.

3.13.3 Invoices which include Accounts with NSF Checks, Chargebacks or Accounts with a Debtor Refund:

- **COUNTY/COURT will not compensate CONTRACTOR for services provided on accounts with NSF checks, chargebacks or debtor refunds.**
- **In the event of a partial refund, COUNTY/COURT will remit to CONTRACTOR a collection fee that is adjusted to the amount of collected money retained by COUNTY/COURT.**
- **In the event invoices include accounts with NSF checks, chargebacks or debtor refunds, COUNTY/COURT will deduct the amounts of the NSF checks, chargebacks or the debtor refunds from the invoice.**
- **In the event CONTRACTOR is compensated for accounts with NSF checks, chargebacks or debtor refunds, COUNTY/COURT will deduct the appropriate remitted amount from CONTRACTOR'S next invoice.**

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of this requirement as it pertains to invoices which include accounts with NSF checks, chargebacks, or debtor refunds. We acknowledge and take no exceptions to any of the protocols described for remittance, deduction, and overall compensation.

3.13.4 Reporting Requirements

At a minimum, the CONTRACTOR shall generate and provide the following reports to COUNTY/COURT no later than the tenth business day of each month:

- **A summary listing of accounts by account type referred in a given month;**
- **A summary description of account activity and status. This report should include, but may not be limited to the following: case number, status, amount due, amount paid, balance, collection activities and court appearances;**
- **A summary description of month-to-date and year-to-date performance. This report should include, but may not be limited to: amount referred, amount collected, amount outstanding, amount adjudicated by the court, rate of collection, open accounts and paid accounts;**
- **The number of accounts with civil assessment added to the fine/bail;**
- **The number of debtors that paid their account in full within ten (10) days of the CONTRACTOR'S first collection letter;**
- **Gross and net placements and gross revenue collected;**
- **The number of court dates set by the CONTRACTOR by individual court location;**
- **The number of installment plans received and initially set up;**
- **The average installment payment amount;**

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- *The number of calls made by CONTRACTOR;*
- *The number of calls received by CONTRACTOR;*
- *The number of collection letters sent by CONTRACTOR;*
- *The number of letters returned undeliverable;*
- *A detailed listing of all accounts deemed to be uncollectible;*
- *On an as-needed basis, provide a report, which lists all currently active accounts for which collection is still being pursued.*
- *The format and appearance of the above reports will be determined by COUNTY/COURT.*
Agreed. Harris & Harris offers the County/Court a collections platform (CUBS®) that provides a **distinct and clear audit trail** for our collection activity. **Every event associated with an account** – whether a letter sent, telephone contact (both successful and unsuccessful), payment arrangements, payment received, etc. – **is recorded in detail and is available for both scheduled and ad hoc / on demand reporting** on any schedule desired by the County/Court. The system is **extremely flexible and scalable** and offers a robust suite of reporting tools to readily meet all reporting requirements. We employ a dynamic and responsive team of onsite programmers who can modify existing reports and write custom reporting programs (with minimal turnaround time) for new reports to tailor CUBS® to specific programs for County/Court as needed at any time during the term of the contract.

At a minimum, Harris & Harris will provide comprehensive, accurate, and timely reporting of our collection activity in full accordance with all above stated requirements no later than the tenth business day of the month following the month of record. We can provide this suite of reports on our activities on all assigned accounts as generated by a sophisticated reporting tool that can provide analytical breakdowns, customer analysis, and a variety of statistical reports, including both scheduled and ad hoc reports. During implementation, we will discuss and implement with the determination and authorization of the County/Court the required reporting elements, format, timing, and distribution of all reports. We will also discuss and develop potential ad hoc reporting needs, which depending on the nature and extent may be programmed and provided in as little as one (1) to two (2) business days.

Common reports we provide to our clients include:

- Gross number of accounts and dollars placed each month
- Gross number of accounts and dollars placed year-to-date
- Dollars collected and applied to the month the account was placed
- Cumulative amount collected for the amount placed by month
- Commission amount taken by month and year-to-date
- Net recovery (total collected minus commission amount)
- Net recovery percentage

We have included in the **Appendix** a *Sample Reports* package that addresses a comprehensive spectrum of reporting needs. These samples – including the format and appearance – can be customized to meet the requirements of the County/Court.

- **COUNTY/COURT reserves the right to request additional ongoing and or ad hoc reports as deemed necessary.**
Agreed. Harris & Harris acknowledges the right of the County/Court to request additional ongoing or ad hoc reports as deemed necessary, and we will readily comply with all such requests and as

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appropriate we will add any such reports to the standard reporting package to be provided to the County/Court.

➤ **Realtime daily dashboard**

Agreed. Harris & Harris will provide at no additional cost to the County/Court our state-of-the-art Web-based tool **Client Access Web®**, to which authorized representatives of the County/Court will have **secure online real-time 24/7/365 access** to:

- View activity of accounts placed
- Run standard and ad hoc reports
- Generate and build custom reports
- Analyze, download, update, cancel, and audit accounts

County/Court-approved staff will be furnished with a unique user name and password to access this dashboard and view and monitor the accounts online. Our Information Technology professionals will train authorized staff to ensure that authorized representatives of the County/Court can access and benefit from the full functionality of Client Access Web®. All information is secured behind the robust firewalls of our system.

Client Access Web® is a richly-featured tool that authorized users can use to monitor all phases of the collection process, whether reviewing a single account's history, reviewing collection representative notes, or analyzing trends across the entire portfolio of placed accounts. Client Access Web® offers the County/Court:

- Intuitive interface
- Fast access to information
- Account lookup screen
- Detailed account view
- Ability to attach source document images
- Account entry screen
- Online payment acceptance module
- Robust reporting including batch tracking
- Dynamic ad hoc report builder
- Enhanced data mining tools
- Statistical reports by status, aging, amount, and other values

One of the most exciting elements of Client Access Web® is the Report Builder. Client inventory reports, categorical reports or other custom compilations can be created in seconds through the use of your client portal, allowing you to have valuable information at your fingertips whenever it is needed.

Sample Screens

We have provided beginning below some sample screen displays from our Client Access Web® application. Unlimited options for inquiry and reporting are available within this application. **Note: All data is test data and not actual consumer data.**

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Harris & Harris: Dashboard | Applied Innovation, Inc. (US) | https://www.clientaccessweb.com/QuickCollect/Net/Main/

CAW | Nicor Gas | ADP

HARRIS & HARRIS

Settings | Log Me Out | Return To Admin

User: Erin Thunholm(Admin - 100: ABC Company)

Home | Inquiry | Reports | Uploads | Placements | Messaging | User Management

Reports > Statistics by Account Status

Statistics by Account Status

Change Clients | Show/Hide Included Clients | Export

StatusDescription	Status	Number	AmountAssigned	CancelAmount	Net Assigned	Principal/Collected	CurrBalance	RCVY%
ACCURNT HOLD STATUS	ACU	2	\$9,454.89	\$0.00	\$9,454.89	\$0.00	\$14,820.28	0.0 %
ACTIVE ACCOUNT	ACT	60877	\$563,806,416.25	\$0.00	\$563,806,416.25	\$16,152.59	\$606,513,605.85	0.0 %
AMT TOO SMALL FOR LEGAL.	SSM	1	\$124.00	\$0.00	\$124.00	\$0.00	\$124.00	0.0 %
BANKRUPTCY	BAN	1	\$12,380.00	\$0.00	\$12,380.00	\$0.00	\$12,380.00	0.0 %
BANKRUPTCY - CHAPTER 7	BK7	1	\$203.92	\$0.00	\$203.92	\$0.00	\$203.92	0.0 %
BANKRUPTCY CHAPTER 13	B13	29	\$33,136.97	\$189.30	\$32,947.67	\$0.00	\$43,344.55	0.0 %
BANKRUPTCY CHAPTER 7	B7	35	\$14,356.85	\$346.23	\$14,010.62	\$750.00	\$22,031.57	5.4 %
CANCELLED BY CLIENT	CBC	42	\$23,693.39	\$0.00	\$23,693.39	\$55.84	\$23,637.55	0.2 %
CANCELLED BY CLIENT REQUEST	CAN	12	\$4,106.63	\$394.80	\$3,711.83	\$0.00	\$4,053.24	0.0 %
CEASE AND DESIST	CND	2	\$1,254.57	\$0.00	\$1,254.57	\$0.00	\$1,254.57	0.0 %
CEASE AND DESIST BY CLIENT	CAD	1	\$220.10	\$0.00	\$220.10	\$0.00	\$220.10	0.0 %
CHARITY ACCT	CHR	1	\$7,176.25	\$0.00	\$7,176.25	\$0.00	\$21,105.65	0.0 %
CLOSED BY AGENCY	CBA	11	\$3,098.97	\$0.00	\$3,098.97	\$0.00	\$3,098.97	0.0 %
CLOSED FOR RETURN TO CLIENT	CFR	1	\$34,263.00	\$0.00	\$34,263.00	\$0.00	\$34,263.00	0.0 %
DEALING WITH ATTORNEY ONLY	ATY	8496	\$67,360,694.23	\$0.00	\$67,360,694.23	\$200.00	\$228,348,334.63	0.0 %
DECEASED, NO ESTATE OR BEYOND CLAIM	DEC	3	\$1,189.99	\$0.00	\$1,189.99	\$100.00	\$1,089.99	8.4 %
DISPUTE PENDING RESOLUTION	DPR	1	\$224.85	\$0.00	\$224.85	\$0.00	\$224.85	0.0 %
DISPUTED	DIS	6	\$5,270.68	\$0.00	\$5,270.68	\$0.00	\$11,608.09	0.0 %

Harris & Harris: Dashboard | Applied Innovation, Inc. (US) | https://www.clientaccessweb.com/QuickCollect/Net/Main/

CAW | Nicor Gas | ADP

HARRIS & HARRIS

Settings | Log Me Out | Return To Admin

User: Erin Thunholm(Admin - 100: ABC Company)

Home | Inquiry | Reports | Uploads | Placements | Messaging | User Management

Default Reports

Create New Report | Create New Statistical Report

View: Icons

- Cancellation Requests
- Compass Documents
- Edit Requests
- Files Previously Uploaded
- Payments Reported
- Precollect Changes
- Precollect Report
- Stair-Step History Report
- Standard History Report
- Statistics by Account Status
- Statistics by Age At Assignment
- Statistics by Age From Date Assigned
- Statistics by Amount Assigned
- Status Descriptions
- Suspended Precollect Accounts

Uploaded Reports

Show Hidden Reports

Favorite	Type	File Name	File Size	Date Created

No records to display.

Page size: 10 | 0 items in 1 pages

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Client Name	Client Num	Name	Date Assigned	F & HID	Client Account ID	Amount Assigned	Principal Collected	Current Balance	Status
ABC Company	100		9/29/2006	10096900	DDA195665887	\$528.37	\$0.00	\$528.37	AC
ABC Company	100		9/29/2006	10097000	DDA190935832872	\$295.64	\$0.00	\$295.64	AC
ABC Company	100		9/29/2006	10108400	DDAC196647069	\$755.94	\$0.00	\$765.94	HP
ABC Company	100		9/29/2006	10108800	DDAC417C71574	\$299.78	\$0.00	\$299.78	AC
ABC Company	100		9/29/2006	10109200	DDAC422600217	\$135.22	\$0.00	\$135.22	AC
ABC Company	100		9/29/2006	10109700	DDAC7505803848	\$214.66	\$0.00	\$214.66	AC
ABC Company	100		9/29/2006	10099200	DDAC0325554C1	\$250.37	\$0.00	\$260.37	AC
ABC Company	100		9/29/2006	10110300	DDAC793293044	\$1,248.33	\$0.00	\$1,248.33	AC
ABC Company	100		9/29/2006	10110600	DDAC7933147E3	\$733.78	\$0.00	\$733.78	AC
ABC Company	100		9/29/2006	10111800	DDA182355892419	\$443.36	\$0.00	\$443.36	AC
ABC Company	100		9/29/2006	10101600	DDA4346530359	\$157.18	\$0.00	\$157.18	AC
ABC Company	100		9/29/2006	10103900	DDA8505609043	\$109.59	\$0.00	\$109.59	AC
ABC Company	100		9/29/2006	10096525	DDA19505613E	\$7,435.04	\$0.00	\$7,435.04	AC
ABC Company	100		9/29/2006	10096625	DDA195716566	\$948.55	\$0.00	\$948.55	AC
ABC Company	100		9/29/2006	10108325	DDAC19650525	\$300.74	\$0.00	\$300.74	AC
ABC Company	100		9/29/2006	10108425	DDAC196677884	\$8,646.08	\$0.00	\$8,646.08	AC
ABC Company	100		9/29/2006	10108825	DDAC417C75820	\$152.57	\$0.00	\$152.57	AC

3.13.5 Judicial Council of the Court (JCC) Report

On an annual basis, the Superior Courts of the State of California and the Counties of the State of California are required to complete and submit to the JCC a Collections Reporting Template with aggregate referred and collected amount for all COUNTY/COURT collections programs to which Contractor is providing collections services. At no additional costs to COUNTY/COURT, CONTRACTOR shall provide the required data to COUNTY/COURT. The current data that needs to be provided is included in the Collections Reporting Data (Attachment F – subject to change).

Agreed. Annually as required, Harris & Harris agrees to provide to the County/Court the required data as presented for reference in Attachment F. During implementation we will work with the County/Court to determine the desired format and appearance of the JCC Report and the annual due date for this information. We will add the JCC Report to the roster of required reporting deliverables accordingly.

3.13.6 Payment Reports

Once each business day, CONTRACTOR shall submit a hard copy payment report to COUNTY/COURT.

- **The sum of all the payments listed on the payment report must equal the amount transferred via ACH into the COUNTY Bank Account, the sum of all the payments on the electronic file and/or payment tapes.**

Agreed. Harris & Harris will prepare and submit each business day a hard copy Remittance Report, or Payment Report. All collections are remitted from client accounts as per statute and are restricted so that funds may only be removed for transfer to a client. Each report will have been fully reconciled

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by our accounting department such that the sum of all payments listed will always equal the amount transferred via ACH in the County bank account, which reflects the sum of all payments on the electronic file and/or payment tapes.

- **The payment report shall provide a detailed list of all debtors who paid, including, but not limited to the following elements:**
 - **Receipt number**
 - **Client code**
 - **Account number**
 - **First and last names**
 - **Type of financial instrument used to make payment (e.g., cash, checks, credit cards, etc.)**
 - **Amount paid**

Agreed. Whether in electronic or hard copy form, our standard remittance report includes a detailed report of all relevant account data stated in the requirement including but not limited to a copy of the bank deposit total and itemization by debtor name, debt account numbers, amount, NSF occurrences, and date and location collected. That said, all remittance statements can and will be customized to meet the needs of the County/Court to include but not be limited to all of the information cited above.

We have included in the **Appendix** to our Technical Proposal a *Sample Remittance Summary* (Payment Report) that will be sent once each business day in hard copy format to the County/Court. Again, all remittance statements can and will be customized to meet the needs and requirements of the County/Court.

- **The payment report should be sorted by receipt number.**

Agreed. As noted above, all remittance statements can and will be customized to meet the needs of the County/Court to include but not be limited to sorting by receipt number.
- **The payment report shall include grand totals for the number of accounts paid and the amounts collected.**

Agreed. As noted above, all remittance statements can and will be customized to meet the needs of the County/Court to include but not be limited to grand totals for the number of accounts paid and the amounts collected.
- **In the event no payments were received, CONTRACTOR shall submit a payment report, which indicates that no payments were received.**

Agreed. If no payments are received on a given business day, Harris & Harris will still submit a payment report that simply declares no payments were received.

3.14 RETURN OF ACCOUNTS

Upon termination of the Contract by either COUNTY/COURT or CONTRACTOR, CONTRACTOR shall return to COUNTY/COURT all accounts, and copies of records and information in their possession relating to said accounts such as refreshed addresses, which were obtained by CONTRACTOR.

Agreed. Harris & Harris has read, understands, and agrees to comply with this requirement. As noted earlier in our collection methodology, we will immediately cease collection activity if the County/Court elects to cancel, de-assign, or recall an account for **any** reason, including upon termination of the contract. We will follow all standards for closure specified by the County/Court, and all status codes can be fully customized to align with the accounting and auditing processes of the County/Court.

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Upon contract termination by either the County/Court or Harris & Harris, we will close and return all accounts, along with a full report detailing for each account all collection efforts, any contact made, as well as any updated addresses and other contact information we may have obtained. During the implementation phase of the contract, Harris & Harris will work with the County/Court to determine all criteria to incorporate into the close and return process.

3.14.1 Accounts and related information will be returned in the formats specified in Section 3.10 - Transmission of Account Information, or in alternative formats as specified by COUNTY/COURT.

Agreed. Harris & Harris will return all accounts and related information in the formats specified in Section 3.10 or in any alternative formats desired as specified by the County/Court.

3.14.2 At the end of the Contract period, CONTRACTOR shall promptly return to COUNTY/COURT all previously referred accounts and all records and/or files pertaining to such accounts. In no case shall CONTRACTOR continue working the accounts and no commissions will be paid on monies received by the CONTRACTOR from the debtors upon termination of the Contract.

Agreed. Harris & Harris will readily return all accounts and all records pertaining to those accounts at the end of the contract period. We affirm that in no case will we continue to work on any account, and we acknowledge that no commissions will be paid on monies we receive following termination of the contract.

3.14.3 All account payment funds received by CONTRACTOR after contract termination shall be forwarded to COUNTY/COURT within three (3) business days of receipt. Any post-dated checks in CONTRACTOR'S possession will be voided and given to COUNTY/COURT to arrange for replacement from the maker(s).

Agreed. Harris & Harris will forward all account payment funds received after contract termination to the County/Court within three (3) business days of receipt. In addition, we will void and present to the County/Court any post-dated checks such that the County/Court can seek replacement checks from those parties.

3.14.4 Any legal actions in progress at the time of contract termination shall be provided to COUNTY/COURT within fifteen (15) days of termination.

Agreed. Within fifteen (15) days of contract termination, Harris & Harris will provide to the County/Court an accounting of all legal actions in progress at the time of termination.

3.14.5 Within forty-five (45) days of termination of this Contract, CONTRACTOR shall submit to COUNTY/COURT, in the form and with the certification and reports as may be prescribed by COUNTY/COURT, its termination claim and invoice. Upon failure of CONTRACTOR to submit its termination claim and invoice within the time allowed, COUNTY/COURT may determine, on the basis of information available to COUNTY/COURT, the amount, if any, due to CONTRACTOR in respect to the termination. Such determinations shall be final. After such determination is made, COUNTY/COURT shall pay CONTRACTOR the amount so determined.

Agreed. Harris & Harris has read, understands, and agrees to comply with all aspects of this requirement regarding a final termination claim and invoice to be submitted by Harris & Harris within forty-five (45) days of contract termination. We acknowledge and accept that if the County/Court does not receive the final claim and invoice within that timeframe, then the County/Court has the authority to determine what amount if any is due to Harris & Harris and to remit that amount to be recognized as final payment in full.

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3.14.6 CONTRACTOR shall house and maintain all records related to their Contract performance for a minimum of five (5) years after contract termination at their office(s). COUNTY/COURT will have the right to inspect these records at any time within this five (5) year period.

Agreed. Harris & Harris maintains a **Document Retention Policy** to ensure that necessary records and documents are adequately protected and maintained and to ensure that records that are no longer needed or are of no further value are discarded at a proper time in an appropriate manner. This policy covers all business records, including written, printed and recorded matter and electronic forms of records, including e-mail messages in personal folders. Records will be reviewed regularly to ensure retention and destruction is appropriate to ensure compliance with this policy.

Record Retention Schedule	
Record Type	Retention Period
Accounting & Finance	7 years
Contracts	7 years
Corporate Records	Permanent
Insurance Policies	Permanent
Legal Records	7 years
Personnel Records	7 years
Property Records	Permanent
Tax Records	Permanent
Marketing & Sales Records	Permanent

As shown, our policy ensures that we will house and maintain at our corporate headquarters all records related to this contract for more than the minimum of five (5) years after contract termination. We acknowledge and will abide by the right of the County/Court to inspect these records at any time within that five (5) year period.

3.15 COLLECTION AMNESTY PROGRAM

Pursuant to any enacted California Statute(s) providing amnesty debt relief on delinquent debt(s) to specified individuals, COUNTY/COURT shall establish an amnesty program that will be administered in its entirety by the CONTRACTOR as directed by COUNTY/COURT.

As directed by COUNTY/COURT, CONTRACTOR shall segregate and perform collection activity on accounts eligible for amnesty.

CONTRACTOR shall accept only the amount authorized/specified by the COUNTY/COURT as full payment.

CONTRACTOR shall segregate and process payments received during the amnesty program in the same manner as described in Section 3.8 and/or as required by Judicial Council guidelines.

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As required by Judicial Council guidelines, CONTRACTOR shall provide the required reporting of data of the Amnesty Program to COUNTY/COURT. (Attachment G). The CONTRACTOR shall be compensated only on the amount collected.

Agreed. Harris & Harris has also created and/or otherwise administered successful **amnesty programs** for a number of government agencies around the country including but not limited to the Illinois State Toll Highway Authority (outstanding toll debt) and the City of Chicago (outstanding debt for delinquent parking and red light ticket offenders). We can develop, implement, and administer a customized amnesty program or administer the Court's own amnesty and special programs to help reconcile longstanding or situational debt while maintaining a positive public perception of the Court as earned through professional administration of the program.

For this contract, we agree to fully administer the amnesty program established by the County/Court and will abide by all requirements set forth above, including segregating eligible accounts for targeted collection activity and subsequently segregating and processing payments in the same manner as we perform our traditional payment processing. We agree to accept only the amount authorized/specified by the County/Court as full payment. We will use Attachment G in the RFP to report all associated amnesty program activity, and we will add Attachment G to our standard reporting package for the County/Court.

For the purpose of this bid and to demonstrate our relevant experience, we have chosen to further describe the two aforementioned amnesty programs as evidence of our ability to **develop, implement, and/or otherwise administer** a customized amnesty program that will meet or exceed the debt reduction goals of the County/Court.

Illinois State Toll Highway Authority

90-Day Amnesty Program

After being approached by Harris & Harris about the concept of settlement campaigns, the Illinois State Toll Highway Authority (ISTHA) retained the services of Harris & Harris to administer a 90-day (three month) Toll Violations Spring Cleaning amnesty program for outstanding toll debt.

The purpose of this amnesty program was to give all offenders the opportunity to clear up longstanding toll debt before announcing a toll increase by recouping unpaid toll revenues and outstanding fines on behalf of the more than 90 percent of tollway users who pay their tolls.

To participate in and take advantage of this program, offenders were required to pay their tolls and pre-escalated fines in full – either in whole or by setting up a payment plan – to receive the special amnesty terms. Through their participation, offenders would have their \$50 fine escalations waived, predicated on complete payment of unpaid tolls and the original \$20 fine and any associated fees. By participating, offenders would bypass fine escalation and license and plate suspensions.

In order to meet the ISTHA's requirement to offer and administrate this program, Harris & Harris had to do the following:

- Implement custom programming to properly distribute payments to three different categories of debt in a prescribed posting spread code:
 - » Application to the toll
 - » Application to the pre-escalated fine
 - » Application to zero out the escalated fine

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- Create customized window to enable collection representatives to accurately quote the amnesty program offered while leaving the integrity of the actual amount due within the accounting of the system of record
- Customize inbound call messaging to educate consumers about the amnesty program
- Create high volume outbound messaging blast campaigns through automated dialers
- Augment inbound customer service call center team to handle high volume of questions and to facilitate payments
- Target notice campaigns to itemize the amount paid under the program and the savings
- Establish post-amnesty reconciliation process between Harris & Harris and ISTHA to ensure accuracy of balances

At the program's conclusion, a substantial amount of longstanding debt had been cleaned up, with millions of dollars collected and a positive public perception earned through our professional administration of the program.

City of Chicago

75-Day Amnesty Program

The City of Chicago sought and retained the services of Harris & Harris to administer a 75-day amnesty program for delinquent parking and red light ticket offenders.

The purpose of this amnesty program was to give all offenders (total of 5.4 million violations) an opportunity to satisfy their debt before a new law went into effect requiring a collection fee up to 35 percent (35%) to be added onto all delinquent violations.

To participate in and take advantage of this program, drivers were required to pay the fees in full – either in whole or by setting up a payment plan – to receive the special amnesty terms. Through their participation, offenders would receive a 50 percent discount on the penalties incurred on tickets and would be eligible for waived charges on boot, tow, and storage fees.

In order to meet the City requirement to offer a 75-day amnesty program to all debtors with parking and red light tickets (a total of 5.4 million violations) before the new collections fee went into effect, Harris & Harris had to do the following:

- Implement in less than 30 days
- Work in partnership with the City to design and then administer this amnesty program
- Assist with press release preparation and distribution
- Create customize training program for all staff assist to City program
- Add trained staff to manage inbound and outbound calling and payment processing
- Customize programming and interface to meet City IT requirement
- Customize and send amnesty collection notices
- Set up a dedicated amnesty toll free 1-800 number
- Establish a dedicated Web site for this program
- Customize inbound auto attendant message to recognize and welcome amnesty customers, and directed respondents to dedicated and trained bilingual program staff
- Customize outbound messaging
- Offer and administer required payment plan options

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➤ Customize reporting

In addition to the core scope of notifying and enrolling customers and processing payments, Harris & Harris also was required to process and communicate with different City departments regarding:

- All driver's license releases
- Boot deletions/releases
- Impound releases

By the end of the 75 days amnesty program, Harris & Harris had collected millions of dollars for the City, and the City viewed the program as a tremendous success.

The City of Chicago amnesty program is a **prime example of Harris & Harris's ability and commitment to implement and administer a large scale amnesty program in less than 30 days with superior results.**

3.15.1 Advertising and Marketing Campaign

The CONTRACTOR shall provide advertising and marketing services for an Amnesty Program appropriate to the community, including but not limited to:

- **Public Service Announcements (PSA) developed for the local community in radio and/or television (e.g. Spanish and other languages) with a message approved by COUNTY/COURT;**
- **Traditional advertising media services such as newspapers, magazines, posters, hand-out material, and mailed notices;**
- **Modern social media such as Twitter and Facebook;**
- **A plan for the utilization of the above communication methods beginning not less than 90 days prior to the start of any program.**

All proposed advertising and marketing services are to be preapproved by COUNTY/COURT.

Agreed. As noted in our description above of two of our successful client amnesty programs, we are accustomed to providing and integrating advertising and marketing campaigns into collection programs to drive amnesty program awareness among a client's targeted population.

Upon the establishment by the County/Court of an available amnesty program, Harris & Harris will develop and present to the County/Court for preapproval (including both messaging and methods) at least ninety (90) days prior to its authorized commencement a comprehensive advertising and marketing campaign plan. This plan can incorporate both paid and earned media messaging in both traditional and modern media, including but not limited to all of the potential media cited above. We will research and determine how best to reach, engage, and persuade eligible debtors where they live, figuratively and literally, with a focused and synergistic campaign of clear concise messaging and direction for immediate action (e.g., Web links, toll-free numbers) to access and take advantage of the amnesty program.

3.15.2 Reporting Requirements

CONTRACTOR shall comply with the reporting requirements set forth in any statute and in compliance with Judicial Council guidelines.

Agreed. Harris & Harris will comply with all reporting requirements for all reports required for this contract. As a contractor to the Judicial Council of California, we are fully aware of all related guidelines and will incorporate compliance with such into our reporting package for any amnesty program.

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CONTRACTOR shall also provide real-time reports required by COUNTY/COURT through a dashboard that is accessible by the COUNTY/COURT. The dashboard shall include, but not be limited to, the following information:

- **Account inventory**
- **Aged Inventory Report**
- **Collections year-to-date**
- **Collections month-to-date**
- **Collections based on age of case referral**
- **Number of accounts on payment plan**
- **Number of accounts defaulted on payment plan**
- **Number of accounts with no contact**
- **Number of accounts with no payments**
- **Number of accounts paid in full**
- **Deceased, incarcerated and other inactive statuses**

The information above shall be available by litigation area. The CONTRACTOR shall provide sample reports to COUNTY/COURT for approval prior to the implementation.

Agreed. As cited earlier, Harris & Harris offers the County/Court **real-time monitoring and reporting dashboard access** through Client Access Web®, our secure online client portal available 24/7/365. One of the most exciting elements of Client Access Web® is the *Report Builder* that will provide the County/Court the ability to run both standard reporting and to generate ad hoc custom reporting at any time. Client inventory reports, categorical reports or other custom compilations can be created in seconds through the use of the client access portal, providing the County/Court with valuable information whenever it is needed. Our Information Technology professionals will train authorized staff to ensure that the County/Court can access and benefit from this strategic client-friendly functionality of Client Access Web®.

This dashboard can readily provide all cited required information (including searching/filtering by litigation area) desired by the County/Court. We will create and provide to the County/Court for approval (prior to program implementation) a sample reports package for the amnesty program that incorporates all desired aspects of reporting, including but not limited to those categories cited here.

3.15.3 Acknowledgement Report

Upon request, CONTRACTOR shall provide a complete list to the COUNTY/COURT of all accounts by account category each time the COUNTY/COURT refers accounts to CONTRACTOR. The report shall be provided within two (2) business days following the date the CONTRACTOR can access the referral, and will list as applicable:

- **Party ID**
- **Debtor's name**
- **Case number**
- **Bail or fine due date**
- **Amount of bail or fine referred**

Agreed. Harris & Harris has read and understands the requirements for the *Acknowledgement Report*, and we agree to prepare and provide it as described and detailed, and within two (2) business days following the date that Harris & Harris can access the referral. This report will become a standard report of the reporting package available for any amnesty program administered during this contract.

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3.15.4 Daily Payment Transmittal Report

Upon request, CONTRACTOR shall provide the COUNTY/COURT a daily payment information report, on the next business day, reflecting the prior day's payments. The daily payment transmittal report will include a listing of every account upon which payment has been made, and for each such account, where applicable:

- **Party ID**
- **Debtor's name**
- **Case number**
- **Total paid**
- **Installment paid (if applicable)**
- **Amount paid with personal check that has not yet cleared**

Agreed. Harris & Harris has read and understands the requirements for the *Daily Payment Transmittal Report*, and we agree to prepare and provide it as described and detailed on the next business day so as to reflect the prior day's payments. This report will become a standard report of the reporting package available for any amnesty program administered during this contract.

3.15.5 Daily Adjustment Report

Upon request, on the business day following the processing of any adjustment on any account, CONTRACTOR will provide the COUNTY/COURT with a daily report of each account where an adjustment has been made to any amount referred or owed. In addition, the report will summarize each day's adjustment reasons by category of "Cash" or "Non-Cash." Examples of adjustment reasons are as follows:

(a) Cash-related Adjustment

- ~Returned Check
- ~Misapplied Payment
- ~Overpayment

(b) Non-Cash related Adjustment

- ~Referred in error by COURT
- ~Incorrect referral amount
- ~Payment collected by COURT (only in the event of payment taken by COURT since all forms of payments should be directed to the CONTRACTOR).

Agreed. Harris & Harris has read and understands the requirements for the *Daily Adjustment Report*, and we agree to prepare and provide it as described and detailed, and on the business day following the processing of any adjustment on any account. This report will become a standard report of the reporting package available for any amnesty program administered during this contract.

3.15.6 Account Status Report

Within five (5) business days after the end of each calendar month, CONTRACTOR will provide COURT with a complete listing of all such COURT accounts, by location, currently held by the CONTRACTOR. The report shall be in an electronic media that does not require the CONTRACTOR or COURT to produce a hard copy report. The account status report will include all relevant information deemed necessary by COUNTY/COURT and include at minimum where applicable, 1) party ID; 2) debtor's name; 3) case number; 4) bail or fine amount referred; and 5)

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total payment and adjustments 6) installments; 7) fines/fees and assessments reduced. The account status report will be sorted alphabetically by debtor's last name.

Agreed. Harris & Harris has read and understands the requirements for the *Account Status Report*, and we agree to prepare and provide it via electronic means as described and detailed, and within five (5) business days after the end of each calendar month. This report will become a standard report of the reporting package available for any amnesty program administered during this contract.

3.15.7 Transition Services

Upon termination of the Amnesty Program, CONTRACTOR shall continue to forward all payments received on any accounts referred by COUNTY/COURT. If payment activity continues on an account after termination and said account does not default from the program, the payments are forwarded to the COUNTY/COURT until satisfaction of the debt according to program parameters and the COUNTY/COURT will pay CONTRACTOR the commission rate identified for the Amnesty Program. If upon termination of the Amnesty Program there is no payment activity on account for 90 days and said account is in default of the Amnesty Program, the CONTRACTOR will cease collection activity and refer account to the Franchise Tax Board Court Ordered Debt collection program. CONTRACTOR will not receive commission from payment on accounts referred to other agencies or collection entities after termination of the Infraction Amnesty Program.

Agreed. Harris & Harris has read, understands, and agrees to comply with all aspects of transition services as described – including but not limited to remittance of monies, cessation of collection activities, and commissions due/not due – upon the termination of any amnesty program.

3.16 SPECIAL COLLECTIONS PROGRAMS

COUNTY/COURT will provide specifications for collection programs unique to COUNTY/COURT and CONTRACTOR shall implement and administer the programs as directed.

3.16.1 One-Third Down

As directed by COUNTY/COURT, CONTRACTOR shall offer an installment payment plan requiring a minimum one-third down payment of the outstanding delinquent balance on FTA and FTP infractions with remainder balances collected over four (4) monthly installment periods. Upon payment of the initial down payment, CONTRACTOR shall notify COUNTY/COURT to initiate a driver's license hold release to the DMV (if applicable).

Agreed. Harris & Harris has read and fully understands all aspects of the One-Third Down special collections program. This program is very similar to amnesty programs and other customized programs that we have conceptualized, created and/or administered for other clients, **including programs in which a payment generates our notice to initiate a driver's license hold release to the DMV.** We agree to offer the installment payment plan as described to eligible debtors with outstanding delinquent balances on FTA and FTP infractions.

3.16.2 Manual Fines/Fees Referrals

As directed by COUNTY/COURT, CONTRACTOR shall accept manual referrals of certain fines/fees by maintaining a transmittal log and data entering case information received from COUNTY/COURT via hard copy. Upon collecting payment, CONTRACTOR will submit a report listing the case number, defendant's name, court location, payment date, receipt number, and

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amount paid (full or partial). Payment processing shall follow procedures specified in section 3.8 Processing Debtor Payments.

Agreed. As cited earlier in our response to 4.2 and as necessary, Harris & Harris can accept data in virtually any format, including manually by paper/hard copy. For these transactions we do and will for this contract maintain a transmittal log as described to document and update all case information. We will create and submit the described report upon collection of each payment, and we will follow our standard procedures as described in 3.8 to process each payment.

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4.0 IMPLEMENTATION OF SERVICE

4.1 IMPLEMENTATION DEADLINE

CONTRACTOR shall meet and implement the full range of services and requirements described in this SOW within four (4) weeks of the Los Angeles COUNTY Board of Supervisors' approval of the contract between COUNTY/COURT and CONTRACTOR.

Agreed. Harris & Harris can meet and implement the full range of services and requirements of the Scope of Work within the prescribed four (4) weeks of approval of the contract. We have prepared and provided in the **Appendix** to our Technical Proposal a comprehensive *Sample Implementation Plan* that incorporates this timeline. That said and as clarified through the response to Question #49 on November 22, following contract award we would also appreciate the opportunity to discuss and negotiate the implementation timeline to consider and mitigate the potential issues that were raised in that question.

4.2 INTERFACE WITH COURT CASE MANAGEMENT SYSTEMS

CONTRACTOR shall have the capability to develop and test the necessary interfaces with the COUNTY/COURT CMS prior to July 1, 2020. However, depending on the availability of COURT resources necessary to implement the programming changes to support referrals to multiple primary vendors, initial referrals to CONTRACTORS may be implemented on a staggered basis.

Agreed. Harris & Harris has read, understands, and agrees to comply with this requirement. We offer the County/Court the ready capability to develop and test all interfaces within the prescribed deadline. We have described beginning below our interface and testing capabilities to ensure ready and seamless interface with court case management systems.

INTERFACE

Harris & Harris can send and receive data in any interim, in virtually any format, and from nearly any collection / accounting / case management system, whether by secure FTP, VPN, email, diskette, tape, data cartridge, or paper. Our technical personnel resources can readily adapt our programs at any time throughout the contract to accept, update, and process all records on hand from any system, no matter how common or how obscure. This includes acceptance of account information and transfer of account status changes and payment information and receipt confirmations for every transaction. Our technical personnel have implemented collection projects with many different client case management systems including a wide range of home grown legacy systems requiring Harris & Harris to provide custom programming to interface.

Account information may be forwarded for collection by:

- FTPS – File Transfer Protocol over Secure Socket Layer (SSL)
- SFTP – SSH File Transfer Protocol
- FTP/PGP – File Transfer Protocol with PGP Encrypted File
- HTTPS - File Transfer via Secure Website
- Secure Email
- Standard Email with PGP Encryption
- Email
- Diskette
- Tape

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- Data cartridge
- Hard copy

We provide 128 bit data encryption for file transfers using the PGP standard, we maintain Secure FTP or SFTP transfers, and we have implemented Cisco IronPort e-mail security technologies.

The groundwork for a seamless data transmission channel is laid during implementation. During this period, our IT experts work with your own technical representatives to discuss items such as:

- File layout
- Data mapping
- Test files
- PGP encryption
- Secure FTP sites

Be assured that our Client Technical Support Staff stands ready to accommodate any account referral method and will readily work with County/Court departments during implementation to ascertain and test all aspects of interconnectivity prior to contract launch and will provide technical support throughout the contract. Our technical support staff have worked with many different types of file layouts and have developed custom software that is able to accept electronic files in the following data types:

- EDI – Electronic Data Interchange
- XML – Extensible Markup Language
- Fixed Length ASCII data
- Comma Separated Value (CSV)
- Tab Delimited
- Excel Spreadsheet

AutoMate 9 and VIP Task Manager

Harris & Harris utilizes a variety of solutions to automate the creation and delivery of files to update client systems. Our IT operations team manages all day to day file transfers for each client using AutoMate9 and VIP Task Manager Professional software to ensure quality control and business continuity during implementation and throughout the contract. Our collection platform, CUBS®, provides automated file creation capabilities that are setup and scheduled per each client's specific requirements. These settings are thoroughly tested during the implementation process.

Once CUBS® creates the daily file, our AutoMate9 automation server picks up the file and delivers it to the appropriate client SFTP site. AutoMate9 allows us to script file handling procedures, and add additional safeguards and alerts to make sure files are transferred in a timely fashion. The automate jobs are set up to retry on failure, and to generate alerts to the AutoMate9 administrators.

AutoMate9 transfers files to our hosted SFTP solution, which is provided by Ipswitch. Ipswitch is an industry leader in the FTP hosting arena, and provides a solution that complies with numerous stringent regulations, including the Federal Information Security Act (FISMA) and the Personal Information Protection and Electronic Documents Act (PIPEDA). On file delivery, an automated email is sent to the appropriate client contacts to alert them that the file is ready for pickup. All transfers and pickups are tracked in searchable audit logs.

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Every Harris & Harris client has unique overlay needs, so our in-house team of IT professionals tailor programs to accommodate each overlay. **Regardless of the customization needed, each program will accomplish the following:**

- Analyze every collection case file to determine if the account is a new placement or an overlay
- Extract the overlay records and match against existing records in the database
- Extract existing records in the database and identify data that should be archived in notes or separate database tables (e.g., phone numbers, addresses, etc., depending on client requirements)
- Archive selected data
- Overlay new data onto the existing database record
- Produce exception reports on special status accounts for operations review
- Process new (non-overlay) records into the system with a new placement date

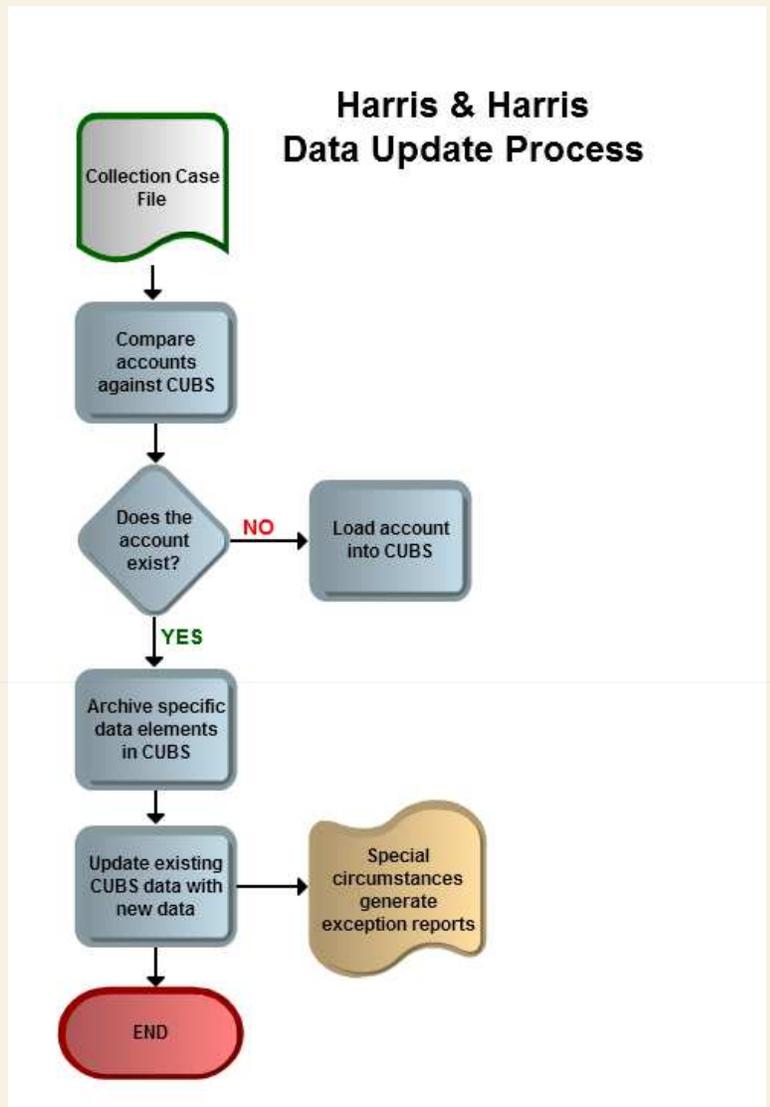
CUBS® has built-in duplication checks which flag accounts that have already been entered into the system for a specific client, and indicate whether the accounts are still active. This feature is essential to a successful overlay process. The workflow at right illustrates the data update process workflow.

Our IT operations team uses VIP Task Manager Professional in conjunction with AutoMate9 to ensure completion of both manual and automated tasks. Any IT operations team member dedicated to the County/Court can schedule, track, and report on any file transfer related task. As shown below, this includes the ability to monitor status, priority, assigned parties, and target date of completion to optimize productivity for each task and for overall contract performance.

Our IT operations team uses VIP Task Manager Professional in conjunction with AutoMate9 to ensure completion of both manual and automated tasks. Any IT operations team member dedicated to the County/Court can schedule, track, and report on any file transfer related task. As shown below, this includes the ability to monitor status, priority, assigned parties, and target date of completion to optimize productivity for each task and for overall contract performance.

TESTING

Harris & Harris will perform and complete all testing to the satisfaction of the County/Court prior to any implementation. We have invested heavily in the setup of a fully segregated testing environment. This testing environment can easily send, receive, and process files in sizes exceeding 30MB without affecting production-related activity. The architecture of the testing environment mirrors the existing production environment, guaranteeing no negative impact when programs and files are moved into production.



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The test environment operates on an IBM server with 8 processors, redundant power supplies, and long-term uninterruptible battery backup. The server operates on IBM AIX. Our storage array is striped across 110 disk drives, and can survive the loss of up to 12 drives simultaneously without data loss. The test platform is located at the Harris & Harris Disaster Recovery facility, which is a Tier IV data center environment.

Test Environment Network Configuration

The test environment on the CUBS® collection platform test server runs the same version of the CUBS® collection software, but with its own test databases, completely separate and unconnected to the production server. The test environment is secured to allow access only to programmers involved in client implementation and administrators that manage the equipment. Programs written for the test environment are backed up on a daily basis. The data on the test environment is refreshed on a weekly basis so that the system mirrors production data.

Harris & Harris has the system and personnel resources available to create Test Data in all test phases as required. We have dedicated system resources for testing as this is an aspect that is addressed with every client implementation. Personnel resources are allocated based on the client needs for expanded testing.

Test Data Creation

Harris & Harris analyzes the data elements of the client files to determine the needed test cases and test data. Test data is created that reflects that specific files and data that is passing to and from the client. The following test categories are covered in the setup of the test data:

1. **Business Rules:** Run test cases specific to client dictated business rules for account closure, overlay processes, payment file creation, return file codes, etc.
2. **No data:** Run test cases on blank data. Validate that the proper exception reports are generated.
3. **Valid data set:** Create to check if application is functioning as per client requirements and valid input data is properly saved in database or outgoing files.
4. **Illegal data set:** Prepare invalid data set of illegal data format. System should not accept data in invalid or illegal format. Validate that the proper exception reports are generated.
5. **Invalid data set:** Prepare invalid data set to check application behavior for negative values, alphanumeric string inputs.
6. **Boundary Condition data set:** Data set containing out of range data. Identify application boundary cases and prepare data set that will cover lower as well as upper boundary set.
7. **Data set for performance, load and stress testing:** Create a large data set that exceeds 50,000 records.

Test Case Creation

For each test category listed above a set of test cases is generated. Each test case is documented to include the following information:

8. **Test Case ID:** Unique id for the case for reference purposes
9. **Test Case Statement:** This will indicate what is being tested and how.
10. **Unit To Test:** What is being tested? Specify program and inbound/outbound
11. **Assumptions:** Detail any assumptions specific to outcome

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12. **Test Data:** Capture test data up to and including line of data in files.
13. **Steps To Be Executed:** listing of steps outside of programs that will generate output data.
14. **Expected Result:** Detail what should happen with test data utilized.
15. **Actual Result:** Detail results of test
16. **Pass/Fail:** Detail pass/fail of test case
17. **Comments:** Comments on expected/unexpected results and changing the test case.

Each test category will have a minimum of three test cases that will be completed. Test cases will be completed for valid conditions prior to completing test cases for invalid conditions.

Each test case is tracked in an excel spreadsheet which details out the case and related information. For each test case failure, a set of two additional test cases is generated and set for completion once the appropriate programming has been remediated. All failed test cases will provide additional detail in the comments section reflecting all possible solutions and the effect of the bug on the data/system.

All test cases will be performed by the program manager or an assigned programmer that is not responsible for the coding of the programs. Testing will be performed in the test environment during a designated testing period. During the assigned testing period, programmers will be restricted from making any modifications to programs.

In addition to the test data and test cases mentioned, the County/Court will be asked to perform a quality assessment of the data mapping to ensure that mapping of fields is consistent between the CUBS[®] system and all County/Court systems to be engaged for this contract.

Testing Utilities

The following software and/or applications are utilized in tracking test cases/data and in the actual testing.

- **CUBS[®] test system:** generate test data from preexisting test data
- **Excel:** tracking of test cases and results

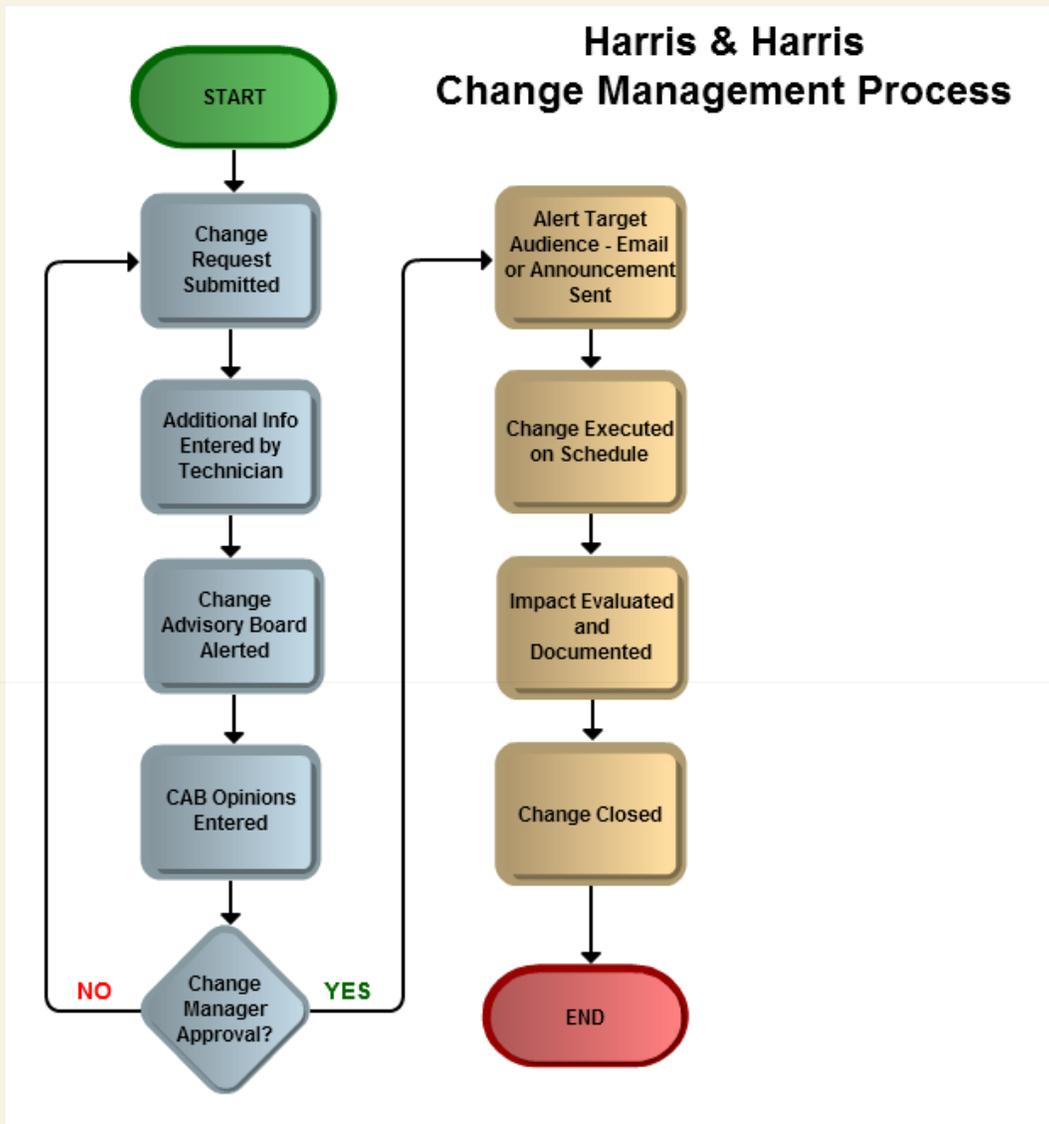
Move to Production

Once testing is complete, programs that are ready for production are processed onto the production server through a Change Management process. As part of the change request, new programs are run through a QA process by the program manager to verify vendor specifics are met before they load and compile the program in production. A change management log is maintained for all changes. The log contains, but is not limited to:

- Date of submission and date of change
- Owner and custodian contact information
- Nature of the change
- Indication of success or failure

The workflow on the next page illustrates the overall change management process:

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ACKNOWLEDGEMENT

Harris & Harris also acknowledges that initial referrals to contractors including Harris & Harris may be implemented on a staggered basis as predicated on the availability of County/Court resources to implement programming changes that will support referrals to multiple vendors.

4.3 TRANSITION PLAN

CONTRACTOR must provide a transition plan detailing how they will implement the full range of services and requirements described in this SOW within fifteen (15) business days after contract execution.

Agreed. As noted earlier, Harris & Harris has prepared and provided in the **Appendix** to our Technical Proposal a comprehensive *Sample Implementation Plan* that incorporates the prescribed timeline and describes our core work plan for transitioning, implementing, and beginning this contract. This plan

WORK PLAN FOR REQUESTED SERVICES

reflects all aspects of our approach and methodology and lists the key tasks and timetables for implementing this contract with the County/Court, with responsibilities assigned to key staffing. We have also provided below additional narrative regarding our work plan to implement this collection project.

IMPLEMENTATION AND TRANSITION

The implementation process includes our professionals in Information Technology, Client Services, Account Management, Operations, and Project Management. The effort will be headed up by our dedicated implementation manager, who will personally ensure that all tasks are on target and who will facilitate cooperation between all parties involved.

The initial phase of implementation begins by setting a target launch date to begin placements and communicating the status of pending and future issues. The information technology professionals from the County/Court and Harris & Harris will discuss items such as:

- File layout
- Data mapping
- Test files
- PGP encryption
- Secure FTP sites

Other topics of discussion between the client team members and the agency team members include, but are not limited to, payment and adjustment files, suspense and cancellation files, custom reporting requirements, reconciliation, remits, invoices, and system access, settlements.

Our dedicated implementation manager will first evaluate what needs to be done in order to accurately plan time and resource allocation. Implementation comprises a number of key tasks, including:

Implementation Table	
Scope of Project	The breadth of the project is defined.
Implementation Planning	The detailed schedule for implementation is described. This includes milestones, projected completion dates, and resource needs.
Management Orientation	Top management is briefed on current organizational status and resources needed to accomplish successful implementation. Management commits to the resources required and acknowledges the plan.
Resource Allocation	Resources are formally allocated and notified that they are part of the team.
Identification of Implementation Team	<p>Our Implementation Manager is the point person for all implementations. Department heads from various departments within the organization are assigned to tasks associated with the implementation process.</p> <p>These department heads include, but are not limited to:</p> <ul style="list-style-type: none"> ➤ Executive Operations ➤ Information Technology ➤ Client Services ➤ Collection Directors

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- Collection Managers
- Analysts
- Director of Business Development

Listed below are critical steps that are consistently evaluated as to where we are at any time during a client implementation. This allows us to report on the status of the readiness to begin the implementation.

Implementation Steps	
Prepare the Infrastructure	Many solutions are implemented into a production environment. It is important that the characteristics of the production environment be accounted for. This strategy includes a review of hardware, software, communications, and desktop capacity.
Coordinate with the organizations involved in implementation	This may be as simple as communicating effectively with our client. For IT solutions, there are typically more than several contacts within our infrastructure for each client with whom advance communication is imperative, and many of these groups may have a pivotal role in getting the solution successfully deployed. Part of the implementation work is to coordinate the work of any other groups that have a role to play.
Implement Training	Many solutions require users to attend training or more informal coaching sessions. This type of training is completed in advance. We feel it is necessary to coordinate advanced training as the more information that is retained will help ensure a successful implementation.
Convert the Data	Data conversion – changing data from one format to another – needs to take place once the infrastructure and the solution are implemented.
Install the Production Solution	Our production solution needs to be moved from development to test. We make sure all of your production components are implemented successfully, including new programming, proper client set up, reporting, databases, and program code.

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5.0 COUNTY / COURT RESPONSIBILITIES

5.1 COUNTY PROJECT DIRECTOR

COUNTY/COURT shall appoint a COURT Project Director (“CPD”) that will have overall responsibility for managing the Contract and the work to be performed by the CONTRACTOR.

5.1.1 CPD Functions

The CPD shall perform the following functions:

- ***Ensure that the objectives of this Contract are met.***
- ***Provide direction to CONTRACTOR in areas related to COUNTY/COURT policy, information requirements and procedural requirements.***
- ***The CPD will not be authorized to make any changes in any of the terms and conditions of this Contract and will not be authorized to further obligate the COUNTY/COURT in any respect whatsoever.***

Agreed. Harris & Harris has reviewed the descriptions and functions of the role of Project Director. We understand and will accommodate and comply with the responsibilities and assigned authority of this role.

5.2 COURT PROJECT MANAGER

COUNTY/COURT shall appoint a COURT Project Manager (“Court PM”) that will have responsibility for the day-to-day management of the work to be performed. The Court PM shall be the primary contact person between the COUNTY/COURT and the CONTRACTOR and shall confer with the CONTRACTOR’S Project Manager on a regular basis.

5.2.1 COURT PM Functions

The Court PM shall perform the following functions:

- ***Oversee the deliverables and invoices from CONTRACTOR.***
- ***Review, approve and recommend all correspondence related to this Contract.***
- ***Approve the assignment of CONTRACTOR’S Project Manager and employees. The Court PM may request the removal of the CONTRACTOR’S Project Manager and/or other employee if the Court PM determines that it is in the best interest of the COUNTY/COURT.***
- ***Monitor, evaluate and prepare periodic reports on CONTRACTOR’S performance.***
- ***Provide instruction to CONTRACTOR’S Project Manager regarding clerical staff facility assignments in accordance with Section 6.2.2 – CONTRACTOR’S Personnel at Various Locations.***
- ***The Court PM will not be authorized to make any changes in any of the terms and conditions of this Contract and will not be authorized to further obligate the COUNTY/COURT in any respect whatsoever.***

Agreed. Harris & Harris has reviewed the descriptions and functions of the role of Project Manager. We understand and will accommodate and comply with the responsibilities and assigned authority of this role.

5.3 COLLECTIONS WORK AREAS AND TELEPHONE LINES

If COUNTY/COURT determine that CONTRACTOR is to provide staff at designated high-volume courthouses that would benefit from having CONTRACTOR staff on-site, COURT will provide CONTRACTOR on-site staff with work areas and telephone lines. COURT will permit CONTRACTOR’S employees access to COURT lunch rooms and restrooms where available.

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Agreed. Harris & Harris appreciates the accommodation afforded by the County/Court to employees of our firm (as assigned to be on-site staff) regarding work areas, telephone lines, and access to lunch rooms and restrooms.

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6.0 CONTRACTOR'S RESPONSIBILITIES

6.1 CONTRACT PROJECT MANAGER

6.1.1 CONTRACTOR must provide and name a Contract Project Manager ("Contract PM") who shall act as a liaison for the CONTRACTOR and will have full authority to act on behalf of the CONTRACTOR in all matters related to the daily operation of the contract. The CONTRACTOR'S Contract PM must have at least five (5) years' experience managing collection projects of similar scope and complexity for courts or government agencies.

Agreed. Harris & Harris is proposing Director of Client Relations Tammy O'Brien as our Contract Project Manager to communicate with and act on behalf of Harris & Harris for the daily operation of the contract. Ms. O'Brien offers the Court **more than twenty (20) consecutive years of documented experience** with managing collection projects of similar scope and complexity for courts or other government agencies, including the past two (2) years with Harris & Harris. We have provided below a biographical sketch of Ms. O'Brien and we have included her resume in the **Appendix** with those of other proposed key personnel.

Tammy O'Brien

Tammy O'Brien is an analytical-minded individual with more than twenty years of management experience in the debt collection industry, with a specialization in government accounts receivable. She offers extensive experience and knowledge with managing clients and ensuring complete satisfaction. As a business leader, Ms. O'Brien channels high energy and excellent organizational skills to inspire and motivate personnel toward client goals, resulting in improved business efficiencies and maximized returns on investment. She channels proven competencies in agency management, project management, and operational and process management to build and nurture relationships with clients and their key personnel to ensure clients are fully satisfied with contract performance and levels of service.

Ms. O'Brien will address the day-to-day needs of CLIENT and she will resolve issues as they arise. She will regularly attend meetings and escalate and facilitate resolution of concerns while continuously monitoring performance against service level agreements and flagging potential issues. Ms. O'Brien also plays a key role in managing client training, reporting, and proper account reconciliation. She also will facilitate the development, strategy, and execution of both internal meetings and external deliverables for CLIENT.

6.1.2 CONTRACTOR'S Contract PM shall be available to the Court PM for on-site consulting. CONTRACTOR'S Contract PM shall attend at minimum monthly meetings to discuss and resolve problems at the direction of COURT PM.

Agreed. Ms. O'Brien, as our Contract Project Manager, shall be available for on-site consulting and shall also attend monthly meetings for ongoing contact and to discuss and resolve issues any issues.

6.1.3 CONTRACTOR'S Contract PM shall work with the Court PM to resolve any potential areas of difficulty before a problem occurs.

Agreed. Ms. O'Brien will regularly work with the Court Project Manager to preemptively identify and mitigate any potential areas of difficulty before a problem occurs.

6.1.4 CONTRACTOR shall name a backup Contract PM. The CONTRACTOR'S backup Contract PM must have at least five (5) years' experience managing collection projects of similar scope

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and complexity for courts or government agencies. In the absence of CONTRACTOR'S Contract PM, the backup Contract Project Manager shall be available via telephone between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday.

Agreed. Harris & Harris is proposing Mr. Vince LoBianco as the backup Contract Project Manager to Ms. O'Brien. Like Ms. O'Brien, at a minimum Mr. LoBianco will also be available by telephone during the prescribed hours. Mr. LoBianco offers the Court **more than thirteen (13) consecutive years of documented experience** with managing collection projects of similar scope and complexity for courts or other government agencies, including the past eleven (11) years with Harris & Harris. We have provided below a biographical sketch of Mr. LoBianco and we have included his resume in the **Appendix** with those of other proposed key personnel.

Vince LoBianco, Senior Director of Business Development

Mr. LoBianco offers our government clients more than twenty (20) years of broad experience with managing dozens of high-value, high-visibility clients at all levels of government including local. He possesses a noteworthy background in collection operations, which gives him a comprehensive understanding of nuances unique to a government collections program.

Mr. LoBianco currently works with a wide range of court and public-sector employees and elected officials to implement revenue-generating debt collection services projects. He actively participates in various state and local government associations by attending conferences and trade shows. He also ensures contract compliance and establishes and maintains strategic partnerships with parallel government services providers. Mr. LoBianco also plays a key role in the strategic plans for the sales team, using his observations of market trends, client attitudes, and industry benchmarks to aid executive management's decision-making process regarding local, municipal, and state government debt collection.

6.1.5 CONTRACTOR'S Contract PM shall respond within twenty-four (24) hours to requests made by COUNTY/COURT between 8:00 a.m. and 5:00 p.m., Monday through Friday, and at other times as requested by the COURT PM.

Agreed. Ms. O'Brien (or her backup, in Ms. O'Brien's absence) will always respond within twenty-four (24) hours to all requests made by the County/Court, including but not limited to during the prescribed hours.

6.1.6 The CONTRACTOR shall inform the COURT PM in writing of the name, address and telephone number of the individual designated to act as Contract PM and his/her backup.

Agreed. While we have initially presented here our proposed personnel for these roles as part of our proposal, we agree to formally inform the Court Project Manager in writing of the names and contact information for the individuals who will perform in both roles.

6.1.7 CONTRACTOR shall provide the COURT PM with a current list of employees/management assigned to this contract, within five days after contract approval and at a minimum, every month to keep this list current during the term of this Contract.

Agreed. Harris & Harris will provide the Court Project Manager with a list of employees and management assigned to this contract, initially within five (5) days following contract approval and then at a minimum once a month so as to maintain a current list for all parties.

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6.1.8 CONTRACTOR shall provide small combination safe(s) for the CONTRACTOR'S clerical staff to store their revolving funds and any monies collected.

Agreed. Harris & Harris will provide these secure safes accordingly for these specific uses.

6.1.9 CONTRACTOR shall provide a representative for COURT collection meetings, as requested by the COURT PM.

Agreed. Harris & Harris will always provide a representative to attend Court collection meetings.

6.1.10 CONTRACTOR shall advise the COURT PM at a minimum of three (3) business days before terminating or suspending any CONTRACTOR clerical staff assigned to work at a COURT location.

Agreed. Should it be deemed necessary to suspend or terminate a staff member assigned to work at a Court location, Harris & Harris agrees to advise the Court Project Manager of its intent at a minimum of three (3) business days beforehand.

6.1.11 CONTRACTOR shall maintain membership with the California Association of Collectors during the term of the Contract.

Agreed. Harris & Harris is not a current member of the California Association of Collectors (CAC) because we have been advised by ACA International that we must join the state affiliate association in the state of our corporate office. As an Illinois-based firm, Harris & Harris continues to be an active member in good standing of the Illinois Collectors Association. Should we be allowed to also join the CAC we will maintain a membership in that affiliate also.

6.2 CONTRACTOR'S PERSONNEL

6.2.1 CONTRACTOR'S Personnel Requirements

CONTRACTOR'S personnel must meet the following requirements:

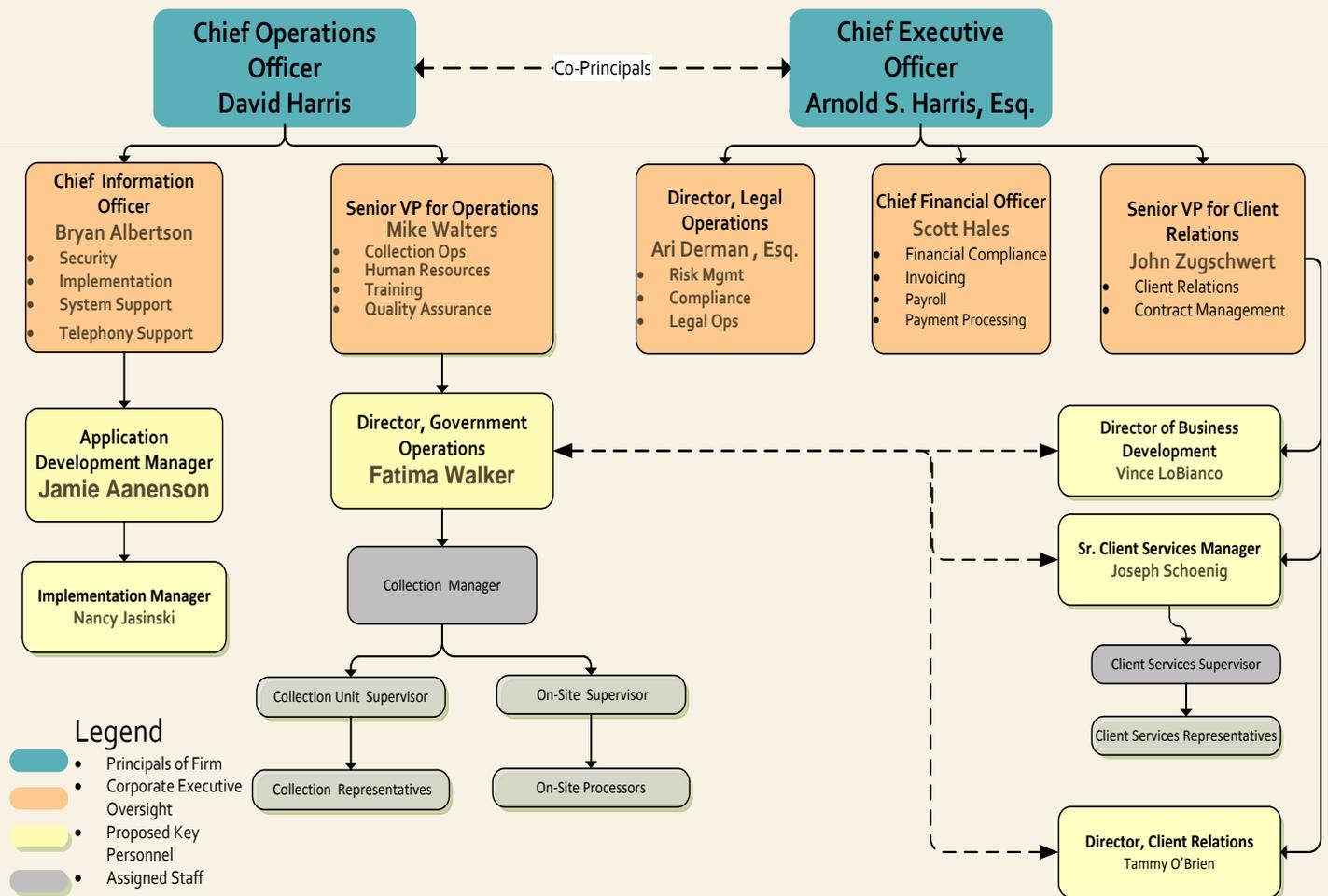
- **CONTRACTOR shall have the sole right to hire, suspend, discipline, or discharge employees. However, any CONTRACTOR employee who is performing unsatisfactorily (in the opinion of the COURT PM) will be removed from service under this Contract immediately.**
- **Employee performing services for COUNTY/COURT must be over the age of eighteen (18).**
- **Employee performing services for COUNTY/COURT must fluently read, write, speak and comprehend English.**
- **Employee performing service at a COURT facility shall have a thorough knowledge of the work to be performed, the performance standards to be met, and the special needs of the COURT facility being served.**
- **CONTRACTOR'S employees shall not bring visitors into any COURT facility; shall not bring in any forms of weapons or contraband; shall not bring in any alcohol or drugs or be under the influence of alcohol/drugs; shall be subject to authorized search; shall conduct themselves in a professional manner at all times; shall not cause any disturbance in the facility; and otherwise are subject to all rules and regulations in accordance with applicable COUNTY/COURT policy.**
- **CONTRACTOR shall furnish and require every on-duty employee to wear a visible photo identification badge that identifies the employee by name, physical description and company. Such badge shall be displayed on employee's person at all times he/she is within the confines of COURT facilities.**
- **CONTRACTOR employees shall conduct services within the United States (US) geographic boundaries, and shall not use call centers or agents from non-US countries.**

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Agreed. Harris & Harris has provided, beginning below our organizational chart, a table of our proposed key personnel (including Ms. Tammy O'Brien as the Contract Project Manager and Mr. Vince LoBianco as the backup Contract Project Manager) who will manage and otherwise support this project, including biographical sketches of each to include their roles and responsibilities. We have also provided resumes for each of these individuals in the **Appendix** for comprehensive description of their individual qualifications.

We acknowledge our recognized right to hire, suspend, discipline, or discharge employees as deemed necessary, and we also acknowledge the right of the Court Project Manager to immediately remove from service any employee who is deemed to be performing unsatisfactorily. All key personnel proposed here as well as all employees hired to perform services already meet or shall meet and/or comply with **all personnel requirements itemized above** and – as cited elsewhere in this section – will always conduct all collection services within the United States.

We present below our organizational chart.



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Business Development & Client Relationship Management		
Employee Name	Project Role	Primary Responsibilities
Tammy O'Brien	Contract Project Manager	<p>As Director of Client Relations Ms. O'Brien is an analytical-minded individual with more than twenty years of management experience in the debt collection industry, with a specialization in government accounts receivable. She offers extensive experience and knowledge with managing clients and ensuring complete satisfaction. As a business leader, Ms. O'Brien channels high energy and excellent organizational skills to inspire and motivate personnel toward client goals, resulting in improved business efficiencies and maximized returns on investment.</p> <p>As the dedicated Contract Project Manager for the County/Court, Ms. O'Brien will be responsible for client satisfaction and relationship management from the very beginning of contract implementation and throughout the contract. She will be available on a daily basis to provide account management and will respond to any and all inquiries within 24 hours. She will work closely with essential members of the Harris & Harris and County/Court teams to ensure that all requirements and expectations are being met and that we achieve maximum collection results. Ms. O'Brien will provide invaluable, in-person support, regularly meeting with designated personnel for periodic scheduled and ad hoc meetings and to monitor satisfaction, address any issues that may arise, and operate as the advocate for the County/Court in all internal Harris & Harris meetings.</p>
Vince LoBianco	Backup Contract Project Manager	<p>As Senior Director of Business Development in our Government Services Division, Mr. LoBianco is responsible for front-line account management, ensuring contract compliance and superior performance. Working directly with leaders in the public sector, he identifies opportunities to increase recoveries. He also develops best practices by monitoring changes in the public sector collection industry that can be implemented internally. He regularly meets directly with clients to optimize contract performance and client satisfaction.</p> <p>As the dedicated Backup Contract Project Manager for the County/Court, Mr. LoBianco will be responsible for client satisfaction and relationship management from the very beginning of contract implementation and throughout the contract. He will be available on a daily basis to provide account management and will respond to any and all inquiries within 24 hours. He will work closely with essential</p>

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		<p>members of the Harris & Harris and County/Court teams to ensure that all requirements and expectations are being met and that we achieve maximum collection results. Mr. LoBianco will provide invaluable, in-person support, regularly meeting with designated personnel for periodic scheduled and ad hoc meetings and to monitor satisfaction, address any issues that may arise, and operate as the advocate for the County/Court in all internal Harris & Harris meetings.</p>
Joseph Schoenig	Client Services Manager	<p>Joseph Schoenig is a highly accomplished and focused client services executive with a decades-long background in revenue cycle outsourcing, client services, operations, and management. He is experienced in all facets of the revenue cycle and offers the County/Court strong client relationship and communication skills, as well as experience with growing successful companies. Recognized by peers and executive leadership for the ability to gracefully handle the dynamics of a rapidly changing collections environment, he brings strategic oversight to client services and management.</p> <p>Mr. Schoenig will be responsible for managing the client services department staff both on- and off-site as necessitated for this contract. He will devote a significant portion of his time in this client relations role, working directly with the County/Court to ensure ready reconciliation of any issues and to nurture positive ongoing relationships.</p> <p>Mr. Schoenig is available on a daily basis to resolve client or debtor issues.</p>
Legal Operations & Compliance		
Aryeh (Ari) Derman, Esq.	Compliance and Legal Operations	<p>Mr. Derman will oversee both the skip tracing and litigation departments who work side by side to prepare suits against liable debtors to the County/Court as desired and authorized. In addition to overseeing the efficiency and productivity of these departments, he manages the Compliance Department by assisting in resolving debtor disputes and corresponding with debtors and their legal representation.</p> <p>As the Corporate Counsel and Attorney at Law, Mr. Derman manages a legal team with responsibilities of maintaining and processing all state license renewals, as well as ensuring that insurance and bonding requirements are met. He will also oversee the approval process of all letters and notices in to make sure they are in compliance with all applicable laws.</p> <p>Mr. Derman is active with various legal and collection agency associations where he reviews publications on compliance issues to keep abreast of the ever changing laws and developments pertaining to the debt collection</p>

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		<p>industry. He is an ACA Scholar and an industry expert on compliance topics such as the TCPA.</p> <p>Mr. Derman is available as needed.</p>
Collection Operations		
Fatima Walker	Collection Director	<p>Fatima Walker provides invaluable guidance and in-the-trenches support to our government collection teams. Ms. Walker brings a significant background in collections and customer service to Harris & Harris, and her career both here and at her previous employers has been marked by success.</p> <p>Ms. Walker's responsibilities for this contract with the County/Court will include overseeing and managing the daily operations, performance, and production of the government collection call center. She provides direct training, supervision, and mentoring of the management & supervisory staff to help develop their skills and knowledge of court / county / municipality collections. She brings expertise in implementation of work strategies, calling patterns, and skip tracing efforts that improve overall performance and production.</p> <p>Ms. Walker is available daily to oversee collections and monitor performance and resolve issues.</p>
Diamond Harris	Lead Collections Manager	<p>Diamond Harris provides invaluable guidance and in-the-trenches support to our government collection teams. Ms. Harris brings a significant background in collections to Harris & Harris, successfully performing on similar projects.</p> <p>As the Lead Collections Manager, Ms. Harris will fulfill a critical role as a team leader and motivator, working daily alongside her teams to ensure contract goal achievement and offering vital, on-the-spot direction to the collection representatives. Reporting directly to the Collection Director, Ms. Walker maintains close communication throughout the day with collection supervisors and team members, providing progress updates and recommending minor process modifications to improve performance across the board. This information is crucial to ensuring the happiness and productivity of our collection workforce.</p> <p>Ms. Harris is available daily to oversee collections and monitor performance and resolve issues.</p>
Information Technology		

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<p>Jamie Aanenson</p>	<p>Application Development Manager / Lead Technology for System Interface</p>	<p>Mr. Aanenson will manage the implementation teams which encompasses both a team of implementation managers and a team of application developers. He is responsible to ensure client timeframes are met, testing is exhaustive, and post-implementation issues are resolved effectively.</p> <p>Mr. Aanenson will be available as needed throughout the contract.</p>
<p>Nancy Jasinski</p>	<p>Implementation Manager</p>	<p>Nancy Jasinski has more than a quarter of a century of experience in call center operations. She has led the implementation for hundreds of clients over the span of her career, including many high profile government clients and court clients. Her meticulous attention to detail and drive to succeed make her an exceptional project manager, as she is able to balance the nuances of each individual client's program with grace and skill.</p> <p>Ms. Jasinski will pilot the implementation of all collection programs to be performed under this contract from the moment the contract is signed until the final sign-off of satisfaction. During implementation, she will function as the connection between the County/Court and all internal Harris & Harris departments, coordinating all aspects of addressing client needs. She will be the primary point of contact during the implementation phase coordinating communication between all required parties within Harris & Harris and County/Court staff.</p> <p>Ms. Jasinski is a dedicated resource throughout the implementation process and post-implementation follow-up.</p>

6.2.2 CONTRACTOR's Personnel at various COURT locations

CONTRACTOR must have the capacity to provide personnel at locations specified by COUNTY/COURT (Attachment H – court locations):

- **CONTRACTOR shall provide full/part-time clerical staff to various COURT locations to assist in the processing of accounts referred for collections in a manner that supports the volume of transactions processed at the location. In addition, the CONTRACTOR will provide sufficient clerical staff backup and managerial staff as needed by COUNTY/COURT. CONTRACTOR'S staff must be trained in related aspects of CONTRACTOR'S business (e.g., CONTRACTOR'S automated systems).**

Agreed. Harris & Harris has reviewed Attachment H and asserts that we have the ready staffing and capacity to readily staff (including reassignment, as necessary) all of the cited court locations to support each of the transaction volumes to be processed. We agree to staff each location – and to continuously monitor and adjust accordingly, according to the processing needs of each – with fully qualified and fully trained and cross-trained clerical staff who can efficiently and effectively perform every type of assignment cited below. We also offer the County/Court the professional capacity and infrastructure and regional resources to readily hire and train additional clerical staff to meet any increase in volumes.

- **CONTRACTOR'S staff shall be responsible for the following types of assignments, including, but not limited to:**

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- *Assist clients at the window*
- *Answer telephones*
- *Receipt payments*
- *Answer technical questions related to collections*
- *Set court dates for clients*
- *Troubleshooting issues*
- *Provide COUNTY/COURT with weekly status reports*
- *Provide other ad hoc reports as requested by COUNTY/COURT*

Agreed. All employees assigned, reassigned, and/or otherwise hired, trained, and provided as dedicated clerical staff for this contract will be fully capable of performing all of the potential assignments cited above.

- *COUNTY/COURT needs may vary. CONTRACTOR employees assigned to work at a COURT location may be reassigned to any COURT location by the COURT PM to ensure the needs of COUNTY/COURT are met. If coverage is needed, a staff replacement must be at the COURT job location within two (2) hours of being notified by COURT.*

Agreed. Harris & Harris is richly experienced with variable staffing needs for a number of its clients, including the possibility of reassignment to provide coverage. We will determine and include as part of our operational plan an established protocol for providing spot coverage for the consideration of the Court Project Manager. This protocol will optimize reassignment across locations and will incorporate factors including but not limited to employee skill level, potential risk to existing assigned location, and proximity to location in need, including the ability to be at the location in need within two (2) hours of being notified by the Court. Harris & Harris will always make meeting this critical required timeframe the paramount factor.

- *CONTRACTOR will provide COUNTY/COURT the method for supervision of CONTRACTOR'S employees assigned to COURT locations.*

Agreed. Harris & Harris offers the County/Court successful experience with supervising client site employees including those assigned across multiple locations. During implementation we will discuss and determine with the County/Court the initial necessary staffing at each location and we will prepare a management plan for the review and approval of the Court Project Manager. The core plan will be elastic and adaptable to accommodate any changes in staffing that may be required at any time during the contract due to work volumes, reassignment to other locations, etc. At the core of this success will be a local supervisor who skilled at managing a diverse group of staff members at multiple locations with the ability to float between locations and address the daily issues that arise in these situations.

- *For each clerical staff, CONTRACTOR shall provide a personal computer at current industry standards and all necessary computer peripherals (e.g., printers, modems, etc.). In addition, CONTRACTOR shall provide clerical staff with all necessary office products (writing instruments, forms, file folders, fax machines as determined by COUNTY/COURT, etc.) to perform their job functions.*

Agreed. At a minimum, Harris & Harris will provide each clerical staff with this requisite office equipment and all office products necessary to readily and fully perform their job functions for this contract.

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**7.0 MONITORING OF CONTRACTOR'S
PERFORMANCE**

7.1 PERFORMANCE

Performance shall be monitored using monthly reports discussed in Section 3.13.4 (Reporting Requirements) and evaluated quarterly. In addition, COUNTY/COURT shall monitor the CONTRACTOR'S performance to the Contract based on, but not limited to, the Performance Requirements listed on the Quality Control Plan 2020 (Attachment I) and Deliverables (Attachment J).

Agreed. Harris & Harris has read and understands this requirement, and we agree that our performance shall be monitored throughout the contract using monthly reports in full accord with Attachments I and J as provided in the RFP. As noted in our response to Section 3.13.4 (including the referenced *Sample Reports* attachment included in the **Appendix** to our Technical Proposal), Harris & Harris will provide the County/Court with a suite of reports on our activities on all assigned accounts as generated by a sophisticated reporting tool that can provide analytical breakdowns, customer analysis, and a variety of statistical reports, including both scheduled and ad hoc reports, **for every report cited in the RFP.** During implementation we will discuss and implement into our reporting package all required reporting elements (including format, appearance, and timing) desired by the County/Court. Also as cited earlier, the County/Court will also have the real-time monitoring option available through Client Access Web[®], our secure online client portal available 24/7/365. One of the most exciting elements of Client Access Web[®] is the *Report Builder* that will provide the County/Court the ability to run both standard reporting and to generate ad hoc custom reporting at any time. Client inventory reports, categorical reports or other custom compilations can be created in seconds through the use of the client access portal, providing the County/Court with valuable information whenever it is needed. Our Information Technology professionals will train authorized staff to ensure that the County/Court can access and benefit from this strategic client-friendly functionality of Client Access Web[®].

7.2 NON-CONFORMANCE

If CONTRACTOR performance does not conform to all requirements in this SOW and is unsatisfactory, the COURT PM shall write a Contract Discrepancy Report ("CDR"), (Attachment K) and forward it to CONTRACTOR. CONTRACTOR shall respond within five (5) working days upon notification by COURT PM and correct the discrepancy, at CONTRACTOR'S expense, if any. COURT PM shall monitor all requirements described herein. COURT PM may from time to time provide comment on these services but will not unreasonably interfere with CONTRACTOR performance.

Agreed. Harris & Harris has read, understands, and agrees to comply with this requirement. Although we do not anticipate providing less than satisfactory or non-conformative performance to the County/Court at any time during this contract, we acknowledge the necessity, nature, and notification schedule of any *Contract Discrepancy Report* (prepared in accordance with Attachment K as provided in the RFP) to be issued. Should this circumstance arise, we will respond within five (5) working days with a corrective action plan to correct the discrepancy, to be implemented at our expense. We also acknowledge and welcome the possibility of comment from the Court Project Manager throughout our administration of the contract, and we appreciate that intervention will not otherwise unreasonably interfere with our performance.

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7.3 AUDITS

COUNTY/COURT may, at its discretion, direct or conduct Financial, Operational or other audits of the CONTRACTOR'S performance to ensure CONTRACTOR'S compliance with all requirements specified in this SOW.

Agreed. Harris & Harris has read, understands, and agrees to comply with this requirement. Should the County/Court determine such a need, we would direct you to contact either Ms. Tammy O'Brien as the Contract Project Manager or Mr. Vince LoBianco as the Backup Contract Project Manager to initiate and facilitate an operational or financial audit, respectively. They will assist in all coordination of this event.

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8.0 UNSATISFACTORY PERFORMANCE OF SPECIFIED SERVICES

8.1 CONTRACT DISCREPANCY REPORT

In the event CONTRACTOR provides less than satisfactory performance of any service, or compliance with any requirement specified in this SOW, COUNTY/COURT shall issue, within five (5) business days to CONTRACTOR, a CDR. Additionally, COUNTY/COURT may apply one or more of the following remedies as deemed necessary:

8.1.1 COUNTY/COURT may require CONTRACTOR to implement a formal corrective action plan, which will be subject to COUNTY/COURT'S approval. The corrective action plan must include:

- The reasons for the unacceptable level of performance, or failure to provide the specified services;*
- Descriptions of the specific steps to return performance to an acceptable level; and,*
- Descriptions of monitoring methods that will be implemented to prevent recurrence.*

8.1.2 COUNTY/COURT may withhold account referrals until COUNTY/COURT determines the CONTRACTOR is providing the specified service.

8.1.3 COUNTY/COURT may exercise termination rights under the Contract between CONTRACTOR and COUNTY/COURT.

8.1.4 In the event COUNTY/COURT applies any of the above sanctions, COUNTY/COURT will notify CONTRACTOR in writing of the sanction(s) applied and the reason(s) for the sanction(s).

Agreed. Harris & Harris has read, understands, and agrees to comply with this requirement. Although we do not anticipate providing less than satisfactory performance to the County/Court at any time during this contract, we acknowledge the necessity, nature, and notification schedule of any *Contract Discrepancy Report* to be issued should our performance or compliance not meet the requirements specified in the Scope of Work.

Should this circumstance arise and as required, we will provide within five (5) working days (as noted and required above under *7.2 Non-Conformance*) for review and approval a corrective action plan to include but not necessarily be limited to all elements stated above. We also acknowledge and accept the possibility of additional or alternate simultaneous remedies including the withholding of account referrals and/or the termination of the contract.

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9.0 REMEDIES

9.1 NON-COMPLIANCE

When CONTRACTOR'S performance is not in compliance with the requirements of the SOW, COURT PM shall document unsatisfactory performance and may, if CONTRACTOR'S performance remains unsatisfactory, exercise its right up to and including termination of the Contract.

Agreed. Harris & Harris has read, understands, and agrees to comply with this requirement. We recognize the role of the Court Project Manager in documenting contract performance and any instances of non-compliance including unmitigated non-compliance. Should non-compliance with the requirements of the Scope of Work occur and remain unresolved and unsatisfactory, we acknowledge the right of the Court Project Manager to effect remedies up to and including termination of the contract.

9.2 COLLECTION FINANCIAL REMEDIES

CONTRACTOR must meet the minimum success rate of a 31% average on all types of accounts referred after the second year of the contract. If the CONTRACTOR fails to meet the minimum success rate, a penalty equal to 5% of the commission paid to the CONTRACTOR for that fiscal year will be imposed. CONTRACTOR shall remit payment of penalty to COUNTY/COURT within thirty (30) business days of notice of penalty.

Within ten (10) business days after the notice of penalty, the CONTRACTOR may present evidence to the COURT PM that economic or environmental factors, outside of the control of the CONTRACTOR, have negatively impacted their ability to meet the minimum success rate. Such evidence shall be in writing and include supporting documentation. COUNTY/COURT shall review such evidence and provide the CONTRACTOR with their decision within thirty (30) business days. The decision of COUNTY/COURT shall be final.

Agreed. Harris & Harris has read, understands, and agrees to comply with this requirement. We will set and strive for formal targets for success throughout the contract, including the minimum success rate of a 31 percent average on all types of accounts referred after the second year of the contract. Should we fail to meet that rate of success at that time, we agree to be assessed a penalty of five percent of the commission paid to Harris & Harris for that fiscal year.

Upon notification of the assessment of a penalty, we will review the assessment period and determine whether any economic or environmental factors outside of the control of Harris & Harris had negatively impacted our ability to achieve the minimum success rate and will proceed accordingly:

- If we find evidence of an external negative impact, we will document such evidence in writing (including supporting documentation) and present it to the Court Project Manager within ten (10) business days of notification. We will then await a decision to be issued within thirty (30) business days, which we agree to recognize as final regardless of determination. If it is determined that our claim of an external negative impact is invalid, we will remit payment of the penalty within thirty (30) business days of the determination.
- If we do not find evidence of an external negative impact, we will remit payment of the penalty within thirty (30) business days of notice of the penalty.

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10.0 WORK QUALITY ISSUES

Questions regarding the quality and direction of work performance will normally be handled between COURT PM and CONTRACTOR, but if and when COUNTY/COURT finds that important work matters are not being properly handled by CONTRACTOR and that previous management efforts by COUNTY/COURT have failed to achieve desired results, COUNTY/COURT may exercise remedies under the Contract.

Agreed. Harris & Harris has read, understands, and agrees to comply with this requirement. We fully recognize the right of the County/Court to exercise remedies to improve Contractor performance, including but not limited to the remedies described earlier in 9.0 Remedies. We will consistently strive for compliance with all requirements of the Scope of Work, and we acknowledge both the necessity to monitor contract performance and the right to exercise remedies if work quality issues are identified.

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11.0 SECURITY AND CONTROL PROCEDURES

11.1 CONTRACTOR shall apply General Accepted Accounting Principles in the management and processing of COUNTY/COURT accounts as well as preparation and maintenance of financial records and reports.

Agreed. Harris & Harris has read, understands, and agrees to comply with this requirement. We fully adhere to the highest standards of accounting transparency and as with all of our clients we will perform the collection, accounting, deposit, and reporting of collection receipts in a manner consistent with Generally Accepted Accounting Practices (GAAP). Compliance is managed by our Chief Financial Officer and our Compliance Department and is further audited by an independent certified public accountant authorized to practice in the jurisdiction of Harris & Harris.

11.2 CONTRACTOR shall provide COUNTY/COURT a list of all pending and closed litigation, judgments, arbitrations, investigations or other controversy pending for the last five (5) years, to which CONTRACTOR or its principals were a party.

Agreed. Harris & Harris presents in the **Appendix** to our Technical Proposal a list of our pending and closed litigation, judgments, arbitrations, investigations, and other pending controversies for the last five (5) years.

In addition, CONTRACTOR shall immediately notify COUNTY/COURT of any new litigation. The list shall at minimum contain: the case number, court venue and jurisdiction, a brief explanation of the litigation/judgment and the outcome/resolution.

Agreed. Harris & Harris will immediately notify the County/Court of new litigation if/as it occurs. This notification will include but not be limited to all categories of information cited in the requirement above.

11.3 CONTRACTOR shall be responsible for safeguarding any/all COUNTY/COURT property in accordance with this SOW. CONTRACTOR shall ensure the confidentiality of information and require all CONTRACTOR personnel providing services in conjunction with the Contract to sign a CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY CONTRACT attached to the Sample Contract as Exhibit G1. Employee Confidentiality Contracts must be submitted within three (3) business days of employee's start of work.

Agreed. Harris & Harris accepts full responsibility for safeguarding County/Court property and data/information under its stewardship throughout the contract. **We have described in greater detail beginning below our comprehensive plan for ensuring security and proper confidentiality of court records throughout this contract.** We also agree to submit within three (3) business days of every employee's start of work on this contract a signed *Contractor Employee Acknowledgement and Confidentiality Contract* (Exhibit G1).

Harris & Harris contracts with a third-party security firm, TECH LOCK, Inc., an industry leader in data security and compliance management, to ensure our security needs and those of our clients are met, to provide annual security audits, and to professionally manage our infrastructure and data security. Their ongoing audits and full-time staff contracted to us guarantee continued compliance with all industry standard security measures.

TECH LOCK's Certification ensures compliance with the following standards:



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- PCI DSS v3 (Payment Card Industry Data Security Standards)
- HIPAA/HITECH Compliance
- ISO 27002
- Red Flag Rules
- Gramm-Leach-Bliley Act (GLBA)

NETWORK AND WEB SECURITY

Harris & Harris secures and manages its data through a secure Cisco Networking environment. At the core of this infrastructure is the Cisco Adaptive Security Appliance. This system includes core features such as a world-class firewall, a hardened network structure, VPN remote security, SSL encryption, intrusion prevention and detection, and advanced anti-spam/anti-virus/anti-phishing measures.

Network Security

To complement our core infrastructure, we purchased the leading intrusion and prevention system available. This system provides security monitoring for network devices and host applications supporting both Cisco and other vendors. Security monitoring with this tool greatly reduces false positives by providing an end-to-end topological view of the network, which helps improve threat identification, mitigation responses, and compliance.

Key features of this security appliance include:

- Captures and gains network Intelligence
- Analyzes both external and internal activity
- Leverages intelligence to identify threats
- Locks ports automatically in event of a threat
- Aggregates logs and events
- Produces over 150 reports and triggers
- Simplifies security response at Layer 2 and Layer 3 through topological graphs
- Emails IT contacts of problems or possible attacks

Web Security

Both of our key appliances have been integrated with Websense for full web filtering. Websense is based on best-in-class products, technologies and hosted solutions that provide integrated network security threat defense and powerful policy-based control over our organization's web-sensitive data.

DATA ENCRYPTION

Harris & Harris's data encryption policy provides guidance that limits the use of encryption to those algorithms that have received substantial public review and have been proven to work effectively. This policy dictates the procedures that must be followed when managing encryption keys and applies to all Harris & Harris employees and affiliates.

Protecting the Confidentiality of Client Information

Protecting the data of our clients is paramount at Harris & Harris. We maintain a robust *Information Security Policy* that defines the standards for logical security restricting access to programs, data and

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other information resources. Harris & Harris has also adopted a *Red Flag Policy* detailed in the Employee Handbook and all personnel must sign a form acknowledging acceptance of the policy.

Privileged access rights to the AIX Operating System are approved by senior management. Primary logical access control to the AIX server is provided by security provisions of the AIX operating system, which includes access to data, programs, and system utilities. The system security level requires a unique user ID and password for sign-on.

Password management controls at the network and operating system layers (e.g., minimum length, expiration requirements, complexity, etc.) have been implemented in compliance with corporate security standards. Access rights are removed or modified as necessary when employees change job functions. Application level security is provided by Columbia Ultimate, and is administered by the IT Department. System files, utilities, authorization lists, data files, and application programs are restricted through the user's AIX profile. Users do not have update or delete access to sensitive files and are restricted by their user profiles to an initial program which directs them to the CUBS[®] application. In the event that a transaction must be stored temporarily due to a loss of connectivity or similar event ("store and forward" situation), the account number and sensitive authentication data must be encrypted until connectivity is restored and the transaction can be authorized.

Acceptable algorithms must be proven and publicly reviewed, such as AES, 3DES, Blowfish, and SHA-1. These algorithms represent the actual cipher used for an approved application. Symmetric key lengths must be at least 128 bits. Asymmetric keys must be of a length that yields equivalent strength. Harris & Harris's key length requirements will be reviewed annually and updated as technology allows.

Automatic Email Encryption of Sensitive Data

Harris & Harris protects all electronic communications through the use of industry-standard SSL encryption; for programs that require additional layers of security, we have employed PGP cryptography to our communications as well.

Cisco IronPort provides inbound email security and outbound email control. IronPort will not allow email to be sent or received without encryption for those key debtor information elements such as Social Security Numbers, Bank Account information and the like, protecting accidentally sent critical information. Reputation filtering, combined with Cisco IronPort Anti-Spam technology, results in 98-99 percent spam blocking with fewer than one in one million emails being misclassified. Cisco IronPort Virus Outbreak Filters provide zero-day virus protection and work in conjunction with integrated virus signatures.

Corporate risk is also significantly reduced through embedded data loss prevention (DLP) functions, which can detect sensitive content, patterns or images in a message body or within attachments. To ensure message security to any destination, Cisco IronPort PXE Secure Messaging provides gateway to desktop encryption and authentication without needing special end-point agents or PKI infrastructure.

Gramm-Leach-Bliley Act Compliance

Harris & Harris is fully compliant with the Gramm-Leach-Bliley Act and have successfully undergone numerous client-required or client-performed GLBA audits with full compliance confirmed. Harris & Harris has never used any customer information for any purpose other than the collection of debt for a client. This is a cast-in-stone policy that will never be changed or violated. Any information gathered on debtors for our clients will remain private and be used only for the collection of the debt.

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DOCUMENT RETENTION POLICY STATEMENT

This purpose of this policy is to ensure that necessary records and documents are adequately protected and maintained and to ensure that records that are no longer needed or are of no further value are discarded at a proper time in an appropriate manner.

This policy shall cover all business records, including written, printed and recorded matter and electronic forms of records, including e-mail messages in personal folders. Records should be reviewed regularly to ensure retention and destruction is appropriate to ensure compliance with this policy. These guidelines should be reviewed annually to ensure consistency with legal requirements of other regulatory bodies.

If a lawsuit, governmental investigation or subpoena is filed, served or appears imminent, this policy may be suspended requiring that documents relating to the lawsuit or potential legal issue(s) or audits be retained. If you receive notification that the policy has been suspended, you must retain all of the documents you are instructed to keep rather than destroying them pursuant to the Policy.

Destruction of all documents upon the completion of its retention period shall be shredded by the current authorized document shredding vendor.

DATA BACKUPS AND DISPOSAL

Our *Data Storage and Retention Policy* is intended to ensure all sensitive data is retained in full compliance with Harris & Harris's business, legal, and regulatory policies. Data storage beyond the retention period specified by this policy puts both Harris & Harris and its clients at unnecessary risk.

In general, credit card numbers and associated cardholder data are stored for only six months from the last payment, and all credit card and Social Security numbers are fully encrypted and stored on our databases. Only the last four digits of both are visible.

This retention period allows for potential chargebacks within the six-month period. Other critical customer data, such as the credit cards security codes, are not stored under the requirements of PCI Compliance.

The quality control coordinator and system administrators are responsible for defining procedures to identify electronic data that exceeds the retention period and to securely dispose of it. Such procedures must be consistent with the following:

- **On-Line Electronic Data:** Once stored data exceeds the retention period, it will be removed on at least a quarterly basis via an automated process. If an automated process is not available, the various Department Directors are responsible for conducting quarterly audits to ensure that stored data in excess of the retention period is securely removed.
- **Backup/Removable Media:** Backup or removable media storing cardholder data must be classified so it can be identified as confidential, inventoried and physically secured. System Administrators are responsible for reviewing media inventories on a monthly basis and securely disposing of cardholder data which exceeds the retention period.
- **Paper Records:** Paper reports containing cardholder data must be labeled so they can be identified as confidential and securely disposed of once there is no longer a business reason to retain them. Paper reports should be physically secured (e.g., stored in a locked file cabinet) when not in use. On a quarterly basis, the Quality Control Coordinators are responsible for auditing files to ensure that there are no reports containing cardholder data in excess of the retention period.

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- **Secure Transportation:** If transported, paper and/or electronic media must be sent via a trackable method and the System Administrator or Accounting Manager must provide written approval prior to transportation.
- **Secure Disposal:** To provide proper assurance that data is irrecoverable, the following disposal methods must be used:
 - » **On-Line Electronic Data:** Cardholder data stored in files must be wiped using a program approved by the Director of IT. It is the responsibility of system administrators to ensure that secure disposal is implemented and effective.
 - » **Backup/Removable Media:** Cardholder data must be destroyed beyond recovery by using a wipe program to delete files or via degaussing or physically destroying the media beyond recovery. Removable media must be stored in a secure location until it has been destroyed. It is the responsibility of System Administrators to ensure that secure disposal is implemented and effective.
 - » **Paper Records:** Documents containing cardholder data must be cross-cut shred, incinerated, or pulped. Employees are responsible for disposing of sensitive paper records, including those containing cardholder data, in the provided locked shred bins or alternatively flagging the box of documentation for shredding by the approved outsource provider Shred Authority. Shred Authority maintains seven secure shred bins at Harris & Harris. Each Monday, Shred Authority representatives arrive at Harris & Harris to pick up the contents of the shred bins for secure destruction. A Harris & Harris employee escorts the Shred Authority representatives to each shred bin to verify the contents are emptied. After the pickup is complete, the pickup log is signed by both the Harris & Harris employee and a Shred Authority representative. A copy of the pickup log is kept on file.

DATA SECURITY

Harris & Harris secures and manages its data through our secure Cisco Networking environment. At the core of this infrastructure is the Cisco Adaptive Security Appliance. This mission critical system includes:

- World Class Firewall
- Hardened Network Structure
- VPN Remote Security
- SSL – Encryption
- Intrusion Prevention Integration
- Anti-virus
- Anti-spam
- Anti-phishing
- Web Filtering Services

To complement our core infrastructure, we purchased the leading intrusion and prevention system available, the Cisco Monitoring Analysis and Reporting System (MARS).

Cisco MARS provides security monitoring for network devices and host applications supporting both Cisco and other vendors. Security monitoring with MARS greatly reduces false positives by providing an

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end-to-end topological view of the network, which helps improve threat identification, mitigation responses, and compliance.

Key features of this powerful security appliance include:

- Captures and gains Network Intelligence
- Analyzes both external and internal activity
- Intelligence used to identify threats
- Intelligence used to protect and be proactive
- Automatically lock ports in event of a threat
- Aggregates logs and events
- Produces over 150 reports and triggers
- Topological graphs that simplify security response at Layer 2 and Layer 3
- Emails IT contacts of problems or possible attacks
- Integrates with Web Filtering Services

Both of the key appliances, the Cisco ASA and the Cisco MARS, have been integrated with Websense for full Web Filtering Services. Websense is based on technologies and hosted solutions that provide integrated network security threat defense and policy-based control over our Web-sensitive data. Websense is unique in the industry in allowing control of all the critical elements of Web, data, and messaging security, including:

- Who is authorized to access specific Web sites, sensitive content, or applications
- What data is critically important to your organization and must be protected from accidental or intentional leaks
- How sensitive data is to be communicated, and how online resources can be used safely and productively by your business
- Where users are allowed to go online, and where sensitive data can be sent safely

Be assured that all data elements received and collected by Harris & Harris are maintained in a secure environment. In addition, due to extensive pre-employment checks, Harris & Harris can rely on our employees to ensure data security by carrying out our policies regarding:

- Data Storage, Retention and Disposal
- Firewall and Router Policy and Configuration Standard
- Building Security
- Credit Bureau Viewing
- Data Encryption
- Key Storage and Management
- Use of Personal Cell Phones on Collection Floor or Office Area
- Use and Access to Printers
- Use and Access of Data Storage Devices on the Collection Floor or Office Area.

Removable Media Policy

Harris & Harris takes great measures to ensure the safety and security of all client data. Employees are not allowed to bring personal computers or other personal electronic devices to the workplace or

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connect them to electronic systems unless expressly permitted to do so by the Director of IT. Those devices include but are not limited to: desktop or laptop computers, USB memory sticks, iPods™ or other MP3 devices, external disk drives, CD/DVD burners, or other portable data storage devices.

Collection personnel are equipped with computers that prevent the hookup of storage devices, USB, serial or parallel ports in order to prevent unauthorized duplication of information. Only authorized and necessary personnel are equipped with computers that have peripheral connectivity. Our operating system truncates drivers' license numbers, social security numbers, credit card and bank accounts to the last four digits, thus preventing unauthorized access to private financial and identifying information.

Laptop and Mobile Phone Security

SafeStor EndPoint Protection will protect our Laptops in the event they are lost or stolen. Key features include:

- Provides cloud-connected data protection and security for endpoint computing environment, extending server-level coverage to incorporate laptop/desktop-level.
- Policy-based administration of endpoint environment enabled through intuitive graphical interface.
- Dashboard facilitates monitoring/reporting activities of all data-management operations.
- Enterprise data-backup/recovery solutions.
- Backup activity is automatic and continuous in the background, without degrading machine performance.
- Source-side de-duplication, block-level technology and compression reduce transmission volume, minimize bandwidth and accelerate the backup process while cost-effectively reducing storage load.
- Online reconnection activates automatic backup from local machine's cache to off-site storage.
- Fast data- recovery/restore process following downtime event or if machine has been compromised, destroyed, stolen or is just being replaced.
- Advanced encryption technology protects all files at rest on the hard drive, during the backup process and during file recovery.
- Port-access control prevents data leakage to a variety of external devices.
- Remote data deletion facilitates information shredding on-demand or via time trigger.
- Device tracing discourages employee thievery and develops routing information for law enforcement.
- Compliance conformity enhanced by off-site, professionally staffed, Tier-3+ data center having SSAE 16 (SOC 2) certification.

MaaS360 by Fiberlink will protect our mobile devices (mobile phones & Ipads) in the event they are lost or stolen. Key features include:

- Dynamic security and compliance features continuously monitor devices and take action.
- Specify passcode policies
- Enforce encryption settings
- Detect and restrict jailbroken and rooted devices
- Remotely locate, lock and wipe lost or stolen devices
- Selectively wipe corporate data leaving personal data intact
- Create real-time compliance rules with automated actions
- Use geo-fencing rules to enforce location-related compliance

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PHYSICAL SECURITY

We have implemented advanced physical security enhancements to protect client data and ensure the safety of our staff. During normal business hours, every employee is required to wear and display their employee photo key card. The key-card is used to identify current employees, to allow access to designated areas, and to prevent access to non-designated areas. These key-cards are distributed at the time of hire and are deactivated at the time of the employee's separation from Harris & Harris.

The office doors in each suite are locked, and each employee must scan their key card in order to gain access. Each access is monitored and logged to identify any unusual trends. Specific reports are generated using the computer system by request of Management only. These reports can be requested for specific days, by employee information, and for specific suites as needed. Our call center also is equipped with state-of-the art video surveillance and motion detection throughout the entire facility.

Access to the server room is controlled by biometrics (finger print reader) and key card entry. The access control unit will not unlock the door unless the finger print matches the authorized key card presented. Access to our payment processing suite is similarly secured by a biometric and key card reader, as well as additional video and motion-detecting devices. No employee is permitted to be alone or unsupervised in this section of our workspace at any time.

In the course of non-operation hours, all suites have an ADT alarm system set and locked dead bolt. When the night cleaning crew, maintenance crew, or an authorized Harris & Harris IT staff member is present in the suite, the door remains dead bolted at all times.

All exterior doors remain closed and locked at all times. There are no exceptions for a door being propped open. Every door must remain shut with the alarm set or dead bolt locked. All interior offices are locked and remain locked unless the cleaning service is cleaning that suite.

11.4 CONTRACTOR shall develop and submit to COUNTY/COURT within five (5) business days of execution of the Contract, Security and Control Procedures. The procedures shall identify methods used by CONTRACTOR to ensure that COUNTY/COURT property is safeguarded at all times while in CONTRACTOR'S possession. Security and Control procedures should include, but are not limited to: ensuring the security of COUNTY/COURT forms, case management systems, cash handling responsibilities (if applicable). CONTRACTOR shall notify the COUNTY PM of any changes to Security and Control Procedures within ten (10) business days of making a change.

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of the 11.4 requirement. Upon execution of the contract, we will prepare and subsequently submit to the County/Court within five (5) business days a written *Security and Control Procedures* plan. This plan to ensure the safeguarding of County/Court property will include but not be limited to methods for ensuring the security of forms, case management systems, and cash handling. Harris & Harris also agrees to notify the County Project Manager of any changes to this plan within ten (10) business days of instituting a change.

11.5 CONTRACTOR shall develop and maintain a written Quality Control Plan to ensure compliance with all of the CONTRACTOR'S responsibilities as set forth in this SOW. The CONTRACTOR'S initial plan shall be submitted within five (5) business days after execution of

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the contract. Updates shall be submitted to the COUNTY PM for approval within ten (10) business days. The Plan shall include, but not be limited to, the following information:

11.5.1 The activities to be monitored on either a scheduled or unscheduled basis, how often monitoring will be accomplished and the title of the individual(s) who will perform the monitoring.

11.5.2 Methods for identifying deficiencies in the quality of service before the level of performance becomes unacceptable and not in compliance with the contract.

11.5.3 Methods for documenting the monitoring results and, if necessary, the corrective action taken.

11.5.4 CONTRACTOR shall provide COUNTY/COURT a quarterly audit showing the results of the Quality Control Plan (Attachment I).

11.5.5 CONTRACTOR shall have an independent audit performed over service organization controls and maintain a clean audit opinion in accordance with Service Organization Controls (SOC1) reports – formerly Statement on Auditing Standards (SAS) No. 70 Type 2 Report. This audit shall be performed annually and the independent auditor's report submitted to the COUNTY PM.

Agreed. Harris & Harris has read, understands, and agrees to comply with the entirety of the 11.5 requirement. Upon execution of the contract, we will prepare and subsequently submit to the County Project Manager within five (5) business days a written *Quality Control Plan* in full accordance with Attachment I that includes but is not limited to all above stated requirements including monitoring of activities, identifying deficiencies, and documenting monitoring results (and as necessary, documenting any necessary corrective action taken). Moreover, we agree to provide quarterly audit reports that demonstrate the results of the Quality Control Plan as well as the required annual Service Organization Controls (SOC) reports.

We have provided beginning below a description of our Quality Control and Assurance program, to include a preliminary statement and discussion of any anticipated major difficulties and problem areas for this specific contract, together with potential or recommended approaches for their solution.

QUALITY CONTROL AND ASSURANCE

Maintaining our internal quality standards as well as those of our clients is a top priority at Harris & Harris. Over the last five decades, we have developed a sophisticated suite of metrics, processes, and reports that help us ensure that services are provided correctly, completely, and on time. We also maintain quality through our significant investment in the latest physical and data security measures as well as an unwavering adherence to the laws and regulations that govern our industry.

Every collection representative is a unique individual and we encourage diversity to allow each of our seasoned professional collection representatives to shine within their own comfort level. We constantly monitor each representative's work queue and assignment of accounts, ensuring our staff's ability to stay current, maintain expected



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goals and recoveries, and adhere to company guidelines. Some collection representatives thrive on high volume, low dollar accounts and we assign such accounts accordingly. Other representatives are large balance specialists who are trained and skilled at skip tracing and negotiation. This approach means that **the most qualified representative is matched to the workload and account profile that best ensures a high level of collection success.**

Management at Harris & Harris conduct real-time call monitoring on a daily basis and coach representatives on difficult or problematic calls. Management reviews and audits account work records on a regular basis to ensure our work standards are maintained, and each collection representative is reviewed for performance on a scheduled basis. Any representative who is underperforming is required to undergo performance training. Continually underperforming representatives may undergo a Performance Improvement Plan process which will result in a notable improvement or in termination.

All debt collection activity for the County/Court will be performed only by seasoned staff members who have undergone our rigorous collection training series and who already have experience working the accounts of other government and court clients. Our training focuses on the approach of being friendly, knowledgeable, and helpful to the debtor. Monthly reinforcement training of key topics keeps our directives clear within our staff. **Without question, we believe that our methodology results in greater collection returns because:**

- Debtors are treated professionally with courtesy and respect, which makes them much more willing to work to find a solution to the debt
- Collection representatives flourish using a positive, hostility-free approach, resulting in more successes and a turnover rate that is significantly lower than the industry average

Anticipated Difficulties and Potential Solutions for this Contract

With our decades of experience in implementing projects of this size and scope the biggest potential for difficulties is the potential lack of resources the client has available for the implementation while still managing the existing contract. Harris & Harris mitigates the need for those resources as much as possible by our structured implementation process. We will work with your various staff members on a regular basis to understand other pressures and tailor our process for our mutual benefit.

EVALUATION

Evaluation of our collection representatives will include every facet of our collection effort as detailed below:

Collection Efforts

- Are all placed accounts being worked properly and timely?
- Are all accounts receiving telephone contact in a timely fashion after notices are mailed?
- Is the telephone contact being conducted in a professional and courteous manner?
- Is the same degree of effort put forth on small vs. large accounts?
- Are skip tracing efforts taken on accounts in which notices have been returned as undeliverable?
- Do closed accounts that are uncollectable reflect that a reasonable degree of effort was expended to collect?

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Supporting Documentation

- Is documentation received from debtors being properly forwarded to the County/Court in a timely fashion?
- Is collection activity suspended pending account resolution?

Confidentiality

- Is access to debtor information restricted?

Remittance Handling and Control

- Does separation of duties exist between remittance processing and collection duties?
- Is the proper fee amount being retained by Harris & Harris?

Closure of Accounts

- Is the daily closure file provided by the County/Court being processed quickly and correctly?

Electronic Compliance

- Is the placement file being processed timely and correctly?
- Are payment files being submitted timely and correctly?
- Are the agencies providing their reconciliation files timely and correctly?

HYPERQUALITY

Founded in 2003, HyperQuality provides Harris & Harris with companion third-party quality assurance monitoring and performance measurement services for contact center operations where support is provided via inbound or outbound telephone contact. HyperQuality provides a robust Quality Monitoring program that delivers objective, accurate and timely evaluations, as well as feedback on agent performance along with actionable recommendations to improve process and ensure compliance with applicable laws and regulations. HyperQuality uses its expertise to monitor and improve outbound collections performance by providing certain quality assurance, compliance, and performance services.

The HyperQuality team has been auditing calls for Harris and Harris since October 2015. HyperQuality evaluates 10-20 calls per collection representative utilizing the roster shared by the Harris & Harris Quality Assurance Coordinator. **Calls are audited on a daily basis to ensure real time coverage with collection representatives for improvements.** Four hours of calibrations time is dedicated on a weekly basis between the Quality Assurance Coordinator and HyperQuality to ensure accuracy in scoring across both Harris & Harris and HyperQuality.

HyperQuality delivers the following weekly reports on Monday of every week as well as End of Month Reports:

- **Dashboards** – Shows category/attribute level performance for overall/campaign level and has the option to view data for specific Team/Collection Representatives.
- **Supervisor Review Rate** – Reports show the total calls evaluated versus the total calls reviewed and feedback shared by supervisor. Data is presented for Department/Supervisor level.
- **Monthly Reporting Package** – Monthly report to show data for all departments for performance to show year-to-date trends. The Quality Assurance package is an overview of each vertical's statistics as it correlates to collection representative audit scores, department averages, and bonuses based on quality assurance.

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- **Compliance Reporting Spreadsheet** – Used to calculate the number of issues in compliance as well as processing fee issues.

WORK EFFORT STRATEGY AUDIT

Harris & Harris performs both *Inventory Account Audits* and *Independent Audits* for quality.

Inventory Account Audit

After collection efforts begin, the operational leadership team performs random account audits for work efforts including but not limited to the following:

- Confirm account is sent to skip trace for the best possible home phone
- Confirm letter is sent upon placement (and if returned, that account is sent for updates)
- Dial attempts to phone numbers on accounts (multiple attempts at different times and days)
- For all calls where contact was made:
 - Does documentation reflect actual conversation?
 - Was account moved to desk and given the correct status?
- If payment promised, is payment plan set properly and was promise honored?
- Proper follow-up on calls (number of attempts, time/days called)
- Was account evaluated for re-skip following no contact after multiple attempts?
- Ensure proper follow-up on broken promises and non-sufficient funds.

Independent Audit

The Business Intelligence Unit that reports to the Vice President of Operations performs client audits sixty (60) days post-implementation as well as on a quarterly basis for adherence to processes and attributes including but not limited to the following:

- Letter Strategy
- Dialer Strategy (including attempts, promises to pay, etc.)
- Skip Tracing
- Consistency with Client Strategy
- Achieving Liquidation Targets
- Monthly and Year-to-Date Gross Collections.

ONGOING QUALITY ASSURANCE

Harris & Harris continually strives to meet and exceed each client's quality protocol and expectations. We approach the quality assurance process in a structured manner, enabling our organization to provide clients with impeccable debtor interactions in all areas of service and debtor contact. Through remote and side-by-side monitoring by our staff of supervisors and team leads, improvement opportunities and remediation (if necessary) are addressed quickly and professionally. By also stressing the importance of customer relationships, we continue to provide best-in-class quality to all of our clients and their debtors. In addition to the multiple checkpoints and strategy audits to review accounts for work efforts and review collection performance already mentioned, Harris & Harris also employs Executive Review to ensure quality in our work efforts. In the middle of each month, Executive Vice President and Chief Operations Officer David Harris will meet with the Senior Director of Operations and the Call Center Director to

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determine if we are meeting your collection goals and, if not, they will discuss proactive steps to address the deficiency. Then at the end of the month, the Client Services Director will join the discussion to review whether we are achieving the targeted recovery rates and collection goals and servicing your needs.

CALL MONITORING AND RECORDING

Harris & Harris **records 100 percent of all inbound and outbound calls** and can make these recordings available upon request from the County/Court. Call recordings can be provided on compact disc, or can be transmitted in .wav format via encrypted channels.

We have a dedicated quality assurance team that listens to and evaluates ten (10) to twenty (20) calls per collection representative per month using a 40-point audit criteria based on our call model. Our real-time software platform delivers the audit scores to the representative within twenty-four (24) hours of completion of the audit to ensure the implementation of any necessary behavior change(s). Supervisors receive email confirmation of new audits and review the calls and areas of opportunity with the collection representative through an application called ClearMetrix. Collection representatives must maintain an audit score of 80 percent to avoid being put on a Performance Management Plan of progressive disciplinary action. Our quality assurance program:

- Ensures that we stay in compliance with company policies and federal, state, and local laws
- Prevents legal ramifications
- Ensures that we are taking every opportunity to generate revenue
- Develops and cultivates proper collection representative communication skills.

Each vertical has an audit form that is custom to its department. The form is to be scored with a view utilizing guidelines that are created by the department specifics and call model. Each call is to have a simplified summary with an overview of what was done on the call as it pertains to the audit form.

In-House Random Monitoring

In random monitoring, the supervisor is a silent witness on the call. The session is scored using a quality scoring form developed to address the specific criteria of each client. When a random monitoring session is completed, the supervisors will review the results with the representative, highlighting both positive and negative aspects, identifying areas for improvement, and discussing any training needs. To complete the session, both the agent and the supervisor sign off of the monitoring form, and it is added to the employee's permanent file. Scores are recorded and can be compiled by agent, team or client for reporting purposes.

Side-by-Side Monitoring

The supervisory staff also independently monitors representatives. Each collection representative receives five (5) distinct side-by-side sessions comprised of multiple phone calls with their supervisor and floor coach. Each monitoring session is evaluated by the supervisor for accuracy, effort, and quality, using criteria based on the quality standards dictated by the client in combination with Harris & Harris's own internal performance standards. After scoring, the results of the session are discussed with each representative in a one-on-one review with the supervisor. If the monitoring score falls below minimum

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standards, an agreed-upon training program is facilitated. This additional attention could include mentoring, re-training or additional side-by-side coaching.

Continuous Improvement Methodology

Harris & Harris has adopted a continuous improvement methodology aimed at ensuring our clients' needs are met and surpassed in the most efficient manner possible. The call center team measures not only traditional metrics such as Call Arrival Patterns, AHT, ASA, Abandon Rates and other key performance indicators, but also looks at the relationships between these factors to determine if processes are in control and performing as designed.



Interdependence of Quality and Training

Monitoring for quality requires not only that we identify and address individual representative quality and performance issues, but that we also accurately analyze the source of quality issues and address them effectively through modification of our training program and curriculum. This strengthens our training program, because trainers are able to anticipate common problems and address them early in the training process; the result is that each successive new employee is a more effective part of the team from day one.

Floor Coaching

Harris & Harris maintains a team of Floor Coaches, who are half-time collection representatives and half-time floor coaches, who represent our best and most experienced collection representatives. The coaches hover the call center floor to assist collection representatives with questions or to take over calls to resolve a conflict or to collect monies when the collection representative is unable to close the call.

Peer Review

Harris & Harris uses call recordings as an opportunity to train in the group setting as well. On a monthly basis, our collection team joins supervisors in a group peer setting where we employ the use of games and prizes while reviewing calls. Collection staff serve as judges in a panel and score calls. We utilize this fun and engaging activity as a means to share collection call strategies between our collectors and to identify areas for corrective action or improvement.

KEY PERFORMANCE INDICATORS

For training and evaluation purposes, Harris & Harris utilizes a product called Encore Service Observer. This product provides a collection representative scorecard for each representative. This scorecard drills down on the collection representatives' daily efforts, providing invaluable insight at a granular level of each representative's strengths and weaknesses. Encore Service Observer features a robust reporting system that allows for intense collection representative evaluation. This reporting includes, but is not

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limited to, a listing of all incoming and outgoing telephone calls, duration of calls, number of calls, time of calls and collection representative IDs.

This system works in conjunction with our call recording system, and will includes metrics on each representative, evaluating the extent to which the representative provided appropriate information, updated the account for proper follow up, suggested reasonable solutions, spent an appropriate amount of time on the telephone, and so forth. This electronic scorecard rates the representative's overall performance and enables the management team to focus on trouble spots or to celebrate successes.

The table on the next page outlines the main key performance indicators (KPIs) that Harris & Harris uses to assess its employees:

KPI	Description
Knowledge of Work	<ul style="list-style-type: none"> ➤ How well does the employee know his or her job? ➤ Does the employee have the knowledge to successfully complete the duties and the responsibilities of the position?
Quantity of Work	The employee's rate of production is tracked hour by hour. This information is analyzed to make certain that the employee's rate of production adequate and compares favorably with standards and others that have the same job duties. Management will study the data to make certain that the employee displays an efficient use of time.
Quality of Work	<p>Various factors are evaluated to study the quality of work of employees. These factors include but are not limited to:</p> <ul style="list-style-type: none"> ➤ Frequency of mistakes ➤ Level of supervision required to ensure accuracy ➤ Pride in all aspects of the job ➤ Striving for excellence in all aspects of the job
Initiative	<ul style="list-style-type: none"> ➤ Does employee volunteer for new assignments and responsibilities? ➤ Does the employee require a great deal of supervisory guidance regarding initiative? ➤ Does employee initiate new methods or techniques?
Dependability / Responsibility	<p>Management will examine the following:</p> <ul style="list-style-type: none"> ➤ does employee consistently fulfill responsibilities ➤ how much follow-up is required ➤ how reliable is this employee
Quality of Interpersonal Relationships	<ul style="list-style-type: none"> ➤ How does the employee interact with colleagues? ➤ Does the employee treat other employees with respect, dignity and tact? ➤ Does employee promote teamwork? ➤ Is employee cooperative with fellow employees and supervisors?
Attendance	<ul style="list-style-type: none"> ➤ How often is employee absent or late? ➤ How does the employee's attendance record compare with average attendance?

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The formal performance evaluation system is designed to maintain or improve each employee's job satisfaction. Harris & Harris instructs its supervisors to maintain an active interest in the job progress and personal development of each of their direct reports. Supervisors also assist in planning each employee's further training and development. They focus maximum attention on achievement of assigned duties, and document special talents, skills, and capabilities that might otherwise not be noticed or recognized.

Each collection manager closely monitors their assigned collection unit. Reporting to the collection manager are floor managers, who are responsible for walking the collection floor to ensure adherence to our standards and who provide instant assistance wherever needed. Floor managers are equipped with listening devices that can be silently connected to any telephone conversation of the collection representatives they monitor.

Collection managers and their units meet daily to discuss issues and allow for any questions and feedback. Similarly, management teams meet regularly to discuss strategy and ways to improve performance.

PRODUCTIVITY BENCHMARKS

Productivity benchmarks for our collection representatives are developed based on individual client performance goals. They include the following:

- Total dollars collected by averages of four, eight, & twelve-week histories
- Number of calls per day/week/month
- Total of telephone talk time per day/week/month
- Total number and dollars promised per day/week/month
- Number of dollars received for postdated checks to be cashed in 0-60 days
- Number of dollars received for postdated checks to be cashed after 60 days
- Number and dollars in payment plans

During implementation, we will work with the County/Court to pinpoint specific metrics and performance targets for our dedicated collection team.

COLLECTION PERFORMANCE REVIEW PROGRAM

The Collector Performance Review (CPR) Program is designed to bring a collection representative to an expectable level of performance through training, the supervisor is to mentor and coach a collection representative to improve their collections. Every collection representative is entitled to the opportunity to succeed and minimize employee turnover wherever possible.

Any collection representative who has been employed greater than four (4) months is eligible for CPR. A collection representative considered for the CPR Program will automatically progress to the Written Warning phase of the Performance Management Process. Any representative who does not meet budget requirements for two (2) consecutive months will enter into a Collector Performance Review Program for 4 consecutive weeks. If the representative is currently a Team Lead/Mentor or on any special program that deviates from the standard, they would be dropped from the program and eligible to reapply once they regain their performance.

Program Expectations

- The collection representative will meet or exceed their goal during the four week period

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➤ The collection representative should be terminated if budget of 100 percent is not achieved. If at the end of the four week period being reviewed the representative does not meet their goal but does meet it by the end of the month, the Director along with Human Resources has the opportunity to extend the Performance Management process for another 4 week period to avoid automatic termination. The Director is required to submit a written opinion as to why they feel that the representative should not continue on the CPR program. The Human Resources Director/Human Resources Business Partner and the Director will review the documentation and the collection representative's personnel file to make the appropriate business decision regarding the collection representative.

11.6 CONTRACTOR'S internal account processing shall also include a History of Activity for each account, which lists the type and date of all activities, such as letters, telephone calls, involuntary actions, etc., employed by CONTRACTOR.

Agreed. As described in greater detail in our response to the Scope of Work, our collection platform provides the County/Court with exceptional reporting capabilities for our collection activities and account processing. **Every event associated with an account** – whether a letter sent, telephone contact (both successful and unsuccessful), payment arrangements, payment received, etc. – **is recorded in granular detail and is available for immediate review via the online client portal, interim review as afforded through scheduled reporting, and during the normal quality-control checks performed by management or in the course of a client or internal audit.** Be assured the County/Court will have guaranteed access including 24/7/365 access online to a History of Activity for every account placed with Harris & Harris.



APPENDIX [SAMPLE IMPLEMENTATION PLAN

This section contains our Sample Implementation Plan.

Note: We have supplied here a sample 30-day implementation plan as requested in the RFP. However, as questioned in the Vendor Questions and Answers we reserve the right to negotiate this schedule based upon both party resources while still launching or before July 2020. Once a contract is fully executed we could immediately begin working on implementation from our end.

ID	Task Name	Duration	Start	Finish
1	Sample 30-Day Implementation Plan	22 days	Mon 6/1/20	Tue 6/30/20
2	Contract Compliance Review	5 days	Mon 6/1/20	Fri 6/5/20
3	Statutory Review	5 days	Mon 6/1/20	Fri 6/5/20
4	License, Bonding, Insurance Review	5 days	Mon 6/1/20	Fri 6/5/20
5	License, Bonds in place	4 days	Mon 6/1/20	Thu 6/4/20
6	Obtain certificates of insurance	4 days	Mon 6/1/20	Thu 6/4/20
7	Identify client contact for insurance and remit	1 day	Fri 6/5/20	Fri 6/5/20
8	Project Plan	9 days	Wed 6/3/20	Mon 6/15/20
9	Develop initial project plan	9 days	Wed 6/3/20	Mon 6/15/20
10	Initial meeting	1 day	Fri 6/5/20	Fri 6/5/20
11	Additional questions/follow up from HH to client	3 days	Fri 6/5/20	Tue 6/9/20
12	Answers from client to HH	4 days	Thu 6/4/20	Tue 6/9/20
13	Establish weekly implementation meetings	1 day	Fri 6/5/20	Fri 6/5/20
14	Develop final project plan	3 days	Wed 6/10/20	Fri 6/12/20
15	New Client Set Up	16 days	Wed 6/3/20	Wed 6/24/20
16	Set Expected Start Date	1 day	Wed 6/3/20	Wed 6/3/20
17	Identify key contacts	2 days	Wed 6/3/20	Thu 6/4/20
18	Establish internal client number(s)	1 day	Fri 6/5/20	Fri 6/5/20
19	Establish telephone numbers	5 days	Fri 6/5/20	Thu 6/11/20
20	Set up client on internal systems	9 days	Fri 6/12/20	Wed 6/24/20
21	Staffing and Training	20 days	Wed 6/3/20	Tue 6/30/20
22	Assign client services staff	1 day	Fri 6/12/20	Fri 6/12/20
23	Assign collection staff	9 days	Fri 6/12/20	Wed 6/24/20
24	Recruit additional resources as required	9 days	Fri 6/12/20	Wed 6/24/20
25	New hire training for additional resources	19 days	Wed 6/3/20	Mon 6/29/20
26	Client specific training for ALL assigned staff	5 days	Wed 6/24/20	Tue 6/30/20
27	Information Technology	20 days	Wed 6/3/20	Tue 6/30/20
28	File Layouts-Data Exchange	12 days	Wed 6/3/20	Thu 6/18/20
29	Obtain Client's External IP	2 days	Wed 6/3/20	Thu 6/4/20
30	Obtain File Layout	12 days	Wed 6/3/20	Thu 6/18/20
31	Obtain Test Record(s) with file layout	5 days	Fri 6/5/20	Thu 6/11/20
32	Establish data exchange policies and procedures	5 days	Thu 6/4/20	Wed 6/10/20
33	Determine FTP hosting	3 days	Thu 6/4/20	Mon 6/8/20
34	Client to HH new placements, updates, payments	5 days	Thu 6/4/20	Wed 6/10/20
35	HH to client updates	5 days	Thu 6/4/20	Wed 6/10/20
36	Reconciliation procedures and schedules	5 days	Thu 6/4/20	Wed 6/10/20
37	Program development	10 days	Fri 6/5/20	Thu 6/18/20
38	Review Layouts	5 days	Fri 6/5/20	Thu 6/11/20
39	Placement File	10 days	Fri 6/5/20	Thu 6/18/20
40	Payment and/or Adjustment File	10 days	Fri 6/5/20	Thu 6/18/20
41	Cancel/Return Files (frequency & Strategy)	10 days	Fri 6/5/20	Thu 6/18/20
42	Remit Files (Frequency & Timing)	10 days	Fri 6/5/20	Thu 6/18/20
43	Update Files (demographic changes)	10 days	Fri 6/5/20	Thu 6/18/20
44	Miscellaneous Files (client note exchange, PP Information)	10 days	Fri 6/5/20	Thu 6/18/20
45	Letter series programming	10 days	Fri 6/5/20	Thu 6/18/20
46	Testing	15 days	Wed 6/10/20	Tue 6/30/20
47	Testing Plan	6 days	Wed 6/10/20	Wed 6/17/20
48	Submit testing plan	3 days	Wed 6/10/20	Fri 6/12/20
49	Obtain client approval of testing plan	3 days	Mon 6/15/20	Wed 6/17/20
50	Initial Test	9 days	Fri 6/12/20	Wed 6/24/20
51	Test Data Transport Connectivity	3 days	Wed 6/17/20	Fri 6/19/20
52	Load Test Accounts into CUBS	3 days	Fri 6/12/20	Tue 6/16/20
53	Test Client Payments	6 days	Wed 6/17/20	Wed 6/24/20
54	Test Updates (Demographics)	6 days	Wed 6/17/20	Wed 6/24/20
55	Test Balance Updates	6 days	Wed 6/17/20	Wed 6/24/20
56	Test Recalls	5 days	Wed 6/17/20	Tue 6/23/20
57	Generate Acknowledgement	4 days	Wed 6/17/20	Mon 6/22/20
58	Generate Payment File	4 days	Wed 6/17/20	Mon 6/22/20
59	Generate Close File	4 days	Wed 6/17/20	Mon 6/22/20
60	Production file test	5 days	Wed 6/24/20	Tue 6/30/20
61	Obtain production file(s)	1 day	Wed 6/24/20	Wed 6/24/20
62	Load production file(s)	1 day	Thu 6/25/20	Thu 6/25/20
63	Reconcile from production test run	2 days	Fri 6/26/20	Mon 6/29/20
64	Sign off as tested	1 day	Tue 6/30/20	Tue 6/30/20
65	Identify Reporting---Set schedule for uploads, downloads	8 days	Fri 6/12/20	Tue 6/23/20
66	Acknowledgements	3 days	Fri 6/12/20	Tue 6/16/20
67	Determine acknowledgement recipient (name and address)	3 days	Fri 6/12/20	Tue 6/16/20
68	Determine format	3 days	Fri 6/12/20	Tue 6/16/20
69	E-mail or standard mail	3 days	Fri 6/12/20	Tue 6/16/20

ID	Task Name	Duration	Start	Finish
70	Additional Reporting Requirements	8 days	Fri 6/12/20	Tue 6/23/20
71	History Reports	8 days	Fri 6/12/20	Tue 6/23/20
72	Cancel/Return Reports	8 days	Fri 6/12/20	Tue 6/23/20
73	Weekly or Monthly Production Reporting	8 days	Fri 6/12/20	Tue 6/23/20
74	Inventory report	8 days	Fri 6/12/20	Tue 6/23/20
75	Payment Plans	8 days	Fri 6/12/20	Tue 6/23/20
76	Gross Collections	8 days	Fri 6/12/20	Tue 6/23/20
77	Other	8 days	Fri 6/12/20	Tue 6/23/20
78	CUBS set up	10 days	Fri 6/12/20	Thu 6/25/20
79	Client name and address	10 days	Fri 6/12/20	Thu 6/25/20
80	Client contact person	10 days	Fri 6/12/20	Thu 6/25/20
81	Collection Desk Setup	10 days	Fri 6/12/20	Thu 6/25/20
82	Telephone/Dialer System Setup	6 days	Wed 6/17/20	Wed 6/24/20
83	Outbound button on phone for collector display with proper client	4 days	Wed 6/17/20	Mon 6/22/20
84	Auto attendant setup Skill/VDN Call Routing/FOT/	6 days	Wed 6/17/20	Wed 6/24/20
85	LCD Display- Collection Representative	6 days	Wed 6/17/20	Wed 6/24/20
86	Whisper announcements & LCD Display	6 days	Wed 6/17/20	Wed 6/24/20
87	TouchStar	6 days	Wed 6/17/20	Wed 6/24/20
88	Avaya	6 days	Wed 6/17/20	Wed 6/24/20
89	Client System Access (For H&H Staff if allowed)	8 days	Wed 6/17/20	Fri 6/26/20
90	Seek permission for system connection	4 days	Wed 6/17/20	Mon 6/22/20
91	User Setup Info collected and passed to Client	1 day	Tue 6/23/20	Tue 6/23/20
92	Obtain usernames and passwords from client	2 days	Wed 6/24/20	Thu 6/25/20
93	Test system access for each user	1 day	Fri 6/26/20	Fri 6/26/20
94	Interactive Messaging	5 days	Wed 6/17/20	Tue 6/23/20
95	Determine if stand-alone, or shared	5 days	Wed 6/17/20	Tue 6/23/20
96	Display client specific or generic caller id	5 days	Wed 6/17/20	Tue 6/23/20
97	Determine if need unique phone # for leaving messages	5 days	Wed 6/17/20	Tue 6/23/20
98	Client Access Web	8 days	Wed 6/17/20	Fri 6/26/20
99	Setup client on CAW	2 days	Wed 6/17/20	Thu 6/18/20
100	Determine access permission levels for Client	3 days	Wed 6/17/20	Fri 6/19/20
101	Setup username and passwords for client	3 days	Mon 6/22/20	Wed 6/24/20
102	Test CAW for each client user	2 days	Thu 6/25/20	Fri 6/26/20
103	IT Operations	3 days	Wed 6/17/20	Fri 6/19/20
104	Has the client name been added to Helpdesk?	3 days	Wed 6/17/20	Fri 6/19/20
105	Has the operations person been identified?	3 days	Wed 6/17/20	Fri 6/19/20
106	Have procedures been created?	3 days	Wed 6/17/20	Fri 6/19/20
107	Have the tasks been added to Task Manager	3 days	Wed 6/17/20	Fri 6/19/20
108	Account Management	15 days	Fri 6/5/20	Thu 6/25/20
109	Letter/Notice Series Development	14 days	Fri 6/5/20	Wed 6/24/20
110	Establish Strategies	12 days	Fri 6/5/20	Mon 6/22/20
111	Create letters if custom (determine required info)	13 days	Fri 6/5/20	Tue 6/23/20
112	Obtain letter approval from client	3 days	Fri 6/19/20	Tue 6/23/20
113	Confirm the letters have been set live into production at the letter vendor	1 day	Wed 6/24/20	Wed 6/24/20
114	Assign collection desk strategy	7 days	Wed 6/17/20	Thu 6/25/20
115	Determine skiptracing criteria	7 days	Wed 6/17/20	Thu 6/25/20
116	Initial Work Strategy Development	7 days	Wed 6/17/20	Thu 6/25/20
117	Settlement policies/guidelines	7 days	Wed 6/17/20	Thu 6/25/20
118	Payment plan policies	7 days	Wed 6/17/20	Thu 6/25/20
119	Recall policies	7 days	Wed 6/17/20	Thu 6/25/20
120	Credit bureau reporting guidelines	7 days	Wed 6/17/20	Thu 6/25/20
121	Dispute/validation of debt policies and procedures	7 days	Wed 6/17/20	Thu 6/25/20
122	Bankruptcy policies and procedures	7 days	Wed 6/17/20	Thu 6/25/20
123	Deceased policies and procedures	7 days	Wed 6/17/20	Thu 6/25/20
124	Litigation recommendation policies and procedures	7 days	Wed 6/17/20	Thu 6/25/20
125	Accounting and Finance	16 days	Fri 6/5/20	Fri 6/26/20
126	Statement set up	12 days	Fri 6/5/20	Mon 6/22/20
127	Determine statement recipient (name and address)	4 days	Wed 6/17/20	Mon 6/22/20
128	Weekly or Monthly	4 days	Wed 6/17/20	Mon 6/22/20
129	Mail, ACH or wire transfers (if remitting)	4 days	Fri 6/5/20	Wed 6/10/20
130	E-mail copy of statements (Y/N)	4 days	Fri 6/5/20	Wed 6/10/20
131	Special statement requirements per client?	4 days	Fri 6/5/20	Wed 6/10/20
132	Test Accuracy of Statement	2 days	Thu 6/25/20	Fri 6/26/20
133	Quality Control (Pre-Launch)	8 days	Fri 6/19/20	Tue 6/30/20
134	Client Services introduced to client	3 days	Fri 6/19/20	Tue 6/23/20
135	Final quality control	5 days	Wed 6/24/20	Tue 6/30/20
136	Letters	5 days	Wed 6/24/20	Tue 6/30/20
137	Skip trace procedures	5 days	Wed 6/24/20	Tue 6/30/20
138	Reports	5 days	Wed 6/24/20	Tue 6/30/20

ID	Task Name	Duration	Start	Finish
139	Client Launch Process	4 days	Wed 6/24/20	Mon 6/29/20
140	Final Internal Implementation Meeting (1 week prior to launch date)	3 days	Wed 6/24/20	Fri 6/26/20
141	General Overview of Client	1 day	Wed 6/24/20	Wed 6/24/20
142	Overview of start date (letters and calls--validate everything is set)	1 day	Wed 6/24/20	Wed 6/24/20
143	Client expectations	1 day	Fri 6/26/20	Fri 6/26/20
144	Client Service Prepared	1 day	Fri 6/26/20	Fri 6/26/20
145	Call center Prepared (staff ready for calls)	1 day	Fri 6/26/20	Fri 6/26/20
146	Review Timetable for:	1 day	Fri 6/26/20	Fri 6/26/20
147	Reporting requirements	1 day	Fri 6/26/20	Fri 6/26/20
148	IT Related Items Completed	1 day	Fri 6/26/20	Fri 6/26/20
149	Any open questions for Client prior to launch	1 day	Fri 6/26/20	Fri 6/26/20
150	Review final project plan/summary against the signed contract. Setup is in accordance to client requirements.	1 day	Fri 6/26/20	Fri 6/26/20
151	Sign Off confirming the above items marked as yes/completed are done, the department is trained and ready for launch	1 day	Fri 6/26/20	Fri 6/26/20
152	Final client review	1 day	Fri 6/26/20	Fri 6/26/20
153	Final review and adjustments	1 day	Fri 6/26/20	Fri 6/26/20
154	Go Live	1 day	Mon 6/29/20	Mon 6/29/20

**EXHIBIT B1
PAYMENT PROVISIONS AND INVOICING PROCEDURES**

1. Compensation.

A. Contract Sum

- (1) In accordance with the terms of this Agreement, Court and County will refer various accounts for **Primary Collection Services**, as defined in Exhibit A1 (Statement of Work), to Contractor for which Contractor shall receive the negotiated commission on gross collections for general accounts referred. The commission rate shall remain firm and fixed for the term of the Agreement and shall be paid as set forth in this Exhibit B1 and Exhibit B2.
- (2) Fees. Contractor shall provide all goods and services at the rates set forth in Subsection B (Pricing and Billing Schedule) of this Exhibit. The Court shall have no obligation for payment of fees for any goods or services provided by Contractor except for those which are satisfactorily completed and expressly authorized pursuant to this Agreement.

B. Pricing and Billing Schedule

Contractor shall provide the required goods or services for the Court at the rate(s) set forth in Exhibit B2.

2. Miscellaneous Provisions

A. Business-Related Travel Expenses

Contractor travel expenses are reimbursable only if this Agreement specifically provides for the reimbursement of travel-related expenses and prior written approval of such expenses by the Court's Project Manager is obtained. The Court's policies and limits on reimbursable expenses, set forth in the Judicial Branch Travel Guidelines, shall apply. Contractor shall be reimbursed only for actual expenses not to exceed the limits set forth in the Judicial Branch Travel Guidelines that are in effect at the time the Agreement is signed.

- B. The Court shall not reimburse any Contractor expenses for staff time or overtime spent performing services or for any time spent to provide information for Court audits or billing inquiries.

3. Invoices and Payments

A. Submitting Invoices

- (1) Contractor shall invoice the Court at the rates set forth in this Exhibit B. The amount of Contractor's invoices shall be calculated in accordance with the

following formula: Commission Rate (%) x Gross Collections deposited in to County Bank Account during the period of the invoice. Contractor shall be compensated only for services that result in the collection of revenue. Court/County will not compensate Contractor for expended services in the event debtor payment is not obtained.

- (2) Contractor shall bill the Court within the first twenty-five (25) calendar days of the month for the prior month's deposits to the County Bank Account.
- (3) All invoices shall be subject to the Court's written approval. Contractor shall prepare invoices, in the detail specified in Section 3.13.1 of Exhibit A (Statement of Work) for commissions owed to Contractor by the Court as provided in this Exhibit B. Invoices without the required information will not be approved for payment.
- (4) **Contractor shall submit all invoices for approval to the Court's Project Director.**
- (5) Immediately upon approving Contractor's invoice(s), the Court's Project Director shall forward all such invoice(s) for review and processing for payment to:

Financial Services Administration – Accounts Payable
Superior Court of California
County of Los Angeles
111 North Hill Street, Room 105B
Los Angeles, California 90012

B. Payment Conditions

- (1) The Court shall pay Contractor as per this Exhibit B within thirty (30) days of receiving a correct and proper invoice from Contractor, provided that Contractor is not in violation of or default under any provision of the Agreement and has submitted a complete, accurate, and approved invoice.
- (2) Payment for services rendered shall be made upon the Court's approval of invoices submitted and may be reduced at the Court's sole discretion for Contractor's failure to provide services as specified in the Agreement. The Court may deduct up to ten percent (10%) from invoice amount for each month a failure incurs and until such errors are satisfactorily corrected.

The aggregate of all amounts withheld pursuant to Subsection 3.B.(2) shall be paid to Contractor by the Court in one lump sum payment the earlier of 1) the parties' agreed upon resolution of the matter(s) for which withholding was prompted or 2) within sixty (60) days from the termination date of this Agreement, upon completion of all corrective measures required.

- (3) The cumulative total of such invoices shall not exceed the Contract Sum stated in Section 1 (Compensation) of this Exhibit.

END OF EXHIBIT B1

EXHIBIT B2
CONTRACTOR'S COST PROPOSAL

--- Begins on Following Page ---

Cost Proposal Form
RFP 2019-067 Revenue Enhancement Services

Contractor will accept all Accounts referred by LASC on a contingency fee basis. Contractor's sole payment for all services set out in the Statement of Work, including any required equipment, staff or work necessary to perform the services, will be paid only from those monies collected by Contractor and will be the percentage commissions set forth below:

Commission Fees: Fees, fines, forfeitures, penalties, and assessments arising from infractions, misdemeanor, felony, and traffic proceedings or actions

Commission Fee for Primary Collections
7.97%

Commission Fees: Criminal justice related fees, reimbursements, and other legally enforceable debts

Commission Fee for Primary Collections
7.97%

Commission Fees: Civil, family law, and juvenile law fees, including filing fees

Commission Fee for Primary Collections
7.97%

Commission Fees: Probation, guardianship, conservatorships, and public defender fees

Commission Fee for Primary Collections
7.97%

Commission Fees: Sanctions imposed by the Court

Commission Fee for Primary Collections
7.97%

Commission Fees: Direct restitution to victim ordered pursuant to California Penal Code section 1202.4(a) 1

Commission Fee for Primary Collections
7.97%

Commission Fees: Victim restitution fines ordered pursuant to California Penal Code section 1202.4 (b) 1

Commission Fee for Primary Collections
7.97%

Commission Fees: Reimbursements owed or as ordered by a court pursuant to California Family Code section 3150 et seq.

Commission Fee for Primary Collections
7.97%

Commission Fees: Any other legally enforceable debt owed to the Court or that the Court has a right to collect

Commission Fee for Primary Collections
7.97%

Victim Restitution Fine – Commission Fee set at 10%

Direct Restitution to Victim – Commission Fee set at 15%

Note: Collection of this debt is not at the option of the Contractor.

Fee for FTB Transfer Services

3.5% of Commission Fee of net collected by FTB or flat fee of \$_____

EXHIBIT C1

STANDARD BUSINESS TERMS AND CONDITIONS 2.0

--- Begins on Following Page ---

1. Accounting.
2. Amendment.
3. Assignment; Subcontracting; Successors.
4. Audits; Retention of Records; Ownership of Results.
5. Background Checks; Court Approval of Contractor's Staff.
6. Changes in Work.
7. Choice of Law; Jurisdiction and Venue.
8. Confidential Information; Publicity.
9. Compensation.
10. Contract and Project Administration.
11. Contractor Certification Clauses.
12. Contractor Status.
13. Default and Remedies.
14. Dispute Resolution.
15. Entire Agreement.
16. Fair Labor Standards Act.
17. Force Majeure.
18. Indemnification.
19. Insurance Requirements.
 - 19.1 General Coverages; or
 - 19.2 Specific Coverages
20. Limitation of Liability.
21. Loss Leader.
22. Minimum Age, Language Skills, and Legal Status of Contractor Personnel at Facility.
23. Modification.
24. Non-Exclusivity.
25. Notices.
26. Prevailing Wages / Public Works.
27. Prior Work.
28. Prohibited Bids for End Product of the Agreement ("Follow-On Contracts").
29. Public Access to Records and Information.
30. Public Contract Code.
31. Scope of Work; Acceptance; Rejection.
32. Shipping and Packing Slips.

- 33. Signatures; Counterparts.
- 34. Standard of Performance; Warranties.
- 35. Stop Work.
- 36. Survival.
- 37. Termination.
- 38. Time is of the Essence.
- 39. Waiver; Severability.
- 40. Work Site.
- 41. Miscellaneous Provisions Applicable to Specific Contracting Situations.

1. Accounting.

Contractor will maintain a system of accounting and internal controls that meets Generally Accepted Accounting Principles (U.S. GAAP).

2. Amendment.

No modifications, alterations, changes, or waiver to the Agreement or any of its terms shall be valid or binding unless accomplished by a written amendment, signed by both parties, that specifically references and incorporates the terms of the Agreement into the written amendment.

3. Assignment; Subcontracting; Successors.**A. Assignment.**

(1) The Court may assign its rights and duties (or subcontract portions of the Agreement) to any other public entity. The Court shall notify Contractor in writing within 30 days following the assignment.

(2) In addition, either party may assign its rights and duties or subcontract portions of the Agreement to a third party, but only if the non-assigning party gives prior written consent to the assigning party. Consent may be withheld for any reason or no reason. If a non-assigning party does consent, the consent will take effect only if there is a written agreement between the assigning/subcontracting party and all assignees/subcontractors, stating that the assignees/subcontractors:

(a) are jointly and severally liable to the non-assigning party for performing the duties in the Agreement of the assigning/subcontracting party;

(b) affirm the rights granted in the Agreement to the non-assigning party;

(c) make the representations and warranties made by the assigning/subcontracting party in the Agreement; and

(d) appoint the non-assigning party an intended third-party beneficiary under the written agreement with the assigning/subcontracting party.

(3) No assignment or subcontract will release either party of its duties under the Agreement.

B. Subcontracting. Contractor may engage a subcontractor to perform any portion of the work, but only with the prior written consent of the Court. Any subcontracting without the Court's written consent is a material breach of the Agreement. Subcontractors will be subject to the same terms and conditions applicable to Contractor under the Agreement and shall incorporate the Agreement into any subcontracting relationship. Contractor shall be liable for all subcontractor acts or omissions, including indemnity obligations.

C. Successors. The Agreement binds the parties as well as their heirs, successors, executors, administrators, and assignees.

4. Audits; Retention of Records; Ownership of Results.

- A. General Audit and Records Provisions. Contractor must allow the Court or its designees to review and audit Contractor's (and any subcontractors') documents and records relating to this Agreement, and Contractor (and its subcontractors) shall retain such documents and records for a period of four (4) years following final payment under this Agreement. If an audit determines that Contractor (or any subcontractor) is not in compliance with this Agreement, Contractor shall correct errors and deficiencies by the twentieth (20th) day of the month following the review or audit. If an audit determines that Contractor has overcharged the Court five percent (5%) or more during the time period subject to audit, Contractor must reimburse the Court in an amount equal to the cost of such audit.
- B. State Audit. This Agreement is subject to examinations and audit by the State Auditor for a period of three (3) years after final payment.
- C. Ownership. Unless otherwise provided in the Agreement, the Court is the exclusive owner of all materials collected and produced in connection with the work. Upon the Termination Date (subject to any mutually agreed period of continuation of work), or upon the Court's notice at any time, and subject only to the duty of confidentiality owed to a represented party, Contractor shall give original materials to the Court or to another party at the Court's direction.
- D. Copies. Contractor may retain copies of any original documents Contractor provides to the Court.
- E. Retention of Records. Contractor will maintain all financial data, supporting documents, and all other records relating to performance and billing under the Agreement for a period in accordance with state and federal law. The minimum retention period will be four (4) years from the date of the submission of the final payment request or until audit findings are resolved, whichever is later.

5. Background Checks; Court Approval of Contractor's Staff.

- A. Background Checks.
 - (1) Each of Contractor's staff performing services on or at court locations or have access to sensitive, confidential court information under this contract shall undergo and pass a background investigation to the satisfaction of the Court as a condition of beginning and continuing to perform services under this contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation of up to forty (40) dollars per person shall be at the expense of Contractor, regardless of whether the member of Contractor's staff passes or fails the background investigation.
 - (2) Contractor shall notify the Court within 72 hours of any known arrests or other changes to the criminal record of any staff performing services under this Agreement. The Court may, in its sole discretion, require that any staff reported to have an arrest or

other change in his or her criminal record subsequent to passing an initial background investigation be replaced by Contractor at no additional cost to the Court.

B. Court Approval of Contractor's Staff.

(1) Contractor's Staff.

(a) The Court has the reasonable right to approve, which approval shall not be unreasonably withheld, members of Contractor's Representatives during the performance of the work hereunder and prior to any proposed changes in Contractor's Representatives. Contractor shall provide the Court's Project Director with résumés of all proposed changes to Contractor's Representatives and shall make such staff available for interview by the Court upon request of the Court's Project Director. By execution hereof, the Court has approved the current Contractor's Project Director and Project Manager.

(b) Contractor shall cooperate with the Court if the Court reasonably requests the removal of a member of Contractor's staff from performing work hereunder, where such individual's performance is deemed unsatisfactory by the Court or such individual fails to comply with any provision set forth in this Agreement or any established rule or regulation.

6. Changes in Work.

A. The Court reserves the right to require Contractor to make changes in the work, which may include additions, deletions, or modifications to the work, or changes in the timing or level of effort for the work.

(1) For any change proposed by the Court or Contractor, Contractor will submit in writing:

(a) A description of the proposed change and the reasons for the change;

(b) A summary of the total compensation to be paid Contractor with a breakdown of tasks and costs, including any reduction in work or costs resulting from the change; and

(c) A statement of the expected impact on schedule.

B. If the Court and Contractor agree on a change, the Court will issue an Amendment documenting the change, for the parties' execution.

(1) If the parties cannot agree to the terms of a change, Contractor will proceed diligently with work unless otherwise directed by the Court, and any continuing disagreement will follow the process set forth in the provisions entitled "Dispute Resolution." Contractor should not proceed with any change prior to receiving an executed Amendment from the Court. All costs for changes performed by Contractor without the Court's prior written approval will be at Contractor's sole risk and expense.

7. Choice of Law; Jurisdiction and Venue.

California law governs the Agreement. Jurisdiction and venue for any legal action arising from, or connected with the Agreement shall exclusively reside in Los Angeles, California, and the parties hereby consent to the jurisdiction and venue of such courts.

8. Confidential Information; Publicity.

A. Confidential Information.

- (1) During the term of this Agreement and at all times thereafter, Contractor will: (a) hold all Confidential Information in strict trust and confidence, (b) refrain from using or permitting others to use Confidential Information in any manner or for any purpose not expressly permitted by this Agreement, and (c) refrain from disclosing or permitting others to disclose any Confidential Information to any third party without obtaining the Court's express prior written consent on a case-by-case basis. Contractor will disclose Confidential Information only to its employees or contractors who need to know that information in order to perform services hereunder and who have executed a confidentiality agreement with Contractor at least as protective as the provisions of this section. The provisions of this section shall survive the expiration or termination of this Agreement. Contractor will protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as Contractor protects its own confidential or proprietary information of a similar nature, and with no less than the greater of reasonable care and industry-standard care. The Court owns all rights, title and interest in the Confidential Information. Contractor will notify the Court promptly upon learning of any unauthorized disclosure or use of Confidential Information and will cooperate fully with the Court to protect such Confidential Information. Upon the Court's request and upon any termination or expiration of this Agreement, Contractor will promptly (a) return to the Court or, if so directed by the Court, destroy all Confidential Information (in every form and medium), and (b) certify to the Court in writing that Contractor has fully complied with the foregoing obligations.
- (2) "Confidential Information" means: (i) any information related to the business or operations of the Court, including information relating to the Court's personnel and users; and (ii) all financial, statistical, personal, technical and other data and information of the Court (and proprietary information of third parties provided to Contractor) which is designated confidential or proprietary, or that Contractor otherwise knows, or would reasonably be expected to know, is confidential. Confidential Information does not include information that Contractor demonstrates to the Court's satisfaction that: (a) Contractor lawfully knew prior to the Court's first disclosure to Contractor, (b) a third party rightfully disclosed to Contractor free of any confidentiality duties or obligations, or (c) is, or through no fault of Contractor has become, generally available to the public.
- (3) Permissible Disclosures. Contractor may disclose the Court's Confidential Information only on a "need to know" basis to Contractor's employees and subcontractors and any representatives of the Court who are working on the project and who have also executed

confidentiality agreements that protect the Court's confidential information. Additionally, Contractor may disclose the Confidential Information, to the extent necessary to comply with any applicable law, rule, regulation, or ruling, provided Contractor gives advance notice to the Court.

B. Publicity.

Contractor shall not publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the Court or any images of the Court, the Court's seal, or the Court's logo without the prior written consent of the Court, which may be denied for any or no reason.

9. Compensation.

- A. The Contract Sum shall be the maximum total monetary amount payable by the Court to Contractor for supplying all the tasks, deliverables, services, and other work specified under this Agreement. All work completed by Contractor must be deemed acceptable to, and approved in writing by, the Court's Project Manager which approval shall not be unreasonably withheld.
- B. Any additional work requested by the Court that exceeds the scope of Exhibit A (Statement of Work), must be approved in advance, and in writing, by the Executive Officer/Clerk of Court, in the form of an Amendment. Any change in the Contract Sum must be approved in advance, and in writing, by the Executive Officer/Clerk of Court, in the form of an Amendment.
- C. If Contractor provides any task, deliverable, good, service, and/or other consideration to the Court other than those specified in this Agreement, or if Contractor provides such items requiring the Court's prior written approval without first having obtained such written approval, the same shall be deemed to be a gratuitous effort on the part of Contractor, and Contractor shall have no claim whatsoever against the Court therefor.
- D. The Court's payment will not relieve Contractor from its obligation to replace unsatisfactory work, even if the unsatisfactory character of such work may have been apparent or detected at the time such payment was made. Work, data, or components that do not conform to the requirements of the Agreement will be rejected, and will be replaced by Contractor, without delay or additional cost to the Court.
- E. If Contractor receives payment from the Court for a service or reimbursement that is later disallowed or rejected by the Court, Contractor will promptly refund the disallowed amount to the Court upon the Court's request. At its option, the Court may offset the amount disallowed from any payment due to Contractor, under the Agreement or any other agreement.
- F. Taxes. Contractor shall collect and remit any sales and use taxes as and to the extent required under the Revenue and Taxation Code.
- G. Salaries and Employee Benefits. Contractor will be solely responsible for providing to its employees all legally required employee benefits, and the Court shall not be held liable for

the direct payment of any salaries, wages, or other compensation to any personnel provided by Contractor.

10. Contract and Project Administration.

A. Key Personnel.

The Court and Contractor shall each designate a Project Director (in the Agreement document) who shall have full authority to act on all daily operational matters concerning Contractor's performance under this Agreement. Parties shall be notified in writing of any change to the name or address of Key Personnel.

B. Contractor's Representatives.

(1) Contractor's Project Director.

- (a) Contractor's Project Director shall be responsible for confirming that the objectives of this Agreement are met by Contractor.
- (b) Contractor's Project Director shall provide direction to the Court in the areas relating to Contractor's policies, information requirements, and procedural requirements.
- (c) Contractor's Project Director shall be responsible for determining whether the technical standards and requirements of this Agreement are met by Contractor and for evaluating Contractor's performance under this Agreement.
- (d) Contractor's Project Director shall plan and coordinate Contractor's efforts with the Court.
- (e) Contractor's Project Director shall be available by telephone during regular business hours.

(2) Contractor's Project Manager.

- (a) Contractor shall provide a Project Manager to represent Contractor and to oversee day-to-day operation of each site.
- (b) Contractor's Project Manager shall be responsible for reporting to the Court as specified in this Agreement and as may be required by the Court from time to time.
- (c) Contractor's Project Manager shall communicate with the Court's Project Director on an on-going basis concerning any problems, modification, and contractual obligation, and shall be available during regular business hours for problem resolution.
- (d) Contractor's Project Manager shall inform the Court's Project Director of any change in production or in Contractor's personnel assigned to provide goods and/or services to the Court.
- (e) Contractor's Project Manager shall provide the Court with monthly accounting reports as required under this Agreement.

- (f) Contractor's Project Manager shall provide the Court's Project Director with the names, position titles and telephone numbers of Contractor's local staff assigned to provide goods and/or services to the Court under this Agreement.

C. Court's Representatives.

(1) Court Personnel.

Unless stated otherwise in this Agreement, all Court personnel assigned to this Agreement shall be under the exclusive supervision of the Court. Contractor understands and agrees that all such Court personnel are assigned only for the convenience of the Court. Contractor hereby represents that its price, project schedule, and performance hereunder are based solely on the work of Contractor's personnel, except as otherwise expressly provided in this Agreement.

(2) Court's Project Director.

- (a) The Court's Project Director shall be responsible for confirming that the objectives of this Agreement are met by Contractor.
- (b) The Court's Project Director is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate the Court.
- (c) The Court's Project Director shall provide direction to Contractor in the areas relating to Court policy, information requirements, and procedural requirements.
- (d) The Court's Project Director shall have the right at all times to inspect any and all tasks, deliverables, goods, services, or other work provided by or on behalf of Contractor.
- (e) The Court's Project Director may request a change of Contractor's Project Director if the objectives of this Agreement are not being met as determined in the sole judgment of the Court's Project Director.
- (f) The Court's Project Director shall be responsible for determining whether the technical standards and requirements of this Agreement are met by Contractor and for evaluating Contractor's performance under this Agreement.
- (g) The Court's Project Director shall plan and coordinate Contractor's efforts with the Court.

(3) Court's Project Manager.

- (a) The Court's Project Manager shall monitor and evaluate Contractor's performance.
- (b) The Court's Project Manager is not authorized to make any changes in any terms and conditions of this Agreement, and is not authorized to further obligate the Court in any respect whatsoever.

(4) Court's Contract Analyst.

(a) Contract Analyst shall be responsible for resolving contractual issues relating to terms and conditions of this Agreement.

(b) Contract Analyst shall be responsible for preparing amendments, extensions and addendums to this Agreement.

11. Contractor Certification Clauses.

Contractor certifies that the representations below are true and will remain true throughout the term of the Agreement. Contractor shall have an affirmative duty to promptly notify the Court if any of these representations are not or are no longer true:

- A. Authority. Contractor has authority to enter into and perform its obligations under the Agreement, and Contractor's signatory has authority to bind Contractor to the Agreement.
- B. Binding. The Agreement constitutes a valid and binding obligation of Contractor, and its permitted successors and assigns, enforceable in accordance with its terms.
- C. Child Support Compliance Act. If Contractor is a private entity, and the Agreement provides for Compensation of \$100,000 or more:
 - (1) Contractor recognizes the importance of child and family support obligations and fully complies with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code § 5200 et seq.; and
 - (2) Contractor provides the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D. Compliance with the Law. Contractor complies in all material respects with all laws, rules, and regulations applicable to Contractor's business and services. Contractor shall obtain and keep current throughout the term of this Agreement all necessary licenses, approvals, permits, registrations and authorizations required by applicable laws to provide the work. Contractor will be responsible for all fees and taxes associated with obtaining such licenses, approvals, permits and authorizations, and for any fines and penalties arising from its noncompliance with any applicable law.
- E. Conflict Minerals. If the Agreement is for the purchase of goods or services related to or involving "conflict minerals" (columbite-tantalite, cassiterite, wolframite, or gold), Contractor further certifies, UNDER PENALTY OF PERJURY, that it is not a "scrutinized company," as defined by California Public Contract Code § 10490(b).
- F. No Conflict of Interest. Contractor has no interest, and will not engage in any interest, that would constitute a conflict of interest under Public Contract Code § 10365.5, which, in general, limits entering into follow-on contracts with a consultant who would benefit thereby from the consultant's advice provided under the first contract, § 10410, which, in general, prohibits state officers and employees from receiving compensation from or having a financial interest in a state contract, or § 10411, which, in general, provides limits

on former state officers and employees from entering into a contract in which he or she negotiated or participated in the decision-making relevant to the contract while employed by a state agency; Government Code §§ 1090 et seq. or §§ 87100 et seq.; or California Rules of Court, rule 10.103 or 10.104, which restrict employees and former employees from contracting with Judicial Branch Entities.

- G. **Darfur Contracting Act Certification.** If the Agreement is for non-IT goods or services and Contractor did not provide to Court a Darfur Contracting Act certification as part of the solicitation process, this section applies: Contractor further certifies that either (a) it does not currently, and it has not within the previous three years, business activities or other operations outside of the United States, or (2) it is a “scrutinized company” as defined in Public Contract Code § 10476, but it has received written permission for the Court to submit a bid or proposal pursuant to PCC 10477(b), or (3) it has, or it has had within the previous three years, business activities or other operations outside of the United States, but it is not a “scrutinized company” as defined in Public Contract Code § 10476.
- H. **Delinquent Taxpayers.** Contractor further certifies, UNDER PENALTY OF PERJURY, that it is not a person or entity identified by the Franchise Tax Board or the Board of Equalization as one of the 500 largest tax delinquents, and there is no reason to believe Contractor will/may be placed on the Delinquent Taxpayer lists. Contractor must provide Notice to the Court immediately if placed on and/or if there is reason to believe Contractor will/may be placed on the Delinquent Taxpayer list(s). Failure to provide such Notice will be determined to mean that Contractor is in breach of contract and will be responsible for all expenses associated with re-contracting, re-bidding and obligations.
- I. **Discharge Violations.** If Contractor is a private entity, Contractor is not in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; or subject to any cease and desist order not subject to review issued pursuant to Water Code § 13301 for violation of waste discharge requirements or discharge prohibitions. Contractor has not been finally determined to be in violation of provisions of federal law relating to air or water pollution.
- J. **Document Printing Agreements.** If the Agreement is for printing documents, Contractor shall use recycled products, to the maximum extent economically feasible, in the performance of work under the Agreement. Contractor further certifies, UNDER PENALTY OF PERJURY, that any recycled products provided or used in the work by Contractor meet all California minimum post-consumer content requirements.
- K. **Domestic Partners, Spouses, and Gender and Gender Identity Discrimination.** If the Agreement provides for total Compensation of more than \$100,000, Contractor is in compliance with, and throughout the term of this Agreement will remain in compliance with: (i) Public Contract Code § 10295.3, which places limitations on contracts with Contractors who discriminate in the provision of benefits on the basis of marital or domestic partner status, and (ii) Public Contract Code § 10295.35, which places limitations on contracts and contractors that discriminate in the provision of benefits on the basis of an employee’s or dependent’s actual or perceived gender identity.

- L. Drug Free Workplace. Contractor provides a drug-free workplace as required by California Government Code §§ 8355 through 8357.
- M. Electronic Waste Recycling Act. If the Agreement provides for the purchase or lease of covered electronic devices under the Electronic Waste Recycling Act of 2003, Public Resources Code §§ 42460 et seq., Contractor complies with the requirements of that Act, and Contractor maintains documentation and provides reasonable access to its records and documents that evidence compliance.
- N. Not an Expatriate Corporation. Contractor is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code § 10286.1, and is eligible to contract with the Court.
- O. No Gratuities. Contractor has not directly or indirectly offered or given any gratuities (in the form of entertainment, gifts, or otherwise), to any Judicial Branch Personnel with a view toward securing the Agreement or securing favorable treatment with respect to any determinations concerning the performance of the Agreement.
- P. No Harassment. Contractor does not engage in unlawful harassment, including sexual harassment, with respect to any persons with whom Contractor may interact in the performance of the Agreement, and Contractor takes all reasonable steps to prevent harassment from occurring.
- Q. No Interference with Other Contracts. To the best of Contractor's knowledge, the Agreement does not create a material conflict of interest or default under any of Contractor's other contracts.
- R. Iran Contracting Act. If the Agreement is for the purchase of goods or services of \$1,000,000 or more, Contractor further certifies, UNDER PENALTY OF PERJURY, that it is not on the current list of persons engaged in investment activities in Iran created by the California Department of General Services pursuant to California Public Contract Code § 2203(b).
- S. No Litigation. No suit, action, arbitration, or legal, administrative, or other proceeding or governmental investigation is pending or, to Contractor's knowledge, threatened against or affecting Contractor or Contractor's business, financial condition, or ability to perform the Agreement, except any suit, action, arbitration, proceeding, or investigation that individually or in the aggregate with others will not or would not have a material adverse effect on Contractor's business, the validity or enforceability of the Agreement, or Contractor's ability to perform the Agreement.
- T. Los Angeles County's Jury Service Program. This Agreement is subject to the provisions of the Los Angeles County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.
 - (1) Unless Contractor has demonstrated to the Court's satisfaction either that Contractor is not a "contractor" as defined under the Jury Service Program (Section 2.203.020 of the

- County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.
- (2) If Contractor uses any subcontractor to perform services for the Court under the Agreement, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such sub-contract Agreement.
 - (3) If Contractor is not required to comply with the Jury Service Program when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify the Court if Contractor at any time either comes within the Jury Service Program's definition of "contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program.
 - (4) Contractor's violation of this section of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, the Court may, at its sole discretion, terminate Agreement.
- U. National Labor Relations Board Orders. If the Agreement provides for making any purchase of goods or services from a private entity, except for a purchase of goods by credit card for an amount less than \$2,500 from any one Contractor (but not to exceed in the aggregate \$7,500 per year from Contractor), no more than one, final unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a federal court requiring Contractor to comply with an order of the National Labor Relations Board. Contractor swears UNDER PENALTY OF PERJURY that this representation is true.
- V. Non-discrimination. Contractor complies with the federal Americans with Disabilities Act (42 U.S.C. § 12101 et seq.), and California's Fair Employment and Housing Act (Government Code §§ 12990 et seq.) and associated regulations (Code of Regulations, title 2, §§ 7285 et seq.). Contractor does not unlawfully discriminate against any employee or applicant for employment because of age (40 and over), ancestry, color, creed, disability (mental or physical) including HIV and AIDS, marital or domestic partner status, medical condition (including cancer and genetic characteristics), national origin, race, religion, request for family and medical care leave, sex (including gender and gender identity), and sexual orientation. Contractor has notified in writing each labor organization with which Contractor has a collective bargaining or other agreement of Contractor's obligations of non-discrimination.
- W. Parts Cleaning. If the Agreement involves parts cleaning, Contractor shall use recycled solvents, to the maximum extent economically feasible, in the performance of work under

the Agreement. Contractor further certifies, UNDER PENALTY OF PERJURY, that any post-consumer or secondary materials provided or used in the work by Contractor meet all California minimum post-consumer content requirements.

- X. Plastic Trash Bag Law. Public Resources Code §§ 42290 et seq., requires any plastic trash bag supplier, manufacturer or wholesaler, or any of its divisions, subsidiaries, or successors, to be compliant with the Recycled Content Plastic Trash Bag Law, regardless of the goods or services being provided under the Agreement. Contractor further certifies, UNDER PENALTY OF PERJURY that it, and its divisions, subdivisions, and successors, comply with the Recycled Content Plastic Trash Bag Law, and shall continue to comply with the same throughout the term of the Agreement.
- Y. Prohibition Against Hiring Court Employees. Contractor hereby certifies and agrees, and will require all subcontractors to certify, to the following: “Former Court employees will not be offered employment position for two years from the date of separation, if that employee participated in the decision-making process relevant to the Agreement, or for one year from the date of separation if that employee was in a policy-making position in the same general subject area as the proposed Agreement, within the prior twelve-month period of Court employment.” In addition, Contractor certifies and agrees that, during the term of this Agreement and for a period of one (1) year thereafter, Contractor shall not in any way intentionally induce or persuade any employee of Court to become an employee or agent of Contractor, except in response to a publicly solicited job listing.
- Z. Qualification. If (1) Contractor is a corporation, limited liability company, or limited partnership, and (2) the contract will be performed in California, Contractor is qualified to do business and in good standing in the State of California, and will remain so for the term of the Agreement.
 - AA. Sales and Use Tax Collection. Contractor collects and remits sales and use taxes as and to the extent required under the Revenue and Taxation Code.
 - BB. Sweatfree Code of Conduct. If the Agreement provides for the furnishing of equipment, materials, or supplies other than public works, or for the laundering of apparel, garments or corresponding accessories:
 - (1) No apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the Court under the Agreement have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. Contractor further certifies UNDER PENALTY OF PERJURY that it adheres to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code § 6108.

(2) Contractor agrees to cooperate fully in providing reasonable access to Contractor's records, documents, agents, and employees, and premises if reasonably required by authorized officials of the Department of Industrial Relations, or the Department of Justice to determine Contractor's compliance with the requirements under paragraph (1) and shall provide the same rights of access to the Court.

CC. Unruh Civil Rights Act and California Fair Employment and Housing Act. If the Agreement provides for total Compensation of more than \$100,000, Contractor is in compliance with the Unruh Civil Rights Act (Civil Code § 51). Contractor is in compliance with the California Fair Employment and Housing Act (Government Code §§ 12960 et seq.). Contractor does not have any policy against any sovereign nation or peoples recognized by the government of the United States, including, but not limited to, the nation and people of Israel, that is used to discriminate in violation of the Unruh Civil Rights Act (Civil Code § 51) or the California Fair Employment and Housing Act (Government Code §§ 12960 et seq.). Contractor further certifies UNDER PENALTY OF PERJURY that this representation is true.

DD. Work Eligibility. All personnel assigned to perform the Agreement are eligible to work legally in the United States and possess valid proof of work eligibility.

12. Contractor Status.

A. Independent Contractor. Contractor is an independent contractor to the Court. No employer-employee, partnership, joint venture, or agency relationship exists between Contractor and the Court. Contractor has no authority to bind or incur any obligation on behalf of the Court. Except as expressly stated, Contractor has no authority or responsibility to exercise any rights or power vested in the Court. Contractor, its employees, or anyone working under Contractor, including subcontractors' employees, shall not qualify for workers' compensation or other fringe benefits of any kind through the Court. If any legally binding determination concludes that Contractor is not an independent contractor, the Court may terminate the Agreement immediately upon notice. Alternatively, Contractor may agree to a reduction in the Court's financial liability, so that the Court's total costs under the Agreement do not exceed the Agreement amount.

B. Exclusive Control of Means and Method of Performance.

(1) Contractor's employees will be entirely and exclusively under the direction, supervision, and control of Contractor. All terms of employment including hours, wages, working conditions, discipline, hiring, and termination, or any other employment issues or requirements of law, will be determined by Contractor.

(2) Contractor will issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's employees, consultants, and independent contractors.

(3) If the Internal Revenue Service or any other federal or state governmental entity should investigate or challenge Contractor's independent status with respect to the Court, the parties agree that (i) each will inform the other party of such investigation or challenge;

- and (ii) the Court will have the right, but not the obligation, to participate in any discussion or negotiation occurring with the federal or state entity, regardless who initiates such discussions or negotiations.
- (4) Contractor will indemnify, defend, and hold the Court harmless from all claims, costs, and liabilities resulting from third-party actions alleging an employment relationship between the Court and any Contractor or subcontractor personnel.
 - (5) Contractor will determine the method, details, and means of performing or supplying the work under the Agreement. Contractor will be responsible to the Court only for the requirements and results specified in the Agreement and will not be subjected to the Court's control with respect to the physical action or activities of Contractor in fulfillment of the Agreement. Contractor will have the "right to control" and bear the sole responsibility for the job site conditions and safety.

C. Permits, Laws, and Regulations.

- (1) Contractor must observe and comply with all applicable laws, rules, and regulations affecting the work. During the term of the Agreement, Contractor will obtain and keep in full force and effect, all permits and licenses necessary to accomplish the work, and ensure that all subcontractors performing work under the Agreement comply with the same. Such permits and licenses will be made available to the Court, upon request. Contractor will be responsible for all fees and taxes associated with obtaining such licenses, approvals, permits and authorizations, and for any fines and penalties arising from its noncompliance with any applicable law.
- (2) Contractor will promptly provide Notice to the Court of any conflict discovered between the Agreement and any applicable laws, rules, regulations, and/or permits and licenses, and await resolution of the conflict. If Contractor proceeds with the work in question without resolution of the conflict, Contractor will be solely liable for any costs, fines, penalties, or damages that accrue, including costs for remedial work required to comply with such requirements.

13. Default and Remedies.

A. Default. Unless otherwise provided, a default exists under the Agreement if:

- (1) Contractor fails or is unable to meet or perform any of Contractor's duties under the Agreement, or furnishes nonconforming goods or services, and this failure is not cured within ten (10) days following notice of default or is not capable of being cured within this cure period;
- (2) Contractor fails to provide substitute qualified personnel at no charge within ten (10) days if, as determined in the sole judgment of the Court's Project Director or Project Manager, either:
 - (a) At any time during the period of performance of the Agreement, Contractor's personnel, for any reason, including, but not limited to, resignation, fails to perform under such Agreement; or

- (b) At any time during the period performance of the Agreement, Contractor's personnel perform unsatisfactorily, and Contractor fails to cure to the satisfaction of the Court's Project Director or Project Manager within ten (10) days of receipt of written or oral notice from the Court's Project Director or Project Manager of the specific nature of the problem.
 - (3) Contractor or Contractor's creditors file a petition as to Contractor's bankruptcy or insolvency, or Contractor is declared bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, goes into liquidation or receivership, or otherwise loses legal control of its business;
 - (4) Contractor makes or has made under the Agreement any representation or warranty that is or was incorrect, inaccurate, or misleading; or
 - (5) Any act, condition, or thing required to be fulfilled or performed by Contractor to (i) enable Contractor lawfully to enter into or perform its obligations under the Agreement, (ii) ensure that these obligations are legal, valid, and binding, or (iii) make the Agreement admissible when required is not fulfilled or performed.
- B. Notice of Default. Contractor shall notify the Court immediately if Contractor defaults, or if a third-party claim or dispute is brought or threatened that alleges facts that would constitute a default under the Agreement.
- C. Remedies following Contractor Default.
- (1) Available Remedies. The Court may do any of the following:
 - (a) Withhold all or any portion of a payment otherwise due to Contractor, exercise any other rights of setoff as may be provided in the Agreement or any other agreement between the Court and Contractor, or charge to Contractor any costs to the Court arising from Contractor's default, including costs to complete or correct the work;
 - (b) Exercise, following notice, the Court's right of early termination of the Agreement as provided below; or
 - (c) Seek any other remedy available at law or in equity.
 - (2) Remedies Cumulative. All remedies provided for in the Agreement may be exercised individually or in combination with any other available remedy.
- D. Specific Performance for Breach of Confidentiality. Contractor understands that a default of the provisions in the section entitled "Confidential Information; Publicity" will result in irreparable damage for which no adequate remedy will be available. Accordingly, injunctive or other equitable relief is a remedy that the Court will be entitled to seek.

14. Dispute Resolution.

The Court and Contractor will attempt, in good faith, to resolve any disputes informally. Such dispute must be submitted in writing within ten (10) calendar days of the earliest incident of dispute. Contractor will meet with the Court's Project Manager or other designated representative to discuss the matter and any actions necessary to resolve a dispute.

A. Escalation

- (1) If a dispute remains unresolved either party may give Notice requesting each party's Chief Executive Officer ("CEO") or designated representative to meet, exchange information and attempt resolution within fifteen days of the effective date of the Notice.
- (2) If the matter is not resolved as set forth above, the aggrieved party may submit a second Notice which will:
 - (a) provide detailed factual information;
 - (b) identify the specific provisions in the Agreement on which any demand is based;
 - (c) advise if the demand involves a cost adjustment and, if so, provide the exact amount, accompanied by all supporting records; and
 - (d) attach a declaration that the demand is made in good faith, the supporting data are accurate and complete, and the amount requested properly reflects the necessary adjustment. Notice will be signed by an authorized representative of the aggrieved party.
- (3) Each party will comply with reasonable requests for additional information. Any additional information will be provided within fifteen (15) days after receipt of a written request, unless otherwise agreed.

B. Confidentiality During Dispute Resolution. All dispute resolution negotiations are considered confidential, and will be treated as compromise and settlement negotiations, to which California Evidence Code § 1152 applies.

C. Continued Performance of Work. Pending final resolution of any dispute, Contractor agrees to proceed diligently with the performance of the work, including work associated with the dispute, unless otherwise directed by the Court. Contractor's failure to diligently proceed in accordance with the Court's instructions will be considered a material breach of the Agreement.

15. Entire Agreement.

- A. Headings or captions to the provisions of the Agreement are solely for the convenience of the parties, are not part of the Agreement, and will not be used to interpret or determine the validity of the Agreement.
- B. Negotiated Agreement. The Agreement was negotiated between the parties, and neither party "prepared" the Agreement for purposes of California Civil Code § 1654. Any ambiguity will not be construed against the drafter, but rather the terms and provisions will be given a reasonable interpretation.
- C. The Agreement, including all documents incorporated by reference, constitutes the entire and final understanding of the parties regarding the matter, and supersedes and terminates any and all prior or contemporaneous negotiations, representations, understandings, discussions, offers, proposals, or agreements between the parties, whether written or oral,

express or implied, relating in any way to this matter, and is mutually binding on the parties in accordance with its terms.

- D. No agent, representative, employee or officer of either the Court or Contractor has the authority to make, or has made, any oral statement, agreement or representation, in connection with the Agreement, which in any way can be deemed to modify, add to and detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Agreement. No subsequent purchase order, invoice, click-through or shrink-wrap agreement, or similar document containing conflicting terms and conditions issued by Contractor in conjunction with the performance of any party's duties and/or obligations due under the Agreement, shall be permitted to modify or contradict any of the terms and conditions of the Agreement.

16. Fair Labor Standards Act.

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act (FLSA), and shall indemnify, defend, and hold harmless the Court, its officers, employees, and agents from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorney's fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by Contractor's employees for which the Court may be found jointly or solely liable.

17. Force Majeure.

Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this paragraph as "force majeure events"). The parties agree that COVID-19 is not a force majeure event.

Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this subparagraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

18. Indemnification.

- A. Contractor will defend (with counsel satisfactory to the Court or its designee) indemnify and hold harmless the Court, the County of Los Angeles, the State of California, other California judicial branch entities, and their officers, agents, and employees from and against all claims, losses, and expenses, including attorneys' fees and costs, that arise out of or in connection with (i) a latent or patent defect in any goods, (ii) an act or omission of Contractor, its agents, employees, independent contractors, or subcontractors in the performance of this Agreement, (iii) a breach of a representation, warranty, or other

provision of this Agreement, and (iv) infringement of any trade secret, patent, copyright or other third party intellectual property. This indemnity applies regardless of the theory of liability on which a claim is made or a loss occurs. This indemnity will survive the expiration or termination of this Agreement, and acceptance of any goods, services, or deliverables. Contractor shall not make any admission of liability or other statement on behalf of an indemnified party or enter into any settlement or other agreement which would bind an indemnified party, without the Court's prior written consent, which consent shall not be unreasonably withheld; and the Court shall have the right, at its option and expense, to participate in the defense and/or settlement of a claim through counsel of its own choosing. Contractor's duties of indemnification exclude indemnifying a party for that portion of losses and expenses that are finally determined by a reviewing court to have arisen out of the sole negligence or willful misconduct of the indemnified party.

- B. Contractor's obligation to defend, indemnify, and hold the Court and court personnel harmless is not limited to, or restricted by, any requirement in the Agreement that Contractor procure and maintain insurance policies.

19. Insurance Requirements.

The Agreement shall specify whether the insurance requirements of Section 19.1 or Section 19.2 apply. Unless the Agreement expressly calls for specific coverage(s) set forth in Section 19.2, the insurance requirements of Section 19.1 shall apply.

19.1 Insurance Requirements – General.

Contractor will maintain insurance that is sufficient in scope and amount to permit Contractor to pay in the ordinary course of business insurable claims, losses and expenses, including insurable claims, losses and expenses that arise out of Contractor's performance of this Agreement. Contractor will maintain employer's liability and workers' compensation coverage at statutory levels covering all employees performing work under this Agreement. Should the Court make such a request, Contractor shall provide to the Court certificates of insurance and/or complete copies of all insurance policies maintained by Contractor to meet the insurance requirements contained in this paragraph.

- OR -

19.2 Insurance Requirements – Specific Coverages.

- A. Minimum Scope and Limits of Coverage. When required by the Agreement, Contractor shall maintain the following insurance coverages during the term of the Agreement.

- (1) Workers' Compensation and Employer's Liability Insurance. This policy must include workers' compensation to meet the minimum requirements of the California Labor Code, and it must provide employer's liability coverage for bodily injury and property damage at minimum limits of \$1 million per accident or disease.
- (2) Commercial General Liability Insurance. This policy must cover bodily injury, property damage, products (completed operations hazard and liability assumed in a

contract), and personal and advertising injury, with minimum limits of \$1 million for each occurrence, combined single limit, and \$2 million aggregate.

- (3) Business Automobile Liability Insurance. This policy must cover bodily injury and property damage liability and be applicable to all vehicles used in Contractor's performance of the Agreement whether owned, non-owned, leased, or hired. The minimum liability limit must be \$1 million per occurrence, combined single limit.
- (4) Professional Liability. This policy must cover liability resulting from errors or omissions committed in Contractor's performance of services under the Agreement, at minimum limits of \$1 million per occurrence, and \$2 million aggregate.
- (5) Sexual Misconduct Insurance. This policy must cover bodily injury arising out of, resulting from, or in connection with the actual or threatened sexual abuse, molestation, or harassment of any person by Contractor's employees or any other person for whose acts Contractor may be held liable ("Contractor's Agents"), and the negligent employment, investigation, supervision, failure to report, or retention of Contractor's employees or Contractor's Agents for the actual or threatened sexual abuse, molestation, or harassment of any person. The minimum liability limit must be \$1 million per occurrence.
- (6) Commercial Crime Insurance. This policy must cover losses of court property arising or resulting from, or in connection with:
 - (a) The theft, robbery, burglary, disappearance, damage, or destruction of court property, including the cost of check reconstruction;
 - (b) Dishonest or fraudulent acts, including forgery, alteration, or the fraudulent transfer of court property;
 - (c) Losses or damage to any building, vehicle, safe, vault, or cash box within the control or possession of Contractor.

The minimum liability limit must be \$1 million per occurrence.

- (7) Contractor's Pollution Liability Insurance. Contractors Pollution Liability insurance written on an occurrence form with limits of liability not less than \$1 million per occurrence and \$1 million per project aggregate. The policy will include coverage for claims for bodily injury or property damage, and remediation costs resulting from a pollution incident caused by or exacerbated by the performance of the work at the project site.
- (8) Umbrella Policies. Contractor may satisfy basic coverage limits through any combination of basic coverage and commercial umbrella liability insurance.

B. Insurance Requirements Applicable to Required Policies.

- (1) The cost of all insurance required by the Agreement is the sole responsibility of Contractor, and is a component part of Contractor's agreed compensation.

- (2) Contractor shall maintain the minimum insurance set forth in this section with reputable insurer(s). All insurance policies shall be placed with insurers admitted in the State of California and having an A.M. Best rating of not less than A-.
- (3) By requiring such minimum insurance, the Court will not be deemed or construed to have assessed the risks applicable to Contractor. Contractor shall assess its own risks and if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.
- (4) For full coverage, each insurance policy shall be written on an “occurrence” form, except for professional liability insurance, which may be made on a “claims made” form. If coverage is approved and purchased on a “claims made” basis, Contractor warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, for three (3) years, without lapse, from the date of termination or expiration of the Agreement and the Court’s acceptance of all work provided under the Agreement. The retroactive date or “prior acts inclusion date” of any “claims made” policy must be no later than the date that the work commences under the Agreement.
- (5) If Contractor is an association, partnership, or other joint business venture, the basic coverage may be provided by either of the following methods:
 - (a) *Separate*. Separate insurance policies issued for each individual entity, with each entity included as a named insured or as an additional insured; or
 - (b) *Joint*. Joint insurance program with the association, partnership, or other joint business venture included as a named insured.
- (6) Deductibles and Self-Insured Retentions. The deductible and/or self-insured retentions shall not limit or apply to Contractor’s liability to the Court and shall be the sole responsibility of Contractor. Contractor shall declare to the Court all deductibles and self-insured retentions that exceed \$100,000 per occurrence. Any increases in deductibles or self-insured retentions that exceed \$100,000 per occurrence are subject to the Court’s approval.
- (7) Endorsements; Additional Insureds. All required insurance policies will contain, or be endorsed to contain, the following provisions:
 - (a) Additional Insureds. The State of California, the Judicial Council of California, and the Superior Court of California, County of Los Angeles, and their respective elected and appointed officials, judges, officers, and employees shall be covered as additional insureds for liability arising out of activities performed by, or on behalf of, Contractor under the Agreement. This requirement applies to Contractor’s commercial general liability policy, automobile liability policy, and, if applicable, umbrella policy.
 - (b) Primary Insurance; Waiver of Subrogation. Contractor’s insurance coverage shall be primary and non-contributory with any insurance or risk management programs

covering the Court or court personnel. Contractor and its insurance carrier waive any and all rights of subrogation against the State of California, the Judicial Council of California, and the Superior Court of California, County of Los Angeles, and their respective elected and appointed officials, judges, officers, and employees.

- (c) Separation of Insureds. Contractor's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.
- (d) Notice. All policies required of Contractor shall be endorsed to provide written notice to the Court of cancellation in coverage, non-renewal, or reduction of coverage within fifteen (15) days.

C. Failure to Maintain Insurance / Failure to Provide Certificate(s) of Insurance.

- (1) If Contractor fails to maintain adequate insurance policies conforming to the above requirements, including the appropriate certificate holder/additional insured endorsements, primary/noncontributory and waiver of subrogation clauses, and amounts and extent of coverage, Contractor shall indemnify, defend (with counsel satisfactory to the Court), and hold harmless the State of California, the Judicial Council of California, and the Superior Court of California, County of Los Angeles, and their respective elected and appointed officials, judges, officers, and employees for all claims, damages, losses, judgments, liabilities, expenses, and other costs, including court fees, litigation or settlement costs, attorneys' fees (including attorneys' fees incurred in enforcing this indemnification clause), arising or resulting from, or in connection with Contractor's performance or breach of the Agreement, notwithstanding any clause or amounts limiting Contractor's liability to the Court. Contractor's failure to maintain adequate insurance policies conforming to the above requirements may be considered a breach of the Agreement.
- (2) Before Contractor begins work, Contractor shall submit certificates of insurance to the Court's insurance compliance and tracking provider, as specified in this Agreement, attesting to the existence of adequate coverage. If the insurance expires during the term of the Agreement, Contractor shall immediately renew or replace the required insurance and provide a new current certificate of insurance and signed insurance policy endorsements. All certificates of insurance and replacement certificates of insurance are subject to the approval of the Court.
- (3) Submission of certificates of insurance (or lack thereof) and/or their approval by the Court shall not relieve Contractor of its obligation to ensure that all required insurance policies conform to all foregoing requirements, and to ensure that any exclusions contained in such policies do not unduly or unfairly restrict the coverages required by the Court. Upon the Court's request at any time, Contractor shall provide: (1) complete copies of each required policy; and (2) the same evidence of insurance for its subcontractors as the Court requires of Contractor.

- (4) If at any time, the foregoing policies become unsatisfactory to the Court, as to form or substance, or if a company issuing any such policy becomes unsatisfactory to the Court, Contractor shall, upon written notice from the Court, promptly obtain a new policy, and submit the same to the Court, with the appropriate certificates and endorsements.
- (5) If any of the required policies lapse during the Term, the Court is not required to process invoices after such lapse until Contractor provides evidence of reinstatement that is effective as of the lapse date.

20. Limitation of Liability.

The Court will not be liable to Contractor, its officers, employees, subcontractors, or third parties for any indirect, special, or consequential damages, including lost profits or revenue, arising from or relating to the Agreement, regardless whether the Court was advised of the possibility of such loss or damage. In no event will the Court's liability for direct damages arising from or related to the Agreement, for any cause whatsoever, and regardless of the form of action, whether in contract or in tort, exceed the amounts paid to Contractor by the Court under the Agreement. Neither the Court nor court personnel will be personally responsible for liabilities arising under the Agreement.

21. Loss Leader.

Contractor shall not sell or use any article or product as a "loss leader" as defined in section 17030 of the Business and Professions Code.

22. Minimum Age, Language Skills, and Legal Status of Contractor Personnel at Facility.

Contractor shall not assign employees under the age of 18 to perform work under this Agreement. All of Contractor's employees working at court facilities must be able to communicate in English. Contractor's employees must be legally present and permitted to work in the United States.

23. Modification.

No modification or change to the Agreement, including any changes to Exhibit A (Statement of Work), shall be valid without the written approval of the Court, in the form of an Amendment.

24. Non-Exclusivity.

The Agreement is non-exclusive. The Court reserves the right to perform, or have others perform the work for the Agreement. The Court further reserves the right to bid the work to others or procure the work by other means.

25. Notices.

Notices under the Agreement must be in writing. Notices may be delivered in person, via a reputable express carrier, or by registered or certified mail (postage pre-paid), or electronically (via email). Notice is effective on receipt; however, any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified will be treated as effective on the first day that the notice was refused, unclaimed, or deemed undeliverable. Notices must be addressed to the other party's Project Director, Project Manager and Contract Analyst designated in the Standard Agreement Cover Sheet. Either

party may change its address for receipt of notice by entering a different recipient and address below or by giving notice at any time to the other party in the manner permitted by this paragraph.

26. Prevailing Wages / Public Works.

- A. If this is an Agreement for a Public Work (as defined by California Labor Code §§ 1720 & 1771), Contractor is subject to the Prevailing Wage rules and regulations imposed by the California Labor Code, Division 2, Part 7, Chapters 1-2 (§§ 1720-1815); and the California Code of Regulations, Title 8, Division 1, Chapter 8, Subchapters 3-6 (8 CCR §§ 16000-17264). Contractor is responsible for registering with the Department of Industrial Relations, paying its workmen at least the Prevailing Rates of Wages, maintaining certified payrolls for inspection by the Division of Labor Standards Enforcement of the Department of Industrial Relations, and complying with all other applicable rules and regulations governing Public Works and Prevailing Wages. Contractor's failure to do so may subject it to fines, penalties, and civil suit; Contractor may be banned from bidding on future Public Works projects; and Contractor may be guilty of a misdemeanor. Contractor is responsible for complying with any other applicable federal, state, and local Prevailing Wage requirements whether referenced or not.
- B. Prevailing Wage rates, as determined by the Department of Industrial Relations, can be found at: <http://www.dir.ca.gov/Public-Works/PublicWorks.html>.

27. Prior Work.

Prior work, performed by Contractor pursuant to the Court's authorization, but before execution of the Agreement, will be considered as having been performed subject to the provisions of the Agreement.

28. Prohibited Bids for End Product of the Agreement ("Follow-On Contracts").

- A. If Contractor or its affiliates provides Consulting and Direction (as defined below), Contractor and its affiliates: (i) shall not submit a bid or be awarded a subsequent contract to supply the service or system, or any significant component thereof, that is used for or in connection with any subject of such Consulting and Direction; and (ii) will not act as consultant to any person or entity that does receive a contract described in sub-section (i).
- B. "Consulting and Direction" means services for which Contractor received compensation from the Court and includes: (i) development of or assistance in the development of work statements, specifications, solicitations, or feasibility studies; (ii) development or design of test requirements; (iii) evaluation of test data; (iv) direction of or evaluation of another contractor; (v) provision of formal recommendations regarding the acquisition of Information Technology products or services; or (vi) provisions of formal recommendations regarding any of the above. For purposes of this section, "affiliates" are employees, directors, partners, joint venture participants, parent corporations, subsidiaries, or any other entity controlled by, controlling, or under common control with Contractor. Control exists when an entity owns or directs more than fifty percent (50%) of the

outstanding shares or securities representing the right to vote for the election of directors or other managing authority.

- C. To the extent permissible by law, the Court may waive the restrictions set forth in this section by written notice to Contractor if the Court determines their application would not be in the Court's best interest. Except as prohibited by law, the restrictions of this section will not apply: (i) to follow-on advice given by vendors of commercial off-the-shelf products, including software and hardware, on the operation, integration, repair, or maintenance of such products after sale; (ii) to contractors that were awarded a subcontract of the original consulting service contract that amounted to no more than ten (10) percent of the total monetary value of the original consulting services contract; or (iii) where the Court has entered into a master agreement for software or services and the statement of work at the time of Agreement execution expressly calls for future recommendations among Contractor's own products.
- D. The restrictions set forth in this section are in addition to conflict of interest restrictions imposed on public contractors by California law ("Conflict Laws"). In the event of any inconsistency, such Conflict Laws override the provisions of this section, even if enacted after execution of the Agreement.

29. Public Access to Records and Information.

- A. Rule 10.500 of the California Rules of Court sets forth comprehensive access provisions applicable to administrative records (which includes, among other things, agreements and amendments) maintained by a trial court. The Court will make identifiable administrative records available upon request, unless the records are exempt from disclosure under Rule 10.500. Please be aware that an agreement or amendment may be considered a public record and be made available to anyone who requests a copy.
- B. If an agreement or amendment contains material noted or marked by Contractor as "Confidential" and/or "Proprietary" that, under Rule 10.500 would be exempt from public disclosure, then that information will presumptively not be made available to the public. If the Court considers that under Rule 10.500 such material is not exempt from public disclosure, the material may be made available to the public, regardless of Contractor's notation or markings. If a Contractor is unsure if its confidential and/or proprietary material would fall within the disclosure exemption requirements of Rule 10.500, then it should carefully consider whether to include such information in an agreement or amendment because such information may be disclosed to the public.

30. Public Contract Code.

Part 2.5 of the California Public Contract Code (§§ 19201 – 19210), cited as the California Judicial Branch Contract Law, requires the Judicial Branch (including the Court) to comply with provisions in the Public Contract Code that apply to state agencies and departments regarding the procurement of goods and/or services. The California Judicial Branch Contract Law applies to all contracts initially entered into or amended by Judicial Branch entities (including the Court) on or after October 1, 2011.

31. Recovery of Court Costs Incurred Due to Poor Performance or Non-Performance.

Should the Court incur any costs due to Contractor poor performance or non-performance, and if these Court costs are foreseeable consequences resulting from Contractor poor performance or non-performance, the Court has the right to withhold (and keep) such amounts from any future payment(s) to Contractor. This Court right is not tied to any other Default, Breach and/or Remedy process set forth elsewhere in this Agreement.

32. Scope of Work; Acceptance; Rejection.

- A. Scope of Work. Contractor will perform and complete all work in compliance with the requirements of the Agreement, and to the satisfaction of the Court. Contractor shall strictly adhere to the delivery and completion schedules specified in the Statement of Work. Time, if stated as a number of days, shall mean calendar days unless otherwise specified.
- B. Acceptance. Notwithstanding any prior inspection or payments, all goods and services delivered hereunder shall be subject to final inspection and acceptance or rejection by the Court within a reasonable time after delivery to the Court. Until work is completed and accepted by the Court, the risk of loss or damage to the work shall remain with Contractor. All items which are not in compliance with the specifications hereof, which are not as warranted or which are shipped late, shipped in excess or insufficient quantities, or substituted for items ordered hereunder may be rejected by the Court and returned or held at Contractor's expense and risk. No damages or extras will be allowed for unforeseen difficulties or obstructions. Payment shall not constitute an acceptance of the goods, services, or work nor impair the Court's right to inspect or any of its remedies. Contractor shall immediately refund any payment made in error.
- C. Rejection. The Court may reject any goods, services, or deliverables that: (i) fail to meet applicable requirements or acceptance criteria; (ii) are not as warranted; or (iii) are performed or delivered late. The Court's Project Manager may apply any acceptance criteria set forth in the Agreement (including timeliness, completeness, technical accuracy, and conformance to statistical, industry or marketplace standards) to determine acceptance or non-acceptance of the work.
- (1) If the work is not acceptable, the Court's Project Manager shall detail Contractor's failure to meet the acceptance criteria. Contractor shall have ten (10) business days from receipt of the Court's notification of non-acceptance to correct the failure(s) to conform to the acceptance criteria. Contractor will re-submit the work and the Court's Project Manager shall re-apply the acceptance criteria to determine its acceptance or non-acceptance. Thereafter, the parties shall repeat the process set forth in this section until Contractor's receipt of the Court's written acceptance of such corrected work; provided, however, that if the Court rejects any work on at least two (2) occasions, the Court may terminate that portion of the Agreement which relates to the rejected work at no expense to the Court.
- (2) If the Court rejects any goods, services, or other deliverables after payment to Contractor, the Court may exercise all contractual and other legal remedies, including:

(i) setting off the overpayment against future invoices payable by the Court; (ii) setting off the overpayment against any other amount payable for the benefit of Contractor pursuant to the Agreement or otherwise; and (iii) requiring Contractor to refund the overpayment within thirty (30) days of the Court's request.

33. Shipping and Packing Slips.

Time is of the essence to delivery and any other performance required of Contractor. No charge for delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or any other purpose shall be paid by the Court unless it is expressly included on the face of the Agreement. Unless stated otherwise, shipping point for all deliveries under the Agreement shall be FOB "destination", and on "FOB Shipping Point" transactions, Contractor shall arrange for lowest-cost transportation, prepay and add freight to its invoice, and furnish supporting freight bills over \$25. If delivery is to be made by a carrier, an itemized delivery ticket must be attached to the outside of the package. Each container must be marked with the Agreement number, part number, and quantity. Any itemized packing slip bearing the Court's Agreement number as shown thereon must be left with the goods to insure their receipt.

34. Signatures; Counterparts.

- A. The signatures required for execution of the Agreement may be made by manual signature, or by digital signature that may conform to California Government Code § 16.5 and all California regulations promulgated thereunder (including California Code of Regulations, title 2, division 7, chapter 10), or by any other commercially acceptable signature method, use of which by both parties for signature and execution of the Agreement evidences consent to the validity of the method of signature used.
- B. The parties give the same validity, force, and effect to a scanned, faxed, photocopied, or other accurately reproduced signature as to an original signature.
- C. The Agreement may be executed in counterparts, each of which is considered an original.

35. Standard of Performance; Warranties.

- A. Standard of Performance. Contractor will perform all work with the requisite skill and diligence consistent with professional standards for the industry and type of work performed under the Agreement, and pursuant to the governing rules and regulations of the industry. Contractor acknowledges that the Court relies on the accuracy, competence, and completeness of Contractor's services. Contractor will efficiently use the resources or services necessary to provide the work; and provide the work in the most cost-efficient manner consistent with the required level of quality and performance. The work will be provided free and clear of all liens, claims, and encumbrances.
- B. Warranties.
 - (1) For a period of one (1) year, unless the Agreement or the warranties provided by a third party for goods or services procured by Contractor provide for a longer warranty period, Contractor expressly warrants that the goods and services covered by the Agreement are: 1) free of liens or encumbrances; (2) merchantable and good for the

ordinary purposes for which they are used; and (3) fit for the particular purpose for which they are intended; (4) free from all defects in materials and workmanship; (5) to the extent not manufactured pursuant to detailed designs furnished by the Court, free from defects in design; and (6) conform to the requirements of the Agreement. The Court's approval of designs or specifications furnished by Contractor will not relieve Contractor of its obligations under this warranty.

- (2) Contractor agrees to indemnify, defend, and hold the Court and court personnel harmless from liability, loss, damage and expense, including reasonable attorney's fees, incurred or sustained by the Court by reason for the failure of the goods or services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industry Safety Act. Such remedies shall be in addition to any other remedies provided by law.
- (3) Contractor represents and warrants to the Court that it owns, will own, is authorized, or will be authorized to use for its own and the Court's benefit, all intellectual property rights used and to be used in connection with providing and/or performing the work.
- (4) All warranties will inure to the Court, its successors, assigns, customer agencies, and users of the work provided hereunder. Contractor shall not take any action, or fail to perform any act that results in a warranty or representation becoming untrue. Contractor shall promptly notify the Court if any warranty or representation becomes untrue.
- (5) Unless otherwise specified, the warranties set forth in this Section commence after work has been accepted by the Court.

36. Stop Work.

- A. The Court may, at any time, by delivery of a written Stop Work Order to Contractor, require Contractor to stop any or all of the work, for up to ninety days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree.
- B. Upon receipt of the Stop Work Order, Contractor will immediately comply with its terms and take all reasonable steps to minimize the costs incurred to the Court during the applicable Stop Work period. Within ninety days after a Stop Work Order is delivered to Contractor, or within any mutually agreed extension of that period, the Court will either cancel the Stop Work Order or terminate the work, as provided in the Termination provisions.
- C. If a Stop Work Order is cancelled, or the period of the Stop Work Order or any extension thereof expires, Contractor will resume work. The Court may make an equitable adjustment in the delivery schedule, the Agreement amount, or both, if (i) the Stop Work Order Increases Contractor's costs or the time required for performance; and (ii) Contractor asserts its right to an equitable adjustment within thirty days after the end of the applicable Stop Work period.

- D. If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated other than for cause, the Court may allow reasonable costs resulting from the Stop Work Order.
- E. The Court will not be liable to Contractor for loss of profits because of any Stop Work Order.

37. Survival.

Terms that will survive termination or expiration of the Agreement include those relating to, but are not limited to: assignment, audit rights and retention of records, confidentiality, indemnification, limitation of liability, and warranties.

38. Termination.

- A. Termination for Cause. The Court may terminate the Agreement, in whole or in part, for cause, upon written notice. The Court shall be relieved of any payments, if Contractor fails to perform the requirements of the Agreement at the time and in the manner agreed. The Court may also cancel delivery immediately of all or any portion of unshipped goods or limit Contractor's work and, proportionately, Contractor's compensation. The Court may proceed with the work in any manner deemed proper. All costs to the Court arising from Contractor's default, including costs to complete or correct the work, will be deducted from any sum due to Contractor. Contractor will not be entitled to recover overhead or profit on the uncompleted portions of the work.
- B. Termination for Convenience. The Court may terminate the Agreement, in whole or in part, at any time, for any or no reason, upon written notice to Contractor. Upon receipt of notice of termination, Contractor will promptly discontinue work as specified in the Notice. The Court will pay Contractor for the work satisfactorily performed prior to the termination. Contractor will not recover overhead or profit on the uncompleted portions of the work.
- C. Termination due to Fund Non-Appropriation and/or Availability.
 - (1) The Court's obligations under the Agreement are subject to the availability of funds authorized for this work. Expected or actual funding may be withdrawn, reduced, or limited prior to the expiration or other termination of the Agreement. Funding beyond the current Appropriation Year is conditioned upon appropriation of sufficient funds to support the activities described in the Agreement.
 - (2) Upon Notice, the Court may terminate the Agreement in whole or in part, without prejudice to any right or remedy of the Court, for lack of appropriation of funds. Upon termination, the Court will pay Contractor for the fair value of work satisfactorily performed prior to the termination, not to exceed the total Agreement amount.
 - (3) In the event that budget reductions occur in any fiscal year covered by the Agreement that may cause the Court to consider terminating the Agreement, the parties agree to attempt to renegotiate in good faith the terms of the Agreement to reduce the Maximum Contract Sum in lieu of cancellation under the termination provisions of the Agreement.

D. Effect of Termination. Upon the Termination Date:

- (1) The Court shall be released from compensating Contractor for work, other than those Contractor satisfactorily performed before the Termination Date, and for any indirect costs. Without prejudice to the Court, Contractor shall be released from performing work.
- (2) If only a part of the Agreement is terminated by the Court such that Contractor is released from performing a portion of the work, the Court shall accordingly be released from compensating Contractor for that portion of work.
- (3) Court will have the right to take possession of any materials, equipment, and other work including partially completed work. Contractor shall return to the Court any equipment purchased or built with Court funds, with costs incurred by Contractor being reimbursed by the Court. Unless otherwise provided in the Agreement, Contractor will immediately assign to the Court all of Contractor's right, title, and interest in and to such work, related materials, work product, and any and all intellectual property rights.
- (4) Upon termination of any kind, the Court may withhold from payment any sum that the Court determines to be owed to the Court by Contractor, or as necessary to protect the Court against loss due to outstanding liens or claims of former lien holders. Unless otherwise specifically provided, any advance payments made by the Court to Contractor shall be refunded to the Court on a pro rata basis.
- (5) Contractor shall have no claim against the Court, the County of Los Angeles, the State of California, the Judicial Council, and their respective officers, employees, and agents for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment it shall immediately notify the Court and shall immediately repay all such funds to the Court. Payment by the Court for services rendered after expiration/termination of this Agreement shall not constitute a waiver of the Court, the County of Los Angeles, the State of California, the Judicial Council, and their respective officers, employees, and agents' right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.
- (6) Third Party or Court Services

Notwithstanding anything in this Agreement to the contrary, the Court shall have the right to perform or contract with a third party to provide any services or goods within or outside the scope of the work, including services to augment or supplement the work or to interface with the IT infrastructure of the Court. In the event the Court performs or contracts with a third party to perform any such service, Contractor shall cooperate in good faith with the Court and any such third party, to the extent reasonably required by the Court. Such cooperation shall include, without limitation, providing such information as a person with reasonable commercial skills and expertise would find reasonably necessary for the Court or a third party to perform its services relating to the work.

39. Time is of the Essence.

Time is of the essence in the performance of work by Contractor under the Agreement.

40. Waiver; Severability.

- A. Waiver of Rights. The Court's action, inaction, or failure to enforce any right or provision of the Agreement is not a waiver of its rights, and will not prevent the Court from enforcing such rights on any future occasion. A Court-specific waiver does not constitute a waiver by the Court of any earlier, concurrent, or later breach or default.
- B. Severability. The provisions of the Agreement are separate and severable. If any part of the Agreement is held invalid or unenforceable, all other parts remain valid or enforceable, unless prohibited by applicable state and federal law.
- C. Waiver of Jury Trial. To the extent enforceable under California law, each party acknowledges that it is aware of and has had the opportunity to seek advice of counsel of its choice with respect to its rights to trial by jury, and each party, for itself and its successors and assigns, does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding, or counterclaim brought by any party hereto against the other (and/or against its judges, subordinate judicial officers, officers, administrators, agents, representatives, and employees) on or with regard to any matters whatsoever arising out of or in any way connected with the Agreement and/or any other claim of injury or damage.

41. Work Site.

With respect to work delivered and/or performed on the Court's premises, Contractor has the responsibility to inform itself fully and shall assume the risk as to the physical conditions at the worksite, including as applicable: (1) the availability, location, and extent of construction and storage areas and other facilities or structures above and below ground, but not limited to gas, water, sewer, electrical, and communication utilities; (2) necessary safety precautions and safeguards; (3) work to be performed by Contractor or others; (4) rules, regulations, and requirements to be observed by Contractor in the conduct of the work. Lack of knowledge of existing conditions will not be accepted as an excuse for failure to perform the specified work, nor shall such excuse be accepted as a basis for claims or additional compensation. Contractor shall conform to any specific safety requirements as required by law or regulation. Contractor shall take any additional precautions as the Court may reasonably require for safety and accident prevention purposes. Any violation of such rules and requirements, unless promptly corrected, shall be grounds for termination of the Agreement.

42. Miscellaneous Provisions Applicable to Specific Contracting Situations.A. Union Activities Certification.

[OPTION 1: If the Agreement is \$50,000 or under, and allows for the reimbursement of Contractor expenses]

Contractor must include with any request for reimbursement from the Court a certification that Contractor is not seeking reimbursement for costs incurred to assist, promote, or deter union organizing. If Contractor incurs costs or makes expenditures to assist, promote or

deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from the Court was sought for these costs, and Contractor will provide those records to the Attorney General upon request.

[OPTION 2: If the Agreement is over \$50,000, and allows for the reimbursement of Contractor expenses]

Contractor must include with any request for reimbursement from the Court a certification that Contractor is not seeking reimbursement for costs incurred to assist, promote, or deter union organizing. No Court funds received under this Agreement will be used to assist, promote or deter union organizing during the term of this Agreement (including any extension or renewal term). If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no Court funds were used for those expenditures and no reimbursement from the Court was sought for these costs. Contractor will provide those records to the Attorney General upon request.

[OPTION 3: If the Agreement is over \$50,000, but does not allow for the reimbursement of Contractor expenses]

No Court funds received under this Agreement will be used to assist, promote or deter union organizing during the term of this Agreement (including any extension or renewal term). If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no Court funds were used for those expenditures. Contractor will provide those records to the Attorney General upon request.

- B. Provisions Applicable to *Certain Services with Compensation* over \$200,000. If this is an Agreement for services, other than consulting services, with total compensation over \$200,000, Contractor shall give priority consideration in filling vacancies in positions funded by the Agreement to qualified recipients of aid under Welfare and Institutions Code § 11200 in accordance with Public Contract Code § 10353.
- C. Provisions Applicable to *Commercial Office Moving Services Agreements*. If this is an agreement of more than \$2,500 with a carrier for commercial office moving services, Contractor shall abide by the requirements contained in the State Administrative Manual, section 3810, which requires Contractor to employ only drivers and supporting personnel who are under a current collective bargaining agreement or who are paid applicable prevailing wages and employed under prevailing standards and conditions of employment.
- D. Provisions Applicable to *Competitively Bid Contracts; Antitrust Claims*.

If work under the Agreement was obtained by means of a competitive bid, Contractor shall comply with the requirements of Government Code sections set out below.

(1) The Government Code chapter on antitrust claims contains the following definitions:

- (a) “Public purchase” means a purchase by means of competitive bids of goods, services, or materials by the state or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of § 16750 of the Business and Professions Code.

- (b) “Public purchasing body” means the state or the subdivision or agency making a public purchase. See Government Code § 4550.
- (2) Contractor shall assign to the Court all rights, title, and interest in and to all causes of action it may have under § 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2, commencing with section 16700 of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by Contractor for sale to the Court pursuant to the bid. Such assignment shall be made and become effective at the time the Court tenders final payment to Contractor. See Government Code § 4552.
- (3) If the Court receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, Contractor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the Court any portion of the recovery, including treble damages, attributable to overcharges that were paid by Contractor but were not paid by the Court as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. See Government Code § 4553.
- (4) Upon demand in writing by Contractor, the Court shall, within one year from such demand, reassign the cause of action assigned under this part if Contractor has been or may have been injured by the violation of law for which the cause of action arose and (i) the Court has not been injured thereby, or (ii) the Court declines to file a court action for the cause of action. See Government Code § 4554.

E. Provisions Applicable to *Consulting Services*.

- (1) If the Agreement provides for the payment of \$1,000 or more for consulting services, Contractor must deliver detailed performance criteria, a schedule for performance, and progress reports to the Court to allow the Court to determine whether Contractor is on the right track and the project is on schedule, to provide communication of interim findings, and to afford opportunities for airing difficulties or special problems encountered so that remedies can be developed quickly.
- (2) If the Agreement provides for the payment of \$5,000 or more for consulting services, Contractor shall attach to the Agreement resumes of each Contractor participant who will exercise a major administrative role or major policy or consultative role. Contractor shall use reasonable efforts to make these participants available to perform services during the term of the Agreement.

F. Provisions Applicable to *Court-Purchased or Court-Financed Equipment*.

- (1) If the Agreement provides Compensation to Contractor for a project funded through a grant, at the conclusion of the Project, title to all expendable and non-expendable personal property with a value of \$500 or more purchased with Court funds shall vest, automatically and without further action of the parties, with the Court. If Contractor provides written certification to the Court that the property will continue to be used for grant-related purposes and the Court approves such certification in writing, the Court

may permit title to all such property to remain with Contractor in accordance with the Court's written instructions. Contractor must await specific written instructions from the Court's Project Manager regarding any transfer of title or disposition.

- (2) If Compensation under the Agreement is not through grant funding and the Agreement provides for the provision of equipment purchased or built with Court funds, title to any equipment purchased or built with Court funds shall vest in the Court immediately upon payment of the purchase price. Before delivery to the Court, Contractor is responsible for loss or damage to the equipment to the extent it results from the negligent act or omission of Contractor or its directors, officers, employees, or agents, and Contractor shall make all necessary or appropriate repairs and adjustments.
- (3) Contractor shall maintain an inventory record for each piece of equipment purchased or built with Court funds provided under the Agreement, except for a piece of equipment that (i) has a normal life expectancy of less than one (1) year, or (ii) costs less than \$5,000 and is not easy to steal. The inventory record must include the date acquired, total cost, serial number, model identification, and any other information or description necessary to identify the piece of equipment. Upon request by the Court, Contractor shall submit to the Court a copy of the inventory record.
- (4) Upon the expiration of termination of the Agreement, or as otherwise directed by the Court, Contractor shall return such property to the Court in good condition, reasonable wear and tear expected, unless such property was not utilized, and in such case, shall be returned new and unopened from its original packaging.

G. Provisions Applicable to *DVBE Participation Certification*. Contractor's failure to meet the DVBE commitment set forth in its bid or proposal constitutes a breach of the Agreement. If Contractor used DVBE subcontractor(s) in connection with this Agreement: (i) Contractor must use the DVBE subcontractors identified in its bid or proposal, unless the Court approves in writing replacement by another DVBE subcontractor in accordance with the terms of this Agreement; and (ii) Contractor must within sixty (60) days of receiving final payment under this Agreement certify in a report to the Court: (1) the total amount of money and percentage of work that Contractor committed to provide to each DVBE subcontractor and the amount each DVBE subcontractor received under the Agreement; (2) the name and address of each DVBE subcontractor to which Contractor subcontracted work in connection with the Agreement; (3) the amount each DVBE subcontractor received from Contractor in connection with the Agreement; and (4) that all payments under the Agreement have been made to the applicable DVBE subcontractors. Upon request by the Court, Contractor shall provide proof of payment for the work. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. Contractor will comply with all rules, regulations, ordinances and statutes that govern the DVBE program, including, without limitation, Military and Veterans Code section 999.5.

H. Provisions Applicable to *Elevator Maintenance Agreements*. If the Agreement provides for elevator maintenance, the Term of the Agreement shall be for a period of no less than

five (5) years even if the Coversheet of the Agreement specifies a shorter term; however, the Agreement may be terminated during the Term in accordance with the Termination provisions contained herein.

I. Provisions Applicable to *Federal or Federally-Assisted Contracts*.

(1) Funding. If the Agreement is funded in whole or in part by the federal government, then:

- (a) It is mutually understood between the parties that the Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds, to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.
- (b) This contract is valid and enforceable only if sufficient funds are made available to the Court by the United States Government for the fiscal year in which they are due and consistent with any stated programmatic purpose. In addition, the Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.
- (c) The parties mutually agree that if the Congress does not appropriate sufficient funds for any program under which the Agreement is intended to be paid, the Agreement shall be deemed amended without any further action of the parties to reflect any reduction in funds.

J. Provisions Applicable to *Legal Services*.

(1) If the Agreement provides for the performance of legal services, Contractor shall adhere to any legal cost and billing guidelines, legal budgets, and legal bill or law firm audits as may be required by the Court. If the Agreement does not provide for legal representation to low-income or middle-income persons in civil, criminal, or administrative matters, Contractor shall also adhere to any litigation plans or case phasing of activities as may be required by the Court. If the Agreement does not provide for legal representation to low-income or middle-income persons in civil, criminal, or administrative matters, and also provides for Compensation (other than reimbursement of expenses) over \$50,000, Contractor shall also comply with the requirements of Business and Professions Code § 6072, which concerns the performance of pro bono legal services.

(2) Under Business and Professions Code § 6072, Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the Agreement equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in California, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10 percent of the Agreement. Failure to make a good faith effort may be cause of non-renewal of the Agreement or another judicial branch or other state contract for legal services, and may

be taken into account when determining the award of future contracts with the Court for legal services.

- K. Provisions Applicable to *Janitorial Services or Building Maintenance Agreements*. If the Agreement requires Contractor to perform services at a new site, Contractor shall retain for 60 days all employees currently employed at that site by any previous contractor that performed the same services at the site. Contractor shall provide upon request information sufficient to identify employees providing janitorial or building maintenance services at each site and to make the necessary notifications required under Labor Code §§ 1060 et seq.
- L. Provisions Regarding *Material Safety Data Sheets*. If some or all of the goods provided by Contractor under the Agreement are on CAL OSHA's "Hazardous Substances List," Contractor shall forward a completed Material Safety Data Sheet (MSDS) to the Court.
- M. Provisions Applicable to *Mined Mineral Agreements*. If the Agreement involves the purchase of mined minerals, Contractor shall not supply through the Agreement any sand, gravel, aggregates, or other minerals the Court may not purchase under Public Contract Code § 10295.5.
- N. Provisions Regarding *Recycled Goods*.
- (1) Unless otherwise provided in the Agreement, pursuant to Public Contract Code § 12203(d), Contractor shall use or sell only recycled products under the Agreement to the maximum extent economically feasible, but only if the fitness and quality of such recycled products are equal to non-recycled products.
 - (2) If the Agreement provides for the purchase and sale of goods specified in Public Contract Code § 12207 (for example, certain paper products, office supplies, mulch, glass products, lubricating oils, plastic products, paint, antifreeze, tires and tire-derived products, and metal products), and the percentage of Contractor's postconsumer material in these goods cannot be verified by reference to a written advertisement, including, for example, a product label, a catalog, or a manufacturer or vendor website:
 - (a) Contractor shall deliver a declaration to the Court specifying the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code § 12200 in goods offered or sold to the Court, regardless of whether the goods meet the requirements of Public Contract Code § 12209.1;
 - (b) UNDER PENALTY OF PERJURY, the declaration shall be true and correct and will remain so until Contractor delivers any amendment of the current declaration to the Court, in which case the current declaration as amended will be true and correct; and
 - (c) If Contractor sells under the Agreement any printer or duplication cartridges that comply with Public Contract Code § 12209, Contractor shall so specify in the declaration required under this section.

- O. Provisions Applicable to *Rental Agreements*. If the Agreement provides for the rental of personal property, the Court shall have no responsibility for loss or damage to the rented equipment arising from causes beyond the Court's control. The Court is responsible for repairs and liability for damage or loss only to the extent they become necessary and result from a negligent act or omission of the Court or any court personnel. If the Agreement provides for the rental of equipment or other personal property and the Court has not expressly elected through the Agreement to maintain the equipment or other personal property, Contractor shall keep the equipment in good working order and make all necessary or appropriate repairs and adjustments without qualification.
- P. Provisions Applicable to *Small Business Preference Agreements*. If Contractor received a small business preference in connection with this Agreement, Contractor must complete and submit the Small Business Contract Report Form. Contractor assumes an express affirmative obligation to promptly notify the Court if any information on the Small Business Contract Report Form becomes inaccurate. Contractor's failure to meet the small business commitment set forth in its bid or proposal constitutes a breach of this Agreement. If Contractor is a nonprofit veteran service agency ("NVSA"), Contractor must employ veterans receiving services from the NVSA for not less than 75 percent of the person-hours of direct labor required for the production of goods and the provision of services performed pursuant to this Agreement.

Q. Provisions Applicable to *Work by Facilities Contractors*.

(1) *Guidelines for Contractor Conduct While Working In Court Buildings*.

These Guidelines for Contractor Conduct are subject to revision and may be modified by the Court at any time. Contractor will be notified of modifications.

- (a) Work areas are to be free of all tools, trash, material packaging, etc., and any other discarded items at the end of each shift. Contractors should take their trash with them at the end of each shift, rather than disposing of trash in court containers.
- (b) All waste, excess materials, tools, etc. shall be removed from the areas upon completion. The areas shall be thoroughly cleaned.
- (c) If desk items need to be moved, they must be placed back in the same location (including chairs moved to access under desk space).
- (d) Vacuum all areas paying special attention to all drywall cutouts and/or ceiling tile debris on floor and around work areas at the end of each shift.
- (e) Use caution when removing and installing ceiling tiles. Any damage resulting in mishandled ceiling tiles will be the responsibility of Contractor to replace.
- (f) Do not remove any furniture or chairs from any office area.
- (g) Do not prop open any secure doorways. Access cards will be furnished.
- (h) Do not modify the adjustments on any chairs or remove any chairs from any area.

- (i) Do not use any court radio, stereo, or TV. (Contractor's crew may furnish their own radio. However, volume must be kept at a low level, as judicial and administrative staff often works after hours).
 - (j) Smoking is prohibited in all Court buildings, including any/all restrooms.
 - (k) Do not use any restrooms in judicial chambers. Only use common area restrooms.
 - (l) Do not leave company items behind once a job is complete (i.e. ladders and tools).
 - (m) Any furniture moves necessary to complete the work must be indicated during the job walk or pre-project planning. No furniture is to be moved without prior notice to the Court's Project Manager.
 - (n) For security purposes, do not allow any person(s) into your work area, or into any other Court Building area. Do not open doors to allow person(s) access into your work area, or any other Court Building area. As you go through doors, be sure to securely pull them closed behind you. Don't let person(s) come through a door along with you.
- (2) **Bonds.** The Court may require written evidence of Contractor's ability to obtain from a reputable bond company required bonds. If requested, Contractor may be asked to supply a fidelity bond covering the dishonest acts of employees or a performance bond covering the completion of work. Bond limits and reimbursement of expenses, if any, shall be determined by the Court.
- (3) **Conduct of Work.** As may be applicable, Contractor shall maintain the work site and perform the work in a manner that meets all legal requirements for the provision of a safe workplace. Contractor will ensure that all work is performed in a safe and satisfactory manner, and that all work conforms to all regulatory and industry standards. Upon completion of the work, Contractor shall remove all equipment and unused materials provided for the work, put the buildings and premises in a neat and clean condition, and do all other cleaning and washing as applicable. Further, Contractor shall comply with safety standards and provisions of applicable laws, building codes, and safety regulations issued by the California Department of Industrial Relations. Contractor shall be liable for damages arising out of injury to the Court's employees or its contractors during performance of the work, provided that the injury or damage was caused by the fault or negligence of Contractor, or by its equipment or tools.
- (4) **Contractor-Caused Damage(s).** Contractor shall repair or replace, at the option of the Court's Project Manager(s), all damage to the building, equipment, or furniture caused by its operations within five (5) working days, and preferable sooner.
- (5) **Court Policy Regarding Drugs / Alcohol / Weapons.**
- (a) Contractor agrees to advise its employees and the employees of its subcontractors and agents that it is the policy of the Court that:

- 1) The use, possession and/or distribution of illegal or unauthorized drugs, drug-related paraphernalia or weapons on the Court's premises, right-of-way, or Job Site is prohibited and the use or possession of alcoholic beverages, except where authorized by the Court's management, is also prohibited;
 - 2) Entry onto or presence on the Court's premises by any person, including Contractor, Contractor's employees, subcontractors, subcontractors' employees, contract personnel, temporary employees and visitors, constitutes consent to the Court to conduct searches, whether announced or unannounced, on the Court's premises of the person and his or her personal effects for such prohibited items, and consent to drug testing at any time while on the Court's premises;
 - 3) Any person suspected or found in violation of the policy or who refuses to permit a search or drug or alcohol test may be removed and barred from the Court's premises, at the sole discretion of the Court; and
 - 4) Contractor personnel who test positive for illegal drugs or unauthorized alcohol as a result of a test conducted on the Court premises, or upon request of the Court, will be removed from any further performance or services under this Agreement.
- (b) Contractor represents and warrants that it has established, maintains, and enforces both a Drug and Alcohol Program and an Operator Qualification Program per industry standards.

(6) *Inspections.*

- (a) **Materials Inspections.** The Court may from time to time, at its sole good faith option, inspect and test certain materials or equipment. Therefore, in contracting for the purchase of any material or equipment that Contractor will use in the performance of the work, Contractor shall obtain for the Court from the vendor of such material or equipment the right to inspect all such material and the manufacture and fabrication thereof. Whether or not the Court conducts such inspection, the Court shall also have the right to reject all materials or equipment that, in the sole good faith discretion of the Court, fail to conform to either adequate manufacturing specifications, the specifications under which such materials or equipment were purchased or the specifications required for the performance of the work.
- (b) **Field Inspections.** Throughout the performance of the work, the Court shall have the right to designate one or more inspectors or engineers to inspect and test the work site and the progress of the work. Contractor shall cooperate with such inspectors and engineers in order that the work may be fully inspected and that the Court may at all times be fully advised of the progress of the work and the manner in which it is being performed.
- (c) **Inspection Not Acceptance.** Contractor expressly understands and agrees that any inspection by the Court pursuant to this Agreement shall be for the Court's sole

benefit and shall not be deemed an acceptance by the Court of all or any portion of the materials or work so inspected. Contractor further understands and agrees that no inspection by the Court pursuant to this Agreement or approval or failure to object to any portion of the work shall relieve or release Contractor from any duties, obligations, or liabilities provided in this Agreement.

- (7) ***Liens.*** Contractor shall discharge at once, and hold the Court harmless from, liens or stop notices that may be filed in connection with the work. The Court may withhold payment of funds from Contractor in an amount sufficient to discharge delinquent accounts of Contractor or any of Contractor's subcontractors for which liens on the Court's or County's property have been or can be filed or for which stop notices have been or can be filed. Contractor must furnish unconditional lien releases to the Court.
- (8) ***Safety Devices.*** Contractor shall furnish and maintain all safety devices, e.g., signs, barricades, cones, etc. required to adequately warn and protect all persons who will be utilizing this facility during the course of the work.
- (9) ***Scheduling Work.*** All work shall be scheduled with the Court's Project Manager or his/her designee before starting the assigned project.

END OF STANDARD BUSINESS TERMS AND CONDITIONS

EXHIBIT C2

COUNTY SPECIAL PROVISIONS

--- Begins on Following Page ---

1. Compliance with Civil Rights Laws

The contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

2. Compliance with the County's Jury Service Program

See Exhibit C1, Section 11, T.

3. Conflict of Interest

No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

The contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The contractor warrants that it is not now aware of any facts that create a conflict of interest. If the contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this paragraph shall be a material breach of this Contract.

4. Contractor's Acknowledgement of County's Commitment to Safely Surrendered Baby Law

The contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The contractor understands that it is the County's policy to encourage all County contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the contractor's place of business. The contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information and posters for printing are available at www.babysafela.org.

5. Contractor's Warranty of Adherence to County's Child Support Compliance Program

The contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through contracts are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the contractor's duty under this Contract to comply with all applicable provisions of law, the contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

6. Employment Eligibility Verification

The contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The contractor shall retain all such documentation for all covered employees for the period prescribed by law.

The contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

7. Fair Labor Standards

See Exhibit C1, Section 16.

8. Nondiscrimination and Affirmative Action

The contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or

mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

The contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

The contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

The contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

The contractor shall allow County representatives access to the contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) when so requested by the County.

If the County finds that any provisions of this section (Nondiscrimination and Affirmative Action) have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the contractor has violated the anti-discrimination provisions of this Contract.

9. Notice to Employees Regarding the Federal Earned Income Credit

The contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

10. Prohibition Against Inducement or Persuasion

Notwithstanding any provision to the contrary, the contractor and the County agree that, during the term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

11. Warranty of Compliance with County's Defaulted Property Tax Reduction Program

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless contractor qualifies for an exemption or exclusion, contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

12. Time Off for Voting

The contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than ten (10) days before every statewide election, every contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

13. Compliance with County's Zero Tolerance Policy on Human Trafficking

Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.

If a Contractor or member of Contractor's staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of Contractor's staff be removed immediately from performing services under the Contract. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

Disqualification of any member of Contractor's staff pursuant to this paragraph shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

14. Compliance with Fair Chance Employment Practices

Contractor shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Contractor's violation of this paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract.

15. Compliance with the County Policy of Equity

The contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). The contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the contractor to termination of contractual agreements as well as civil liability.

16. Compliance with the County's Living Wage Program

This Contract is subject to the provisions of the County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code.

17. Contractor's Charitable Activities Compliance

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the Charitable Contributions Certification, Exhibit O, the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202)

18. Most Favored Public Entity

If Contractor's prices decline, or should Contractor, at any time during the term of this Agreement, provide the same goods or services under similar quantity and delivery conditions, to the federal government, or any state, county, municipality,

or district, at prices below those set forth in this Agreement, then such lower prices shall be immediately extended to the Court and the County.

19. Contractor Responsibility And Debarment

19.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Agreement. It is the County's policy to conduct business only with responsible Contractors.

19.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

19.3 Non-Responsible contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: 1) violated a term of a contract with the County or a nonprofit corporation created by the County, 2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, 3) committed an act or offense which indicates a lack of business integrity or business honesty, or 4) made or submitted a false claim against the County or any other public entity.

19.4 Contractor Hearing Board

19.4.1 If there is evidence that the Contractor may be subject to debarment, the County will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

19.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation

regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the County shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the County Board of Supervisors.

19.4.3 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the County Board of Supervisors. The County Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

19.4.4 If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: 1) elimination of the grounds for which the debarment was imposed; 2) a bona fide change in ownership or management; 3) material evidence discovered after debarment was imposed; or 4) any other reason that is in the best interests of the County.

19.4.5 The Contractor Hearing Board will consider a request for review of a debarment determination only where 1) the Contractor has been debarred for a period longer than five (5) years; 2) the debarment has been in effect for at least five (5) years; and 3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

19.4.6 The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the County Board of Supervisors. The County Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

19.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

20. Termination For Non-Adherence Of County Lobbyist Ordinance

Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which the County, through the Court, may in its sole discretion, immediately terminate or suspend this Agreement.



AGREEMENT FOR REVENUE ENHANCEMENT SERVICES

BETWEEN

THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

AND

THE COUNTY OF LOS ANGELES

AND

LINEBARGER GOGGAN BLAIR AND SAMPSON, LLP

AGREEMENT # 2019-067-02

CONTRACT SUM: No maximum contract sum; commission rate

GOODS/SERVICES: Revenue Enhancement Services – Primary Collections

COMMENCES: July 1, 2020

TERMINATES: June 30, 2023

OPTION TERMS: Two Annual Options plus Six Months



**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
STANDARD AGREEMENT FOR NON-IT GOODS AND/OR NON-IT SERVICES**

1. This Agreement is made and entered into at Los Angeles, California by and between the Superior Court of California, County of Los Angeles ("Court"), the County of Los Angeles ("County") and Linebarger Goggan Blair and Sampson, LLP ("Contractor").
2. This Agreement is effective July 1, 2020 ("Effective Date") through June 30, 2023 ("Expiration Date"). The Agreement may be extended by mutual consent of the Court, County and Contractor upon the same terms and conditions set forth herein up to 2 times for successive one-year periods, through June 30, 2025 ("Extension Term"), upon the execution of an Amendment. Each such extension shall be exercised jointly by the Executive Officer/Clerk of Court and the Chief Executive Officer of the County. The Agreement may also be extended on a month-to-month basis, by mutual consent of the Court, County and Contractor, for an additional period not to exceed six (6) months ("Month-to-Month Term"), upon the execution of an Amendment. Such extension shall be exercised jointly by the Executive Officer/Clerk of Court and the Chief Executive Officer of the County.
3. Compensation under this Agreement is based on the negotiated commission rate on gross collections achieved by Contractor. There is no maximum contract sum for this Agreement.
4. The purpose of this Agreement is: Revenue Enhancement Services – Primary Collections

(The purpose listed here is for administrative reference only and is not intended to define or limit the scope or extent of this Agreement.)
5. Contractor was selected by the Court for award of a contract through a competitive procurement process for the provision of the described goods and/or services. (COURT RFP #2019-067 REVENUE ENHANCEMENT SERVICES ("RFP")).
6. Court has agreed to administer this Agreement on behalf of itself and the County, and all administrative matters will be handled between the Court and Contractor.
7. The parties agree that this Agreement, made up of this Standard Agreement and the Exhibits listed below and any referenced attachments ("Contract Documents"), contains the parties' entire understanding related to the subject matter of this Agreement and is mutually binding on the parties in accordance with its terms.

- Exhibit A1 – Statement of Work from RFP
- Exhibit A2 – Selected Portions of Contractor's Technical Proposal
- Exhibit B1 – Payment Provisions and Invoicing Procedures
- Exhibit B2 – Contractor's Cost Proposal
- Exhibit C1 – Standard Business Terms and Conditions 2.0
- Exhibit C2 – County Special Provisions

It is the intention of both parties that all Contract Documents and RFP Documents be read and construed as a unified whole whenever possible. However, in the event of a conflict between the terms of the Contract Documents and/or RFP Documents, the following order of precedence shall govern and determine which terms prevail:

1. Standard Agreement
2. Exhibit A1 – Statement of Work
3. Exhibit B1 – Payment Provisions and Invoicing Procedures
4. Exhibit C1 – Standard Business Terms and Conditions
5. Exhibit C2 – County Special Provisions
6. RFP Documents
7. Exhibit A2 – Selected Portions of Contractor’s Proposal
8. Exhibit B2 - Contractor’s Cost Proposal

Any Amendments to this Agreement, starting with the most recent, shall take precedence over existing Contract Documents. In the event of a conflict between an Amendment and the terms of any other Contract Document, the terms of the Amendment shall prevail.

8. Insurance. Contractor must procure and maintain the insurance coverage as marked below. Exhibit C (Court Standard Business Terms and Conditions), Sections 19.1 and 19.2 describe the Court’s specific insurance requirements.

- Exhibit C1, Section 19.2 Insurance Requirements – Specific Coverages**
 - Workers Compensation/Employer’s Liability
 - Comprehensive General Liability
 - Business Automobile Liability
 - Professional Liability
 - Commercial Crime

Insurance certificates shall be sent to Ebix, the Court’s insurance compliance and tracking provider, by using one of the methods listed below:

- By email to lacourt@ebix.com; or
- By fax to (770) 325-2046

9. CONTRACT ADMINISTRATION

PROJECT DIRECTORS: See Exhibit C1, Section 10 for roles and responsibilities of Project Directors.

COURT:	CONTRACTOR:
Christine Padilla Stanley Mosk Courthouse	Mark Lombardo, National Sales Manager
111 N. Hill Street, Room 105D	3150 El Camino Real Suite D
Los Angeles, CA 90012	Carlsbad, CA 92008
(213) 633-8511	(760) 213-4783
cmpadilla@lacourt.org	Mark.Lombardo@lgbs.com

PROJECT MANAGERS: See Exhibit C1, Section 10 for roles and responsibilities of Project Managers.

COURT:	CONTRACTOR:
Kendra King Stanley Mosk Courthouse	Renee Linnabary, Director of Operations
111 N. Hill Street, Room 616	5801 Soundview Drive Suite 50B
Los Angeles, CA 90012	Gig Harbor, WA 98335
(213) 633-1003	(206) 919-2088
kking@lacourt.org	Renee.Linnabary@lgbs.com

COURT’S CONTRACT ANALYST: See Exhibit C, Section 10 for role and responsibilities of Court’s Contract Analyst:

COURT:
Deonne Anderson Spring Street Courthouse
312 North Spring Street, Room 910
Los Angeles, CA 90012
(213) 314-8720
DAnderson@lacourt.org

- NOTICES:** All contract specific correspondence, notices or demands required or permitted to be given or made under this Agreement shall be in writing, submitted by email, or by registered mail, or certified mail and shall be addressed to the Court and Contractor Project Directors, Project Managers, and Contract Analyst listed above, unless otherwise provided.

AUTHORIZATION PAGE

IN WITNESS THEREOF, the Superior Court of California, County of Los Angeles has caused this Agreement to be subscribed by its Executive Officer/Clerk of Court, the seal of said Court is hereto affixed, the County of Los Angeles by order of its Board of Supervisors has caused this Agreement to be subscribed on its behalf by the Chairman of said Board and attested by the Executive Officer/Clerk of the Board of Supervisors thereof, and Linebarger Goggan Blair and Sampson, LLP has caused this Agreement to be subscribed on its behalf by its duly authorized officer.

**SUPERIOR COURT OF CALIFORNIA,
COUNTY OF LOS ANGELES**



By: _____ Date: _____

SHERRI R. CARTER
Executive Officer/Clerk of Court

COUNTY OF LOS ANGELES

ATTEST:
LORI GLASGOW
Executive Officer/Clerk
of the Board of Supervisors

By: _____
Chairman, Board of Supervisors

By _____

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By: _____
Principal Deputy County Counsel

LINEBARGER GOGGAN BLAIR AND SAMPSON, LLP

By: _____ Date: _____

(CONTRACTOR'S PRINCIPAL)
(Title)

EXHIBIT A1

STATEMENT OF WORK FROM RFP #2019-067

--- Begins on Following Page ---

STATEMENT OF WORK

**SUPERIOR COURT OF CALIFORNIA,
COUNTY OF LOS ANGELES**

REVENUE ENHANCEMENT SERVICES

**STATEMENT OF WORK
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
REVENUE ENHANCEMENT SERVICES**

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**STATEMENT OF WORK
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
REVENUE ENHANCEMENT SERVICES**

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**STATEMENT OF WORK
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
REVENUE ENHANCEMENT SERVICES**

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**STATEMENT OF WORK
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
REVENUE ENHANCEMENT SERVICES**

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1.0 STATEMENT OF WORK

1.1 SCOPE OF WORK

California state statutes require each superior court and county to develop a comprehensive court/county collection program to improve enforcement of court collections.

The purpose of this Statement of Work ("SOW") is to describe the scope of services in support of the comprehensive revenue enhancement program of the Superior Court of California, County of Los Angeles ("COURT") and the County of Los Angeles ("COUNTY"). These services include collections of delinquent court ordered debt at the primary and secondary levels. The primary level will utilize multiple contractors simultaneously, up to three (3) vendors, at the discretion of the COURT. After primary collection efforts of one contractor are exhausted, selected delinquent accounts shall be referred to an alternate approved contractor for continuing collection efforts.

The COUNTY/COURT delinquent account collection services program is comprised of comprehensive collections of court ordered debt including, but not limited to: (1) traffic and non-traffic failure-to-appear matters; (2) traffic and non-traffic failure-to-pay matters; (3) failure-to-pay in criminal matters; (4) juror sanctions; (5) civil sanctions; (6) child custody evaluations; (7) attorney fee recovery for criminal and dependency cases; (8) collection of other fines, fees and forfeitures; (9) civil fee waivers and (10) minor's counsel fees and parental plan assessments.

This SOW is comprised of work requirements for the primary collection level. The primary collection level will involve multiple collection contractors, up to three (3) vendors, at the discretion of the COURT. Secondary collection efforts will be provided by the California Franchise Tax Board and are not a part of this solicitation.

1.2 BACKGROUND

The Court's In-house collection functions performed by COUNTY/COURT may include, but are not limited to collection services noted in scope of work, and the following: 1) generate courtesy notices indicating amount owed; 2) place driver license holds through the California Department of Motor Vehicles, if applicable; 3) generate delinquency and payment notices; 4) charge civil assessment penalties upon delinquency in accordance with statute; 5) facilitate internet and Interactive Voice Response ("IVR"); phone payment arrangements and establish accounts receivable; 6) track cases through various court case management computer systems; 7) conduct

financial evaluations to recover attorney fees and other fines/fees; 8) accept over-the-counter, IVR, internet and mail payments, and; 9) establish payment plans for delinquent and non-delinquent accounts.

1.3 CATEGORY OF REFERRAL TYPES

The scope of collection services which may be referred to CONTRACTOR include, but are not limited to, the collection categories described herein:

- Infractions/Misdemeanors with Unadjudicated Bail (e.g., Traffic citations where a defendant fails to appear (FTA) before being sentenced).
- Infractions/Misdemeanors with Adjudicated Bail (e.g., Traffic citations where a defendant fails to pay (FTP) fines and/or fees after being sentenced).
- Misdemeanors/Felonies with Adjudicated Fines and Fees (e.g., Defendants who fail to pay fines and fees after being sentenced).
- Civil Fees and Sanctions on Adjudicated Matters (e.g., Fees and Sanctions owed to the COURT. In addition, the COUNTY/COURT may seek reimbursement of civil filing fees on cases where a civil fee waiver was granted for an individual, or if the plaintiff is a governmental agency).
- Indigent Defense Cost Recovery (e.g., COUNTY/COURT may determine that a customer who has received legal assistance from a public defender, alternate public defender, or court appointed private attorney, must reimburse the cost of attorney services. An Attorney Fee order may be collected as a civil judgement).
- Child Custody Evaluations (e.g., a Judicial Officer may order a party to reimburse the COUNTY/COURT for the cost of their child custody evaluation).
- Probate, Minor's Counsel Fees, Juvenile Dependency Fines and Fees (e.g., a Judicial Officer may order a party to reimburse the COUNTY/COURT for the cost of legal assistance from a public defender, alternate public defender or court appointed private attorney).
- Juror Sanctions (e.g., Jurors that fail to appear for jury service may be ordered to pay a COURT imposed sanction).
- Non-Sufficient Funds and or unresolved bankcard charge backs (e.g. returned checks due to non-sufficient funds).
- COUNTY/COURT reserves the right to refer additional types of accounts as deemed appropriate.

1.3.1 Referral Data – (Sample) Primary Collections (FOR ILLUSTRATIVE PURPOSES ONLY)

REFERRAL TYPE*	Avg. Annual Case Volume, Est*	Annual Case Value, net**	Average Per Case Value	Past Due Age in Days at Referral
Grand Total	318,800	\$237,240,000	\$744	180
Traffic FTA	182,000	\$144,000,000	\$791	180
Red Light FTA	48,500	\$38,000,000	\$783	180
Non-Traffic FTA	6,300	\$3,500,000	\$555	180
Traffic FTP	40,000	\$31,000,000	\$775	180
Red Light FTP	3,900	\$2,400,000	\$615	180
Criminal Fines & Fees	24,000	\$12,700,000	\$529	180
Juvenile Dependency	6,000	\$2,700,000	\$450	180
Juror Sanctions	4,800	\$1,300,000	\$270	180
Other Fines – Fees (e.g. Civil Sanctions, Child Custody)	3,300	\$1,640,000	\$497	180

* These estimates are for illustrative purposes only and COUNTY/COURT does not guarantee any particular case or dollar value of account referrals. **Accounts available for referral will be distributed amongst multiple vendors, up to three (3) vendors, at the discretion of the COURT.**

**Referrals/account recalls may occur at any time deemed appropriate by COUNTY/COURT. Original delinquent fines and fees may be reduced after Court hearing and adjudication. Referred amounts are net of reductions, if any.

1.3.2 COUNTY/COURT CONTROL OF ACCOUNTS

- COUNTY/COURT reserves the right to modify the list of the types of accounts referred.
- COUNTY/COURT retains the right to refer an account to another collection agency for collections, to attempt collection activity internally, and to cancel, recall or alter accounts that have been referred to CONTRACTOR for collection at any time.
- COUNTY/COURT reserves the right to utilize the services of the State of California Franchise Tax Board's Court Ordered Debt ("FTB COD") Collection Program, FTB Interagency Intercept Collections ("FTB Tax Intercept"), the Department of Motor Vehicles' Driver License Hold/Suspension Collection Services, and/or other collection entities and agencies as deemed appropriate.
- COUNTY/COURT also reserves the right to use another contractor from the Judicial Council of California ("JCC") master vendor list for collection services.

2.0 CONTRACTOR'S GENERAL SERVICE REQUIREMENTS

2.1 GENERAL SERVICE REQUIREMENTS

CONTRACTOR shall, at minimum, perform the services enumerated herein. To maximize the rate of collection and minimize errors, CONTRACTOR may be required to perform services in addition to those listed herein.

- All work performed by the CONTRACTOR must only occur within the United States. Work shall not be sub-contracted or performed by an entity using call centers or resources outside of the United States.
- COUNTY/COURT is committed to protecting the confidentiality of personal data on accounts referred and insuring that such data is processed only within the United States. CONTRACTOR represents that it has the capability to meet the confidentiality requirement of COUNTY/COURT during the entire period of the contract and any extension thereof.
- CONTRACTOR shall have the capability to interface with the case management and collection management systems of COURT and transmit relevant collection data in a frequency deemed acceptable by COURT.

2.2 COLLECTION VENDOR COMPLIANCE WITH PENAL CODE SECTION 1463.007

In providing services to COUNTY/COURT, CONTRACTOR must comply with these requirements of Penal Code Section 1463.007 as identified below:

1. Attempts telephone contact with delinquent debtors for whom the program has a phone number to inform them of their delinquent status and payment options.
2. Notifies delinquent debtors for whom the program has an address in writing of their outstanding obligation within a specified number of days of delinquency as directed by COUNTY/COURT.
3. Generates internal monthly reports to track collections data, such as age of debt and delinquent amounts outstanding, collections by age of case referral to collection contractor.
4. Sends delinquent accounts to the FTB Tax Intercept Program and FTB COD Program.
5. Uses the Department of Motor Vehicle information to locate delinquent debtors.
6. Establishes wage and bank account garnishments where appropriate.

7. Places liens on real property owned by delinquent debtors where appropriate.
8. Coordinate with the County's Probation Department to locate debtors who may be on formal or informal probation.
9. Accepts payment of delinquent debt by credit card and debit card.
10. Uses local, regional, state, or national skip tracing or locator resources or services to locate delinquent debtors.
11. Uses an automated dialer or automated distribution system to manage telephone calls.
12. Uses Employment Development Department employment and wage information to collect delinquent debt.

The CONTRACTOR must immediately inform COUNTY/COURT if at any time they fail to meet the requirements listed above.

2.3 CONTRACTOR SERVICE REQUIREMENTS

- CONTRACTOR shall produce various reports as defined in Section 3.13.4.
- CONTRACTOR shall conduct the following collection activities, pursuant to the Contract, in accordance with all applicable State and Federal Consumer and Collection Practice laws.
 - Obtain and maintain appropriate licenses, approvals, permits and authorizations required by applicable laws throughout term of contract. CONTRACTOR will be responsible for all fees, costs and taxes associated with obtaining such licenses, approvals, permits and authorizations.
 - CONTRACTOR shall provide COUNTY/COURT a list of all pending and closed regulatory violations or non-compliances (e.g., Fair Debt Collection Practices Act ("FDCPA"), California Fair Debt Collection Practices Act ("CFDCPA"), UDAPP violations under Frank-Dodd Wall Street Reform and Consumer Protection Act, and the Consumer Financial Protection Bureau ("CFPB") for the last five (5) years. In addition, CONTRACTOR shall immediately notify COUNTY/COURT of any new violations or instances of non-compliance. The list shall at minimum contain: the case or file number, type of debt, name(s) of the complainant(s), a brief explanation of the violation, and the outcome/resolution. COUNTY/COURT reserves the right to independently review any or all regulatory violations/non-compliances submitted.
- CONTRACTOR shall be legally capable and unrestricted in the business of pursuing collections on referred accounts anywhere

within the United States.

- CONTRACTOR shall be required to report collection success on a monthly basis. The following formula, subject to change, will be used to calculate the CONTRACTOR’S success rate in collecting delinquent accounts referred by COUNTY/COURT:

$$\text{Collection Success Rate} = \frac{\text{Amount Collected}}{(\text{Amount Referred} - \text{Adjustments} - \text{Discharges})}$$

$$\text{Gross Recovery Rate} = \frac{(\text{Amount Collected} + \text{Adjustments} + \text{Discharges})}{(\text{Amount Referred})}$$

3.0 CONTRACTOR’S SPECIFIC SERVICE REQUIREMENTS

3.1 COLLECTIONS VIA MAIL

3.1.1 All CONTRACTOR letters sent to debtors shall be pre-approved by the COURT Project Manager (PM).

3.1.2 CONTRACTOR shall employ “skip tracing” to obtain current debtor address and phone number.

3.1.3 CONTRACTOR shall issue the first Delinquency Letter upon receipt of debtor information by COURT and/or after obtaining a current address through “skip tracing.” CONTRACTOR shall provide the debtor no more than thirty (30) days from the date of Delinquency Letter to respond to the first Delinquency Letter. If the address provided by COURT is incorrect, or if a letter is returned undeliverable, addressee unknown, etc., CONTRACTOR shall attempt to obtain a current address through “skip tracing” and commence issuing letters once a current address is obtained. Each letter shall:

- Identify CONTRACTOR;
- Inform the debtor of the origin of the debt and the current amount owed;
- Advise of the consequences of continued non-compliance, such as possible driver’s license suspension, wage garnishment and State tax refund intercept, if applicable;
- Describe payment options available such as installment payment plans;
- Describe how payment may be remitted;

- Explain that a debtor with an Infraction/Misdemeanor with Unadjudicated Bail, Sanctions, Juror Sanction, Child Custody Evaluation or other accounts as approved by COUNTY/COURT, who wish to dispute the debt must schedule a court appearance;
- List a toll free (e.g., “800”) telephone number, which allows debtors to remit payment, schedule a court appearance and/or obtain general information;
- Provide a return envelope for the submission of payment;
- List the contractor’s web page address, which allows debtors to remit payment.

CONTRACTOR shall not use or display the official seal or logo of the COURT on any of its letterheads or other communication with any debtor for any reason.

3.1.4 If the debtor does not respond by the 31st day of the date of mailing, CONTRACTOR shall issue a second letter provided the debtor has a valid address. Thereafter, letters with valid addresses shall be issued on a strategic basis, or until debt is satisfied in full or account is recalled/cancelled.

3.1.5 CONTRACTOR may issue additional letters as deemed necessary.

3.1.6 All correspondence issued by CONTRACTOR shall be accompanied by a Spanish language version of the correspondence.

3.2 SKIP TRACING

3.2.1 CONTRACTOR shall utilize “skip tracing” to obtain account information (e.g., address, telephone numbers, Social Security Number, etc.) on delinquent debtors for the purpose of collecting a debt.

3.2.2 CONTRACTOR shall perform “skip tracing” each month until the account is deemed uncollectible, transferred or until a current/correct address is obtained.

3.2.3 CONTRACTOR shall provide COUNTY/COURT with updated account information (e.g., address, telephone numbers, Social Security Number, etc.).

3.2.4 CONTRACTOR shall utilize the following resources as legally allowed and as necessary to obtain updated account information:

- Telephone Directories

- Credit Bureau Reports
- County Tax Assessor Records
- Current Voter Registration Records
- Debtor's financial and banking references
- Debtor's current or previous employers
- National Change of Address Database
- Department of Motor Vehicles
- Third party firms such as LexisNexis
- Relatives/Neighbors/Associates

3.3 CONTACTS VIA TELEPHONE

- 3.3.1** CONTRACTOR shall employ "skip tracing" to obtain a current telephone number if COUNTY/COURT is not able to provide CONTRACTOR with debtor telephone numbers.
- 3.3.2** CONTRACTOR shall initiate telephone calls to debtors once a telephone number is obtained.
- 3.3.4** CONTRACTOR shall interact with debtors in a professional and courteous manner and adhere to all rules and regulations governing collection practices in the United States (e.g. Fair Debt Collections Act and the Federal Trade Commission).
- 3.3.5** CONTRACTOR shall provide TTY/TDD services in English and Spanish, and multilingual translators in the following languages: Spanish, Chinese, Armenian, Korean and Vietnamese, when requested by the customer. A certified service may be used (e.g. Certified Languages, Inc.).
- 3.3.6** CONTRACTOR shall maintain telephone contact with each debtor that is in non-compliance by initiating at least one (1) call per month. During the telephone call, CONTRACTOR shall:
- Identify CONTRACTOR;
 - Inform the debtor of the origin of the debt and the amount owed;
 - Advise debtor of the consequences of continued non-compliance, such as driver's license suspension, wage garnishments, State tax refund intercept and/or asset seizures or liens;
 - Describe payment options including installment payment plans;
 - Describe how payments may be remitted;
 - Explain that a debtor with an Infraction/Misdemeanor with Unadjudicated Bail, Sanction, Juror Sanction, Child Custody Evaluation or other accounts as approved by COUNTY/COURT, who wish to dispute the debt, must schedule a court appearance.

3.4 DEBTOR PAYMENT OPTIONS/METHODS OF PAYMENT

3.4.1 CONTRACTOR shall provide debtors who wish to comply, but face financial hardships or difficulties, with a flexible alternative payment plan. CONTRACTOR may set the terms and conditions of the payment plan; however, interest and fees shall not be charged.

3.4.2 CONTRACTOR, at minimum, must accept the following types of financial instruments for payments for account balances:

- Cash (only at CONTRACTOR'S local business office(s) or where CONTRACTOR has provided clerical staff)
- Personal checks
- Bank debit cards
- Nationally recognized credit cards (e.g., MasterCard, Visa American Express, and Discover)
- Money orders
- Cashier's checks
- Bank certified checks

3.4.3 CONTRACTOR shall provide a statement and a return envelope to debtors who have established a monthly payment plan. The statement shall, at minimum, inform the debtor of the remaining balance, the minimum amount due and the payment due date.

3.4.4 CONTRACTOR shall ensure that when debtors submit personal checks, the case number or contractors file number, receipt number and defendant's last name appear on the check.

3.4.5 CONTRACTOR must provide debtor a receipt for all payments received in person at CONTRACTOR'S local business office(s).

3.4.6 CONTRACTOR shall accept debtor payments via the internet (see 3.9.2 Debtor Services, Internet Services).

3.5 COURT APPEARANCES

3.5.1 CONTRACTOR shall allow debtors to set a court appearance as directed by COUNTY/COURT. For example, on traffic failure to appear cases, a debtor retains the right to an arraignment/hearing. Therefore, upon request by a debtor, CONTRACTOR shall:

- Allow a debtor to schedule a court hearing, pursuant to COURT policy, on the following types of accounts: Traffic Failure to Appear, Civil Sanctions, Juror Sanctions and Child Custody Evaluations.

- Schedule a court appearance on a day and time which has already been established by COURT (COURT will provide CONTRACTOR with dates and times for each location, as needed.)
- CONTRACTOR will be responsible for transferring a data file electronically of all court dates, court locations and debtor phone numbers to the court's case management systems. In addition, a separate data file of all court dates, court locations and debtor phone numbers may need to be transmitted to an electronic system as designated by COUNTY/COURT known as the Court Appearance Reminder System ("CARS"). CARS places automated reminder calls to debtors that have pre-scheduled a court date through the CONTRACTOR.
- If appropriate and with express debtor consent, CONTRACTOR may notify debtor of court date and account balance via text messaging.
- Upon scheduling a court appearance, immediately suspend all collection activity until COUNTY/COURT notifies CONTRACTOR collection activity to be resumed.
- Debtors who are referred with either Adjudicated Infractions/Misdemeanors or Adjudicated Misdemeanors/Felonies accounts do not retain the right to an arraignment. Contractors shall refer debtors requesting an Ability-To-Pay Hearing to the Court.

3.6 DEBTOR FAILURE TO COMPLY WITH NOTICES OF DELINQUENCY AND TELEPHONE CALLS

3.6.1 Upon a Judicial Order from COURT, CONTRACTOR shall initiate involuntary payment actions on debtors who fail to pay or establish a payment plan or satisfy their debt. COUNTY/COURT will provide a listing of types of accounts that are subject to involuntary payment actions.

3.6.2 CONTRACTOR shall perform the following steps for recalcitrant debtors with accounts identified by COUNTY/COURT that are subject to involuntary payment actions that fail to establish a payment plan or satisfy their debt:

- Complete the required paperwork and obtain the appropriate court orders to enforce a civil judgment for the actions listed in this SOW.
- Institute one or more of the following actions:
 - Bank Levy
 - Wage Garnishment
 - Repossession of Property, including vehicle

➤ Real Property Liens

- 3.6.3** Any and all associated costs incurred in instituting the actions listed above shall be paid by the CONTRACTOR and reimbursed by the debtor upon collection of the debt. COUNTY/COURT will only pay commission on the referred amount and not on any associated collection costs.

3.7 ACCOUNT MANAGEMENT

3.7.1 Withdrawal of Account

COUNTY/COURT reserves the right to withdraw any account whenever COUNTY/COURT deems such an action appropriate and necessary. Generally, COUNTY/COURT will withdraw an account that meets, but may not be limited to any one of the following conditions:

- Account referred in error
- Account dismissed by a Judicial Officer
- Debtor is incarcerated
- Debtor is deceased
- Account is referred to another agency for continued collection efforts

- 3.7.2** COUNTY/COURT shall notify CONTRACTOR in writing, e-mail or other means of electronic messaging if such action is taken. Cases that are withdrawn from CONTRACTOR shall be removed from CONTRACTOR'S system within two (2) business days of receipt of notice from COUNTY/COURT. Accounts withdrawn shall be electronically transmitted from CONTRACTOR to COUNTY/COURT according to specifications by COUNTY/COURT.

- CONTRACTOR shall immediately cease all collection activity and close the account upon notice by COUNTY/COURT of withdrawal of the account. CONTRACTOR shall maintain a list of closed accounts.
- COUNTY/COURT reserves the right to take actions deemed necessary to recover debt from an account that has been withdrawn from CONTRACTOR.
- In the event that COUNTY/COURT withdraws an account, CONTRACTOR shall have no claim or right to compensation on any outstanding balance subsequently recovered by COUNTY/COURT, one of their agents, or another service provider on such accounts.

3.7.3 Accounts Deemed Inactive/Uncollectible

CONTRACTOR shall at minimum, every sixty (60) days, evaluate each account and report so that COUNTY/COURT may make a determination as to how collection activity should continue. Defining attributes that shall be reported to COUNTY/COURT by CONTRACTOR for accounts to be evaluated are:

- Missing or inaccurate contact information including phone number and address.
- Missing or inaccurate driver's license number.
- No contact with debtor for the past consecutive six months.
- Inactivity and no payment on account for the past consecutive six months.
- CONTRACTOR shall at minimum provide a monthly report to COUNTY/COURT on all accounts, including age of referral.
- In the event an account has been deemed inactive and returned to COUNTY/COURT, CONTRACTOR shall have no right to compensation on any outstanding balance subsequently recovered by COUNTY/COURT, one of their agents, or another service provider.

3.7.4 Transfer of Accounts Deemed Inactive or Uncollectible

COUNTY/COURT reserves the right to take actions deemed necessary to recover debt from an account that has been deemed inactive or uncollectible, including, but not limited to referral of such accounts to the California Franchise Tax Board or other collection entity. Accounts requested to be returned shall be transferred back to COURT within 10 business days.

- Accounts to be returned to COUNTY/COURT include, but are not limited to, the following:
 - Any account meeting the criteria in Section 3.7.3 "Accounts Deemed Inactive / Uncollectible"
 - Any account referred to CONTRACTOR for a period exceeding 12 months from the referral date that has not been transferred to FTB-COD pursuant to Section 3.7.4
 - Any account that CONTRACTOR has referred to FTB Interagency Intercept Collection pursuant to Section 3.7.5 that remains unresolved.
 - All accounts referred to CONTRACTOR for a period exceeding 12 months from the referral date that have no payment on the account for the past consecutive 90 days.

3.7.5 Transfer of accounts to Franchise Tax Board, Court Ordered Debt

- CONTRACTOR shall have the capability to interface with the FTB COD Program.
- Upon direction from COUNTY/COURT, the CONTRACTOR shall transmit selected collection inventory to the FTB COD for secondary collection efforts. COURT reserves the right to process referrals directly to FTB.
- Immediately upon transfer, CONTRACTOR shall transmit account information to update COURT collection management system.
- Upon referral of an account to the FTB COD, CONTRACTOR shall cease all collection activity on the account but, at a minimum, remain responsible for the following:
 - CONTRACTOR shall electronically send and receive account information to FTB COD in a format agreed upon by COUNTY/COURT and FTB COD.
 - Payment information received by CONTRACTOR from FTB COD will be electronically transmitted by the CONTRACTOR to COUNTY/COURT. The CONTRACTOR will be responsible for updating the CONTRACTOR'S collection system and transmitting payment information to COUNTY/COURT using the process described in Section 3.10 – Transmission of Account Information.
 - CONTRACTOR shall mail a notice to the debtor advising them that the CONTRACTOR no longer is pursuing collections, and the account has been referred to FTB COD.
 - Upon approval from COUNTY/COURT, CONTRACTOR may be required to refund to the debtor any over-collected amount received from FTB COD.
 - CONTRACTOR will be responsible for all costs associated with programming identification, transfer and separate reporting of accounts referred to the FTB COD.
 - CONTRACTOR shall not receive compensation on accounts that are collected by the FTB COD.

REFERRAL TYPE	*Estimated Annual Case Volume
Franchise Tax Board Court Ordered Debt	20,000

*Case volume provided is an estimate only. COUNTY/COURT does not guarantee any particular annual volume of accounts referred.

3.7.6 Collections Transfer of accounts to Franchise Tax Board, interagency intercept collections

- CONTRACTOR shall have the capability to interface with the FTB Tax Intercept Program.
- CONTRACTOR shall transmit selected collection inventory to the FTB Tax Intercept for secondary collection efforts at the direction of COUNTY/COURT.
- Upon referral of an account to the FTB Tax Intercept, CONTRACTOR shall cease all collection activity on the account but, at a minimum, remain responsible for the following:
 - CONTRACTOR shall electronically send and receive account information to FTB Tax Intercept in a format agreed upon by COUNTY/COURT and FTB Tax Intercept.
 - CONTRACTOR shall attempt and obtain debtor Social Security Number via skip tracing tools (e.g. LexisNexis).
 - Payment information received by CONTRACTOR from FTB Tax Intercept will be electronically transmitted by the CONTRACTOR to COUNTY/COURT. The CONTRACTOR will be responsible for updating the CONTRACTOR'S collection system and transmitting payment information to COUNTY/COURT using the process described in Section 3.10 – Transmission of Account Information.
 - CONTRACTOR shall mail a notice to the debtor advising them that the CONTRACTOR no longer is pursuing collections and the account has been referred to FTB Tax Intercept.
 - Upon approval from COUNTY/COURT, CONTRACTOR may be required to refund to the debtor any over-collected amount received from FTB Tax Intercept.
 - CONTRACTOR will be responsible for all costs associated with programming identification, transfer and separate reporting of accounts referred to the FTB Tax Intercept.
 - CONTRACTOR shall be responsible for all costs associated with placing the accounts with FTB Tax Intercept.

- CONTRACTOR shall be responsible for any costs associated with obtaining the debtors Social Security Number.
- CONTRACTOR shall schedule court dates and handle inquiries from debtors, as necessary.
- CONTRACTOR shall not receive compensation on accounts that are collected by the FTB Tax Intercept.

REFERRAL TYPE	*Estimated Annual Case Volume
Franchise Tax Board Tax Intercept	70,000

*Case volume provided is an estimate only. COUNTY/COURT does not guarantee any particular annual volume of accounts referred.

3.8 PROCESSING DEBTOR PAYMENTS

3.8.1 Transfer of Funds

CONTRACTOR shall establish a separate bank account designated solely for processing debtor payments under the Contract and shall deposit all financial instruments (e.g., cash, checks, credit card remittances, etc.) received as debtor payments into this bank account (CONTRACTOR Bank Account). Each business day CONTRACTOR shall prepare an accounting of all debtor payments received on that day, reconcile the account for any adjustments and transfer all funds into a designated COUNTY of Los Angeles Bank Account (COUNTY Bank Account) no later than 2:00 p.m. (PST) the following business day.

- Except where payments are unidentified, all payments shall be updated in CONTRACTOR'S computer system within one (1) business day.
- CONTRACTOR shall have a process to determine unidentified cases (see Section 3.8.3 - Unidentified Payments).
- All financial instruments shall be deposited in the CONTRACTOR Bank Account as soon as received but no later than the close of the business day of their receipt.
- By the tenth business day of each month, CONTRACTOR shall submit to COUNTY/COURT a copy of the prior month's banking statement (official copy from CONTRACTOR bank) for the CONTRACTOR Bank Account.
- COUNTY will establish and have sole ownership over the COUNTY Bank Account. CONTRACTOR shall not have the right to withdraw funds from the COUNTY Bank Account.

3.8.2 Automated Clearing House Transfers and Reporting

The Automated Clearing House (ACH) transfer must equal the sum of all the payments on the daily payment report which include unidentified payments, other collections not on the payment report, less non-sufficient funds check amounts for that date. The dates of the ACH transfer and payment report must match.

3.8.3 Unidentified payments

Unidentified payments are those that the CONTRACTOR is unable to determine debtor identity (e.g., debtor mails payment to CONTRACTOR and does not provide identifying information). Unidentified payments received by CONTRACTOR shall be deposited daily into the CONTRACTOR Bank Account and ACH transferred into the COUNTY Bank Account.

- CONTRACTOR shall attempt to identify all unidentified payments within the thirty (30) calendar days of payment being received. If the CONTRACTOR cannot identify payment(s), the CONTRACTOR shall, by the fifth (5) business day of each following month, provide COUNTY/COURT with a report listing unidentified payments and attach any documents received with the payment (e.g., mailing envelope, enclosures). CONTRACTOR shall not issue any refunds on unidentified cases.
- CONTRACTOR shall not receive compensation on unidentified cases.

3.8.4 Incorrect Account Payments and Adjustments

On cases where CONTRACTOR applies payment to an incorrect account or case, CONTRACTOR shall provide COUNTY/COURT with a daily report listing the correct case where the payment should be applied. If payment should be refunded, CONTRACTOR shall provide supporting documentation.

- If CONTRACTOR transfers funds that are determined not to belong to a COUNTY/COURT referral, the CONTRACTOR shall provide documentation and submit a written request for refund.
- If CONTRACTOR believes that an adjustment to the COUNTY Bank Account is necessary, CONTRACTOR shall inform COUNTY/COURT of the following:
 - The amount in dispute
 - The reasons for the adjustments
 - Copies of any documentary evidence that supports CONTRACTOR'S claim

3.8.5 Cashier Variances / Discrepancies in Amounts Collected and Received

CONTRACTOR shall be responsible for all cashier variances, losses and other discrepancies between amounts collected and received by CONTRACTOR, such as shortages, counterfeit bills, etc. CONTRACTOR shall reimburse COUNTY/COURT for cashier variances, losses and any other discrepancies between amounts collected and received by CONTRACTOR on the day of collection.

3.8.6 Personal Check / Credit Card Verification

CONTRACTOR shall subject all personal checks received to a verification or authorization service (e.g., TeleCheck) to determine whether the personal checks submitted by debtors are valid and are covered by sufficient funds. CONTRACTOR shall obtain verification or authorization for every credit card transaction submitted by a debtor.

3.8.7 Returned Checks

In the event a debtor submits a personal check that is returned to CONTRACTOR Bank Account as non-sufficient fund checks ("NSF"), or because the checking account is closed, CONTRACTOR shall attempt to recover those funds. If CONTRACTOR is unable to recover the funds within thirty (30) calendar days, CONTRACTOR may then recover monies on a Deposit Reconciliation by listing the NSF amount(s). The CONTRACTOR may assess a returned check fee not to exceed \$25 dollars in return checks.

CONTRACTOR shall submit to COUNTY/COURT a detailed NSF report by individual court locations that includes, at minimum, the following:

- Defendant name
- Citation/Case number
- NSF amount
- Receipt number

3.8.8 Credit Card Fees, Collection Costs, etc.

CONTRACTOR shall not pass any other additional fees not referred by COUNTY/COURT (e.g., collection costs, check verification fees, credit card fees, etc.) on to the debtor or COUNTY/COURT with one exception:

- Any associated costs incurred by the CONTRACTOR in instituting the involuntary payment actions listed in Section 3.6.2 may be passed on to the debtor.

3.8.9 Segregation of Accounts

The CONTRACTOR shall segregate all accounts referred by COUNTY/COURT from all other CONTRACTOR accounts (see Section 3.8.1 – Transfer of Funds). All information relating to the accounts referred and assigned shall be kept confidential and shall not be open to examination for any purpose not directly connected with the servicing of the accounts by the CONTRACTOR.

The CONTRACTOR must track accounts by court locations and category of account. (Refer to Section 1.3.1 – Referral Data).

3.8.10 Internal Control Procedures

3.8.10.1 Cash handling and record keeping duties shall be appropriately separated by assigning different CONTRACTOR staff responsible for each duty. Any cash received should be receipted immediately and put in a safe or other secured location.

3.8.10.2 CONTRACTOR shall restrictively endorse all checks and money orders when the mail is opened each day. Immediately after receiving, payments shall be logged into a Control Log showing the date of payment, payment instrument (e.g., check, money order, cash), debtor's name, amount received, case number (if available) and number of the payment instrument. The Control Log is reviewed and signed by an employee with supervisor rank or greater. Payments should be posted immediately to the CONTRACTOR computer system and a system generated receipt report is reviewed and signed by a supervisor matching to the Control Log. The actual checks and money orders should be locked in a secure location with restricted or limited access until deposited during or at the end of the day. This location should remain locked during the day. Two (2) independent adding machine tapes, or other verification approved by COUNTY/COURT, should be run on the receipts and compared to actual cash and checks, and initialed by the two (2) mail openers.

3.8.10.3 All walk-in payments shall be receipted in the presence of the debtor by a CONTRACTOR employee who does not have the ability to post collections to debtor accounts.

- 3.8.10.4** Mail and walk-in payments shall be picked up by a CONTRACTOR employee for deposit in accordance with section 3.8.1, who does not have cash handling duties or access to accounting records. This requirement can also be satisfied by the use of a private courier service to pick up the mail and walk-in payments, which is to be arranged by the CONTRACTOR. CONTRACTOR shall not use COURT courier services. Mail should be opened by at least two (2) employees in order to document and verify the amount of mail payments. These employees should not have access to accounting records or be collectors.
- 3.8.10.5** CONTRACTOR shall use receipts that are electronically system generated and controlled but in the event of system incapacity, offer pre-numbered, multi-part forms with copies for the debtor, accounting offices and one retained as a control copy. Each copy must be marked for distribution. Receipts are to be issued by CONTRACTOR'S clerical/administrative staff not by CONTRACTOR'S collectors.
- Issued receipts shall be numerically controlled and kept in a secure place. Office management staff should maintain accountability for all receipt stock and all used and voided receipts.
 - A copy of the receipt must be given to the debtor by the CONTRACTOR'S clerical/administrative staff not by CONTRACTOR'S collectors. Signage should be posted in English and Spanish instructing the debtor to request and obtain a receipt from clerical/administrative staff.
 - Receipts shall be used in numerical order.
- 3.8.10.6** All cash is to be secured and the receipt used for posting purposes. Unidentified, post-dated and NSF checks shall be accounted for and listed on a separate log that provides a complete audit trail from receipt to disposition.
- 3.8.10.7** CONTRACTOR'S office management staff shall reconcile the amount of mail and walk-in payments to the total deposit each day. The office management staff shall receive one (1) copy of the mail payment's

tape and the amount of walk-in payments and compare them to the amount of the daily deposit slips and the post-dated and unidentified check logs.

- 3.8.10.8** CONTRACTOR shall submit written internal control procedures to COURT PM prior to commencement of contract. Written internal control procedures shall be maintained and periodically updated as necessary. CONTRACTOR personnel shall at least annually be instructed in said procedures. Office management staff shall continuously monitor operations to ensure compliance therewith. New employees shall be instructed within the first two (2) weeks of hire.

3.9 DEBTOR SERVICES

3.9.1 Telephone Services

CONTRACTOR shall provide a toll-free telephone number (e.g., 800 area code, etc.) so that debtors may be able to:

- Obtain information on the debt, such as status, amount due, payment options, etc.
- Schedule a court appearance
- Remit payment
- Establish a payment plan

CONTRACTOR shall provide an option that offers multilingual translation services in Spanish, Armenian, Chinese Mandarin, Korean and Vietnamese, provided by either multilingual collection staff and/or third-party services (e.g., Certified Languages, Inc.).

CONTRACTOR shall also provide a toll-free telephone number (e.g. 800 area code, etc.) for the hearing impaired with a telecommunication device (TTY/TDD) that offers the services specified above.

CONTRACTOR'S telephone services shall be available 24 hours a day, 7 days a week.

3.9.2 Internet Services

CONTRACTOR shall create and maintain a comprehensive website that allows a debtor to create and update personal account profile(s), make payment(s), enter into installment payment plans and check balance(s) via the internet on the CONTRACTOR'S website.

COUNTY/COURT may approve the website's form, functionality and available content and CONTRACTOR shall make programming changes and updates at the direction of COUNTY/COURT. CONTRACTOR'S website shall maintain full compliance with applicable statutes and guidelines.

CONTRACTOR and COUNTY/COURT shall develop and maintain a website link between COUNTY/COURT and CONTRACTOR'S website.

3.9.3 Office Locations and Services

CONTRACTOR shall have at least one (1) fully operational business office by the end of the Transition Period (see Section 4.0 – Implementation of Service). The business office shall be open Monday through Friday from 8:00 a.m. through 9:00 p.m. PST. In addition, the business office shall be open from 8:00 a.m. through 12:00 p.m. PST on Saturdays, and shall offer the following services which allow debtors to:

- Obtain information on the debt, such as status, amount due, payment options, etc.
- Schedule a court appearance
- Establish a payment plan
- CONTRACTOR shall provide multilingual translation in Spanish, Armenian, Mandarin Chinese, Korean and Vietnamese by own staff and/or third-party service (e.g. Certified Languages, Inc., etc.).

Business office hours may be modified with the approval of County/Court.

3.9.4 Debtor Refunds – Issuance and Determination of a Debtor Refund & Collection Fees on an Account when Monies are refunded

COURT has the sole authority to issue debtor refunds and determine whether a refund is due. If CONTRACTOR believes that a refund should be issued to a debtor, CONTRACTOR shall provide COUNTY/COURT with the following information:

- The debtor's name, receipt and account numbers
- The amount in dispute
- The reasons for the refund
- Supporting documentation
- COUNTY/COURT will not compensate CONTRACTOR for services in the event COUNTY/COURT refunds the entire amount of collected money to a debtor (see Section 3.13.3 -

Invoices which include Account NSF Checks, or Account with a Debtor Refund).

- In the event of a partial refund, the Collection Fee shall be adjusted to the amount of collected money retained by COUNTY/COURT.

3.9.5 Customer Service

3.9.5.1 Debtor Comment Line

CONTRACTOR shall set-up a message/survey line so that customers may leave voice mail messages/take survey regarding CONTRACTOR’S customer service. All voice mail messages/surveys received shall be retained for a period of five (5) years and be available for review by COUNTY/COURT as requested. All

associated fees shall be at the expense of contractor.

3.9.5.2 Complaints

- The term “complaint” refers to any written, electronic or verbal protest lodged by a debtor, which alleges that CONTRACTOR, or one of its employees, engaged in inappropriate, unfair or harsh method(s) of collection, or conduct.
- In the event CONTRACTOR receives any verbal complaint, the CONTRACTOR shall immediately notify the COURT PM by telephone or email. The verbal notification shall be followed up in writing within three (3) business days.
- In the event the CONTRACTOR receives any written complaint, the CONTRACTOR shall immediately notify the COURT PM by telephone or email. The CONTRACTOR shall provide the COURT PM with a copy of any written complaint within three (3) business days of receipt.
- CONTRACTOR shall promptly investigate all complaints and provide a written report to the COURT PM regarding the disposition of each verbal and written complaint within fourteen (14) business days of receiving the complaint. At minimum the report shall include the following:
 - A copy of the complaint (if applicable)
 - Identification by name of CONTRACTOR employee(s)
 - Results of the investigation

- A statement describing the corrective action taken to resolve and avoid a reoccurrence of such a complaint, if applicable
- A response letter to the customer when directed by the COURT PM, if applicable
- CONTRACTOR shall also maintain a Complaint Tracking Log (Attachment A) and a system to track complaints to the individual accounts and CONTRACTOR employee(s) handling the account. CONTRACTOR shall provide copy of the log to the COURT PM each month covering the prior month's activities.

3.9.6 Dispute of the Outstanding Balance

In the event a debtor disputes the bail on an Infraction/ Misdemeanor with Unadjudicated Bail, CONTRACTOR shall verify the case records with the Revenue Enhancement Unit and upon verification, continue with collection activities. If debtor continues to dispute, CONTRACTOR will inform the debtor that they may schedule a court appearance to dispute the balance/amount.

CONTRACTOR shall suspend all collection activities immediately when the debtor schedules a court appearance. Collection activities shall resume only when directed by COUNTY/COURT (see Section 3.5 - Court Appearances).

3.9.7 Claim of Death

Upon receipt of a certified copy of a death certificate, CONTRACTOR shall forward to COUNTY/COURT a copy of the correspondence and the certified copy of the death certificate and deem the account uncollectible.

CONTRACTOR shall verify claims of death for which a certified copy of a death certificate is not received against the Social Security Administration Master Death File.

3.9.8 Claim of Incarceration

In the event the debtor submits documentary evidence which indicates that the debtor is incarcerated, CONTRACTOR shall forward to COUNTY/COURT a copy of the correspondence and the documentary evidence. Collection activities shall be suspended if the debtor is determined to be incarcerated 364 days or less. CONTRACTOR shall resume collection activity at the end of the incarceration period. For debtors incarcerated 365 days or more, the

account shall be deemed uncollectible and returned to the COUNTY/COURT.

3.10 TRANSMISSION OF ACCOUNT INFORMATION

3.10.1 Data transmissions mentioned below will be processed by real-time application programming interface (“API”) and/or an automated batch process by electronic file transfers. CONTRACTOR shall provide daily back-up provisions for electronic data. COURT will refer account information from multiple automated case management and information systems with multiple file layouts including but not limited to:

- Tyler Technologies’ Odyssey case management - source of Infractions and Misdemeanors with Adjudicated and Unadjudicated Bail and Fine accounts and child custody evaluation fees.
- Journal Technologies’ eCourt case management – source of civil, juror and attorney sanctions.
- The Collection Data Base System (“CDBS”) - source of Adjudicated misdemeanor and felony delinquent accounts.
- Payment information from accounts referred via Odyssey will be entered into the case management system.
- Payment information from accounts referred via eCourt will be entered into the case management system.
- Payment information from accounts referred via CDBS will be entered into the CDBS.

CONTRACTOR shall modify data transmission specifications, procedures and protocols when requested by COUNTY/COURT.

CONTRACTOR shall have the capability to develop and test the necessary interfaces with the COUNTY/COURT CMS prior to July 1, 2020. CONTRACTOR shall not be compensated for any development or programming changes necessary to be able to interface with the COUNTY/COURT CMS and fulfill the requirements of this SOW.

3.10.2 Data entry of hard copy format

CONTRACTOR shall be required to data input into their system any account information specified and referred by COUNTY/COURT that is in hard copy format.

3.10.3 Determination of the Data to be Transmitted, Transaction Codes, etc.

- All data exchanges described in the processes below must be in compatible information system interfaces, specifications, code and formats as specified by COUNTY/COURT.
- The field definitions and specifications, data to be transmitted, and transaction codes for all the account information and/or electronic files listed below will be determined by COUNTY/COURT and CONTRACTOR.

3.10.4 Referral Information – Referrals from Case Management System (CMS)

- COUNTY/COURT, at its discretion, shall refer delinquent accounts from the CMS to CONTRACTOR.
- COUNTY/COURT may refer delinquent accounts to CONTRACTOR by using the Odyssey Configuration Integration Publisher that allows COUNTY/COURT to send information directly to CONTRACTOR's web service endpoint in the form of an XML message for CONTRACTOR's consumption or by using a collections export file batch process determined by COUNTY/COURT. Illustrative sample is provided for in (Attachment B).
- COUNTY/COURT may refer delinquent accounts to CONTRACTOR by using eCourt API interfaces that allows COUNTY/COURT to send information directly to CONTRACTOR's web service endpoint in the form of an XML message for CONTRACTOR's consumption or by using a collections export file batch process determined by COUNTY/COURT.
- COURT Referrals shall correspond to CMS referral file specifications and may be subject to change.

3.10.5 Re-Referral Information – Re-Referrals from CMS

- COUNTY/COURT shall re-refer debtors who have scheduled a court appearance through CONTRACTOR and subsequently failed to appear in court.
- COUNTY/COURT shall either re-refer debtors through the CMS referral file, or through an alternate mechanism developed by CONTRACTOR and COUNTY/COURT.

3.10.6 Referral Information – Referrals from CDBS

- COUNTY/COURT shall refer accounts from CDBS to CONTRACTOR through a mechanism developed by CONTRACTOR and COUNTY/COURT.

- Referrals shall correspond to CDBS referral file specifications and may be subject to change. Illustrative sample is provided for in (Attachment C).

3.10.7 Payment Information

The sum of all payments on file transmissions, manual and electronic, must equal the amount deposited into the COUNTY Bank Account, the sum of all the deposit slips, and the sum of all the payments listed on the payment report (see Section 3.13.6 - Payment Reports).

3.10.8 Payment Information – For Accounts Referred via CMS

- At a frequency to be determined, but no less than once daily, CONTRACTOR shall submit current payment information to COUNTY/COURT via a mechanism developed by CONTRACTOR and COUNTY/COURT.
- CONTRACTOR may notify COUNTY/COURT of payment information by submitting information required by Odyssey API web services or by submitting a payment import file specified by COUNTY/COURT. For API interface, the Odyssey Integration Toolkit web services will use the information to update appropriate Odyssey components. Illustrative sample is provided for in (Attachment D).
- CONTRACTOR may notify COUNTY/COURT of payments collected by submitting information required by eCourt API web services or by submitting a payment import file specified by COUNTY/COURT. For API interface, the eCourt web services will use the information to update appropriate eCourt components. The payment file shall correspond to CMS file specifications and may be subject to change.

3.10.9 PAYMENT Information – For Accounts Referred via CDBS

- Once each day, CONTRACTOR shall submit current payment information to COUNTY/COURT via electronic file and/or computer tape.
- The payment file shall correspond to CDBS specifications and may be subject to change. Illustrative sample is provided for in (Attachment E).

3.10.10 Uncollectible Information – For Accounts Referred via CMS

- Once each month, CONTRACTOR shall return accounts deemed uncollectible to COUNTY/COURT via electronic file.

- CONTRACTOR shall return such accounts to COUNTY/COURT with any updated account information obtained (e.g., addresses, telephone numbers, Social Security Numbers, etc.).
- The uncollectible file shall correspond to COUNTY/COURT CMS specifications.

3.10.11 Uncollectible Information – For Accounts Referred via CDBS

- Once each month, CONTRACTOR shall return accounts deemed uncollectible to COUNTY/COURT via electronic file and/or tape.
- CONTRACTOR shall return such accounts to COUNTY/COURT with any updated account information obtained (e.g., addresses, telephone numbers, Social Security Numbers, etc.).
- The uncollectible file shall correspond to CDBS and/or COUNTY/COURT CMS specifications. A mechanism to provide this information to COUNTY/COURT will be developed by CONTRACTOR and COUNTY/COURT.

3.10.12 Court Appearance Information

At minimum once each day or a frequency specified by COUNTY/COURT, CONTRACTOR shall submit court appearance information. A mechanism to provide this information to the individual locations will be developed by CONTRACTOR and COUNTY/COURT.

3.10.13 Updated information to CONTRACTOR on COUNTY/ COURT Accounts

As needed, COUNTY/COURT will inform CONTRACTOR with any updated account information. A mechanism to provide this information to CONTRACTOR will be developed by CONTRACTOR and COUNTY/COURT.

3.10.14 Updated Information on COUNTY/COURT Accounts from CONTRACTOR

- At minimum once each day or a frequency specified by COUNTY/COURT, CONTRACTOR shall submit updated account information obtained (e.g., addresses, telephone numbers, Social Security Numbers, etc.).
- At minimum once each day or a frequency specified by COUNTY/COURT, the Updated Account Information File shall correspond with the CMS and/or CDBS specifications,

and/or other alternative formats as specified by COUNTY/COURT.

3.10.15 Modification of file layouts

COUNTY/COURT has the right to modify file layouts identified above and COUNTY/COURT shall provide CONTRACTOR with new file layouts and a reasonable time period to implement.

3.11 COLLECTIONS ON-LINE REQUIREMENTS

3.11.1 CONTRACTOR shall provide each COURT location with “On-line” access, or a direct computer link to CONTRACTOR’S referred account database

- COURT locations with CONTRACTOR’S staff assigned (see Section 6.2.2 – CONTRACTOR’S Personnel at Various COURT Locations) will require full access to the CONTRACTOR’S computer system (e.g., input, inquiry, etc.)
- Specified COURT locations without CONTRACTOR’S staff assigned will require inquiry access only to the CONTRACTOR’S computer system.

3.11.2 On-line Capabilities

At minimum the on-line system shall provide the following information:

- Account Number
- Debtor Name
- Debtor Address
- Identifying Information (e.g., Date of Birth, Driver’s License Number and Social Security Number)
- Court Appearance Date
- Updated/Current Address (e.g., addresses found via Skip Tracing)
- Account Status (e.g., Paid, Open, Closed, Withdrawn, Uncollectible)
- Amount Due
- Amount Paid
- Balance Due
- Last Date of Payment
- Last Notice Date
- Account History
- General Comments

3.11.3 CONTRACTOR shall perform daily update and back-up on all account information systems accessed by on-line terminals at COURT locations.

3.12 FEES FOR SERVICES

3.12.1 Invoices

CONTRACTOR shall invoice COUNTY/COURT only for collection fees for services that have resulted in the remittance of financial instruments (e.g., cash, checks, credit card remittances, etc.) to CONTRACTOR and subsequent deposit of the financial instruments into COUNTY Bank Account. CONTRACTOR shall not be compensated for activities on accounts for which debtor payments are not obtained.

CONTRACTOR shall be compensated only for services that result in the collection of revenue. COUNTY/COURT will not compensate CONTRACTOR for expended services in the event debtor payment is not obtained.

The amount of the CONTRACTOR'S invoices shall be calculated in accordance with the following formula: Commission Rate (%) x total collections deposited into COUNTY Bank Account during the period of the invoice.

CONTRACTOR shall submit to COUNTY/COURT an invoice each month by the 5th business day of the month for the prior month's deposits to the COUNTY Bank Account. Invoice shall be presented to COUNTY/COURT under the conditions and with the information set forth in Section 3.13.1 – Cycle for Submission of Invoices. An invoice without the required information will not be approved for payment.

All invoices submitted by the CONTRACTOR for payment must have the written approval of the COURT PM prior to any payment thereof. In no event shall COUNTY/COURT be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld, and in no instance will such approval take more than three (3) weeks from receipt of properly prepared invoices by the COURT PM.

3.12.2 Payment on Accounts with a Court Appearance after referral

In the event a debtor appears in court and subsequently pays the debt, COUNTY/COURT will compensate CONTRACTOR the amount that is adjusted (e.g., if a debtor's balance is reduced from

\$550.00 to \$350.00 at a court appearance, and payment is made, the Collection Fee will be based on the new court ordered amount).

3.12.3 Dismissed Accounts

CONTRACTOR shall not receive compensation on any account that has been dismissed or suspended at a court appearance wherein a subsequent court fee has been imposed or otherwise dismissed or suspended by judicial order

CONTRACTOR shall not receive compensation on an account where community service has been granted in lieu of fine.

3.12.4 Failure to Pay Accounts

- CONTRACTOR shall not receive compensation on an account in the event a debtor fails to pay the debt after a court appearance.
- COUNTY/COURT reserves the right to take actions deemed necessary to recover debt from a debtor who has failed to pay after a court appearance.
- CONTRACTOR shall not receive compensation in the event that COUNTY/COURT, one of its agents, or another service provider, recovers revenue on a debtor who failed to pay the debt after a court appearance.

3.12.5 Partial Payments/Prorated Fees

The Commission Rate shall be based on the amount of gross revenue collected. For example, if a partial payment is made, commission shall only be paid on the partial payment amount.

3.12.6 Payment on Accounts Deemed Uncollectible, or Withdrawn by COUNTY/COURT

COUNTY/COURT will not compensate CONTRACTOR for an account collection if the debtor’s payment, in whole or part, is received by COUNTY/COURT, one of its agents, another service provider, or the CONTRACTOR after an account has been returned by CONTRACTOR to COUNTY/COURT as Uncollectible or for accounts withdrawn by the COUNTY/COURT.

3.12.7 Accounts with NSF Checks

- CONTRACTOR shall not receive compensation for services in the event a debtor submits a NSF check or a chargeback is received on a debit/credit card transaction.
- Bank imposed NSF check fees charged to the CONTRACTOR may be added (maximum of \$25.00) to the

account balance. CONTRACTOR may attempt to collect bank imposed fees after the COURT referral amount is satisfied. CONTRACTOR shall not receive compensation from COUNTY/COURT on NSF check fees charged to the CONTRACTOR. CONTRACTOR shall not transmit or pass bank-imposed fees to COUNTY/COURT.

- CONTRACTOR is not entitled to commission on bank-imposed fees.

3.13 REVENUE RECOVERED BY CONTRACTOR

CONTRACTOR shall not deduct its fee directly from any collected revenue. CONTRACTOR shall receive payment from COUNTY/COURT by submitting an invoice as identified in Section 3.12 of this SOW.

3.13.1 Cycle for Submission of Invoices CONTRACTOR shall submit an invoice once per month. Invoices shall only include collection fees

- Invoices must correspond with and include, an itemized list of the ACH transfers into the COUNTY Bank Account made during the billing cycle.
- The invoice should be itemized by case and include, at a minimum, the following information:
 - Case Number
 - Client Code
 - Date Paid
 - Debtor Name
 - Amount Referred
 - Amount Paid on the Invoice
 - Total Amount Paid to Date
 - CONTRACTOR'S Commission Cost on Current Payment
 - CONTRACTOR'S Total Commission Cost Charged to Date
 - Civil Assessment Amount Collected
 - Total Civil Assessment Amount Collected to Date
 - Fine Amount Enclosed
 - Total Fine Amount Collected to Date
 - Balance Due
- The invoice must be subtotaled for each COURT location.

3.13.2 Revenue Recovered after a Court Appearance

- CONTRACTOR'S invoices shall not include accounts which were set for a court appearance.
- In the event revenue is collected by COURT on accounts that were set for a court appearance, CONTRACTOR shall

provide supporting documentation of the payment as instructed by COUNTY/COURT. COUNTY/COURT will determine the total amount to be compensated for each monthly billing cycle, and will compensate CONTRACTOR accordingly.

3.13.3 Invoices which include Accounts with NSF Checks, Chargebacks or Accounts with a Debtor Refund:

- COUNTY/COURT will not compensate CONTRACTOR for services provided on accounts with NSF checks, chargebacks or debtor refunds.
- In the event of a partial refund, COUNTY/COURT will remit to CONTRACTOR a collection fee that is adjusted to the amount of collected money retained by COUNTY/COURT.
- In the event invoices include accounts with NSF checks, chargebacks or debtor refunds, COUNTY/COURT will deduct the amounts of the NSF checks, chargebacks or the debtor refunds from the invoice.
- In the event CONTRACTOR is compensated for accounts with NSF checks, chargebacks or debtor refunds, COUNTY/COURT will deduct the appropriate remitted amount from CONTRACTOR'S next invoice.

3.13.4 Reporting Requirements

At a minimum, the CONTRACTOR shall generate and provide the following reports to COUNTY/COURT no later than the tenth business day of each month:

- A summary listing of accounts by account type referred in a given month;
- A summary description of account activity and status. This report should include, but may not be limited to the following: case number, status, amount due, amount paid, balance, collection activities and court appearances;
- A summary description of month-to-date and year-to-date performance. This report should include, but may not be limited to: amount referred, amount collected, amount outstanding, amount adjudicated by the court, rate of collection, open accounts and paid accounts;
- The number of accounts with civil assessment added to the fine/bail;
- The number of debtors that paid their account in full within ten (10) days of the CONTRACTOR'S first collection letter;

- Gross and net placements and gross revenue collected;
 - The number of court dates set by the CONTRACTOR by individual court location;
 - The number of installment plans received and initially set up;
 - The average installment payment amount;
 - The number of calls made by CONTRACTOR;
 - The number of calls received by CONTRACTOR;
 - The number of collection letters sent by CONTRACTOR;
 - The number of letters returned undeliverable;
 - A detailed listing of all accounts deemed to be uncollectible;
 - On an as-needed basis, provide a report, which lists all currently active accounts for which collection is still being pursued.
- The format and appearance of the above reports will be determined by COUNTY/COURT.
 - COUNTY/COURT reserves the right to request additional ongoing and or ad hoc reports as deemed necessary.
 - Realtime daily dashboard

3.13.5 Judicial Council of the Court (JCC) Report

On an annual basis, the Superior Courts of the State of California and the Counties of the State of California are required to complete and submit to the JCC a *Collections Reporting Template* with aggregate referred and collected amount for all COUNTY/COURT collections programs to which Contractor is providing collections services. At no additional costs to COUNTY/COURT, CONTRACTOR shall provide the required data to COUNTY/COURT. The current data that needs to be provided is included in the Collections Reporting Data (Attachment F – subject to change).

3.13.6 Payment Reports

Once each business day, CONTRACTOR shall submit a hard copy payment report to COUNTY/COURT.

- The sum of all the payments listed on the payment report must equal the amount transferred via ACH into the COUNTY Bank Account, the sum of all the payments on the electronic file and/or payment tapes.
- The payment report shall provide a detailed list of all debtors who paid, including, but not limited to the following elements:

- Receipt number
- Client code
- Account number
- First and last names
- Type of financial instrument used to make payment (e.g., cash, checks, credit cards, etc.)
- Amount paid
- The payment report should be sorted by receipt number.
- The payment report shall include grand totals for the number of accounts paid and the amounts collected.
- In the event no payments were received, CONTRACTOR shall submit a payment report, which indicates that no payments were received.

3.14 Return of Accounts

Upon termination of the Contract by either COUNTY/COURT or CONTRACTOR, CONTRACTOR shall return to COUNTY/COURT all accounts, and copies of records and information in their possession relating to said accounts such as refreshed addresses, which were obtained by CONTRACTOR.

- 3.14.1** Accounts and related information will be returned in the formats specified in Section 3.10 -Transmission of Account Information, or in alternative formats as specified by COUNTY/COURT.
- 3.14.2** At the end of the Contract period, CONTRACTOR shall promptly return to COUNTY/COURT all previously referred accounts and all records and/or files pertaining to such accounts. In no case shall CONTRACTOR continue working the accounts and no commissions will be paid on monies received by the CONTRACTOR from the debtors upon termination of the Contract.
- 3.14.3** All account payment funds received by CONTRACTOR after contract termination shall be forwarded to COUNTY/COURT within three (3) business days of receipt. Any post-dated checks in CONTRACTOR'S possession will be voided and given to COUNTY/COURT to arrange for replacement from the maker(s).
- 3.14.4** Any legal actions in progress at the time of contract termination shall be provided to COUNTY/COURT within fifteen (15) days of termination.

3.14.5 Within forty-five (45) days of termination of this Contract, CONTRACTOR shall submit to COUNTY/COURT, in the form and with the certification and reports as may be prescribed by COUNTY/COURT, its termination claim and invoice. Upon failure of CONTRACTOR to submit its termination claim and invoice within the time allowed, COUNTY/COURT may determine, on the basis of information available to COUNTY/COURT, the amount, if any, due to CONTRACTOR in respect to the termination. Such determinations shall be final. After such determination is made, COUNTY/COURT shall pay CONTRACTOR the amount so determined.

3.14.6 CONTRACTOR shall house and maintain all records related to their Contract performance for a minimum of five (5) years after contract termination at their office(s). COUNTY/COURT will have the right to inspect these records at any time within this five (5) year period.

3.15 COLLECTION AMNESTY PROGRAM

Pursuant to any enacted California Statute(s) providing amnesty debt relief on delinquent debt(s) to specified individuals, COUNTY/COURT shall establish an amnesty program that will be administered in its entirety by the CONTRACTOR as directed by COUNTY/COURT.

As directed by COUNTY/COURT, CONTRACTOR shall segregate and perform collection activity on accounts eligible for amnesty.

CONTRACTOR shall accept only the amount authorized/specified by the COUNTY/COURT as full payment.

CONTRACTOR shall segregate and process payments received during the amnesty program in the same manner as described in Section 3.8 and/or as required by Judicial Council guidelines.

As required by Judicial Council guidelines, CONTRACTOR shall provide the required reporting of data of the Amnesty Program to COUNTY/COURT. (Attachment G). The CONTRACTOR shall be compensated only on the amount collected.

3.15.1 Advertising and Marketing Campaign

The CONTRACTOR shall provide advertising and marketing services for an Amnesty Program appropriate to the community, including but not limited to:

- Public Service Announcements (PSA) developed for the local community in radio and/or television (e.g. Spanish and other languages) with a message approved by COUNTY/COURT;

- Traditional advertising media services such as newspapers, magazines, posters, hand-out material, and mailed notices;
- Modern social media such as Twitter and Facebook;
- A plan for the utilization of the above communication methods beginning not less than 90 days prior to the start of any program.

All proposed advertising and marketing services are to be pre- approved by COUNTY/COURT.

3.15.2 Reporting Requirements

CONTRACTOR shall comply with the reporting requirements set forth in any statute and in compliance with Judicial Council guidelines.

CONTRACTOR shall also provide real-time reports required by COUNTY/COURT through a dashboard that is accessible by the COUNTY/COURT. The dashboard shall include, but not be limited to, the following information:

- Account inventory
- Aged Inventory Report
- Collections year-to-date
- Collections month-to-date
- Collections based on age of case referral
- Number of accounts on payment plan
- Number of accounts defaulted on payment plan
- Number of accounts with no contact
- Number of accounts with no payments
- Number of accounts paid in full
- Deceased, incarcerated and other inactive statuses

The information above shall be available by litigation area. The CONTRACTOR shall provide sample reports to COUNTY/COURT for approval prior to the implementation.

3.15.3 Acknowledgement Report

Upon request, CONTRACTOR shall provide a complete list to the COUNTY/COURT of all accounts by account category each time the COUNTY/COURT refers accounts to CONTRACTOR. The report shall be provided within two (2) business days following the date the CONTRACTOR can access the referral, and will list as applicable:

- Party ID
 - Debtor's name
 - Case number
-

- Bail or fine due date
- Amount of bail or fine referred

3.15.4 Daily Payment Transmittal Report

Upon request, CONTRACTOR shall provide the COUNTY/COURT a daily payment information report, on the next business day, reflecting the prior day's payments. The daily payment transmittal report will include a listing of every account upon which payment has been made, and for each such account, where applicable:

- Party ID
- Debtor's name
- Case number
- Total paid
- Installment paid (if applicable)
- Amount paid with personal check that has not yet cleared

3.15.5 Daily Adjustment Report

Upon request, on the business day following the processing of any adjustment on any account, CONTRACTOR will provide the COUNTY/COURT with a daily report of each account where an adjustment has been made to any amount referred or owed. In addition, the report will summarize each day's adjustment reasons by category of "Cash" or "Non-Cash." Examples of adjustment reasons are as follows:

(a) Cash-related Adjustment

- ~Returned Check
- ~Misapplied Payment
- ~Overpayment

(b) Non-Cash related Adjustment

- ~Referred in error by COURT
- ~Incorrect referral amount
- ~Payment collected by COURT (only in the event of payment taken by COURT since all forms of payments should be directed to the CONTRACTOR).

3.15.6 Account Status Report

Within five (5) business days after the end of each calendar month, CONTRACTOR will provide COURT with a complete listing of all such COURT accounts, by location, currently held by the CONTRACTOR. The report shall be in an electronic media that does not require the CONTRACTOR or COURT to produce a hard copy report. The account status report will include all relevant information deemed necessary by COUNTY/COURT and include at minimum where applicable, 1) party ID; 2) debtor's name; 3) case number; 4) bail or fine amount referred; and 5) total payment and adjustments

6) installments; 7) fines/fees and assessments reduced. The account status report will be sorted alphabetically by debtor's last name.

3.15.7 Transition Services

Upon termination of the Amnesty Program, CONTRACTOR shall continue to forward all payments received on any accounts referred by COUNTY/COURT. If payment activity continues on an account after termination and said account does not default from the program, the payments are forwarded to the COUNTY/COURT until satisfaction of the debt according to program parameters and the COUNTY/COURT will pay CONTRACTOR the commission rate identified for the Amnesty Program. If upon termination of the Amnesty Program there is no payment activity on account for 90 days and said account is in default of the Amnesty Program, the CONTRACTOR will cease collection activity and refer account to the Franchise Tax Board Court Ordered Debt collection program. CONTRACTOR will not receive commission from payment on accounts referred to other agencies or collection entities after termination of the Infracrion Amnesty Program.

3.16 SPECIAL COLLECTIONS PROGRAMS

COUNTY/COURT will provide specifications for collection programs unique to COUNTY/COURT and CONTRACTOR shall implement and administer the programs as directed.

3.16.1 One-Third Down

As directed by COUNTY/COURT, CONTRACTOR shall offer an installment payment plan requiring a minimum one-third down payment of the outstanding delinquent balance on FTA and FTP infractions with remainder balances collected over four (4) monthly installment periods. Upon payment of the initial down payment, CONTRACTOR shall notify COUNTY/COURT to initiate a driver's license hold release to the DMV (if applicable).

3.16.2 Manual Fines/Fees Referrals

As directed by COUNTY/COURT, CONTRACTOR shall accept manual referrals of certain fines/fees by maintaining a transmittal log and data entering case information received from COUNTY/COURT via hard copy. Upon collecting payment, CONTRACTOR will submit a report listing the case number, defendant's name, court location, payment date, receipt number, and amount paid (full or partial). Payment processing shall follow procedures specified in section 3.8 Processing Debtor Payments.

4.0 IMPLEMENTATION OF SERVICE

4.1 IMPLEMENTATION DEADLINE

CONTRACTOR shall meet and implement the full range of services and requirements described in this SOW within four (4) weeks of the Los Angeles COUNTY Board of Supervisors' approval of the contract between COUNTY/COURT and CONTRACTOR.

4.2 INTERFACE WITH COURT CASE MANAGEMENT SYSTEMS

CONTRACTOR shall have the capability to develop and test the necessary interfaces with the COUNTY/COURT CMS prior to July 1, 2020. However, depending on the availability of COURT resources necessary to implement the programming changes to support referrals to multiple primary vendors, initial referrals to CONTRACTORS may be implemented on a staggered basis.

4.3 TRANSITION PLAN

CONTRACTOR must provide a transition plan detailing how they will implement the full range of services and requirements described in this SOW within fifteen (15) business days after contract execution.

5.0 COUNTY/COURT RESPONSIBILITIES

5.1 COUNTY PROJECT DIRECTOR

COUNTY/COURT shall appoint a COURT Project Director ("CPD") that will have overall responsibility for managing the Contract and the work to be performed by the CONTRACTOR.

5.1.1 CPD Functions

The CPD shall perform the following functions:

- Ensure that the objectives of this Contract are met.
- Provide direction to CONTRACTOR in areas related to COUNTY/COURT policy, information requirements and procedural requirements.
- The CPD will not be authorized to make any changes in any of the terms and conditions of this Contract and will not be authorized to further obligate the COUNTY/COURT in any respect whatsoever.

5.2 COURT PROJECT MANAGER

COUNTY/COURT shall appoint a COURT Project Manager (“Court PM”) that will have responsibility for the day-to-day management of the work to be performed. The Court PM shall be the primary contact person between the COUNTY/COURT and the CONTRACTOR and shall confer with the CONTRACTOR’S Project Manager on a regular basis.

5.2.1 COURT PM Functions

The Court PM shall perform the following functions:

- Oversee the deliverables and invoices from CONTRACTOR.
- Review, approve and recommend all correspondence related to this Contract.
- Approve the assignment of CONTRACTOR’S Project Manager and employees. The Court PM may request the removal of the CONTRACTOR’S Project Manager and/or other employee if the Court PM determines that it is in the best interest of the COUNTY/COURT.
- Monitor, evaluate and prepare periodic reports on CONTRACTOR’S performance.
- Provide instruction to CONTRACTOR’S Project Manager regarding clerical staff facility assignments in accordance with Section 6.2.2 – CONTRACTOR’S Personnel at Various Locations.
- The Court PM will not be authorized to make any changes in any of the terms and conditions of this Contract and will not be authorized to further obligate the COUNTY/COURT in any respect whatsoever.

5.3 COLLECTIONS WORK AREAS AND TELEPHONE LINES

If COUNTY/COURT determine that CONTRACTOR is to provide staff at designated high-volume courthouses that would benefit from having CONTRACTOR staff on-site, COURT will provide CONTRACTOR on-site staff with work areas and telephone lines. COURT will permit CONTRACTOR’S employees access to COURT lunch rooms and restrooms where available.

6.0 CONTRACTOR’S RESPONSIBILITIES

6.1 CONTRACT PROJECT MANAGER

- 6.1.1** CONTRACTOR must provide and name a Contract Project Manager (“Contract PM”) who shall act as a liaison for the CONTRACTOR and will have full authority to act on behalf of the CONTRACTOR in all matters related to the daily operation of the contract. The

CONTRACTOR'S Contract PM must have at least five (5) years' experience managing collection projects of similar scope and complexity for courts or government agencies.

- 6.1.2** CONTRACTOR'S Contract PM shall be available to the Court PM for on-site consulting. CONTRACTOR'S Contract PM shall attend at minimum monthly meetings to discuss and resolve problems at the direction of COURT PM.
- 6.1.3** CONTRACTOR'S Contract PM shall work with the Court PM to resolve any potential areas of difficulty before a problem occurs.
- 6.1.4** CONTRACTOR shall name a backup Contract PM. The CONTRACTOR'S backup Contract PM must have at least five (5) years' experience managing collection projects of similar scope and complexity for courts or government agencies. In the absence of CONTRACTOR'S Contract PM, the backup Contract Project Manager shall be available via telephone between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday.
- 6.1.5** CONTRACTOR'S Contract PM shall respond within twenty-four (24) hours to requests made by COUNTY/COURT between 8:00 a.m. and 5:00 p.m., Monday through Friday, and at other times as requested by the COURT PM.
- 6.1.6** The CONTRACTOR shall inform the COURT PM in writing of the name, address and telephone number of the individual designated to act as Contract PM and his/her backup.
- 6.1.7** CONTRACTOR shall provide the COURT PM with a current list of employees/management assigned to this contract, within five days after contract approval and at a minimum, every month to keep this list current during the term of this Contract.
- 6.1.8** CONTRACTOR shall provide small combination safe(s) for the CONTRACTOR'S clerical staff to store their revolving funds and any monies collected.
- 6.1.9** CONTRACTOR shall provide a representative for COURT collection meetings, as requested by the COURT PM.
- 6.1.10** CONTRACTOR shall advise the COURT PM at a minimum of three (3) business days before terminating or suspending any CONTRACTOR clerical staff assigned to work at a COURT location.

6.1.11 CONTRACTOR shall maintain membership with the California Association of Collectors during the term of the Contract.

6.2 CONTRACTOR'S PERSONNEL

6.2.1 CONTRACTOR'S Personnel Requirements

CONTRACTOR'S personnel must meet the following requirements:

- CONTRACTOR shall have the sole right to hire, suspend, discipline, or discharge employees. However, any CONTRACTOR employee who is performing unsatisfactorily (in the opinion of the COURT PM) will be removed from service under this Contract immediately.
- Employee performing services for COUNTY/COURT must be over the age of eighteen (18).
- Employee performing services for COUNTY/COURT must fluently read, write, speak and comprehend English.
- Employee performing service at a COURT facility shall have a thorough knowledge of the work to be performed, the performance standards to be met, and the special needs of the COURT facility being served.
- CONTRACTOR'S employees shall not bring visitors into any COURT facility; shall not bring in any forms of weapons or contraband; shall not bring in any alcohol or drugs or be under the influence of alcohol/drugs; shall be subject to authorized search; shall conduct themselves in a professional manner at all times; shall not cause any disturbance in the facility; and otherwise are subject to all rules and regulations in accordance with applicable COUNTY/COURT policy.
- CONTRACTOR shall furnish and require every on-duty employee to wear a visible photo identification badge that identifies the employee by name, physical description and company. Such badge shall be displayed on employee's person at all times he/she is within the confines of COURT facilities.
- CONTRACTOR employees shall conduct services within the United States (US) geographic boundaries, and shall not use call centers or agents from non-US countries.

6.2.2 CONTRACTOR's Personnel at various COURT locations

CONTRACTOR must have the capacity to provide personnel at locations specified by COUNTY/COURT (Attachment H - court locations):

- CONTRACTOR shall provide full/part-time clerical staff to various COURT locations to assist in the processing of

accounts referred for collections in a manner that supports the volume of transactions processed at the location. In addition, the CONTRACTOR will provide sufficient clerical staff back-up and managerial staff as needed by COUNTY/COURT. CONTRACTOR'S staff must be trained in related aspects of CONTRACTOR'S business (e.g., CONTRACTOR'S automated systems).

- CONTRACTOR'S staff shall be responsible for the following types of assignments, including, but not limited to:
 - Assist clients at the window
 - Answer telephones
 - Receipt payments
 - Answer technical questions related to collections
 - Set court dates for clients
 - Troubleshooting issues
 - Provide COUNTY/COURT with weekly status reports
 - Provide other adhoc reports as requested by COUNTY/COURT
- COUNTY/COURT needs may vary. CONTRACTOR employees assigned to work at a COURT location may be reassigned to any COURT location by the COURT PM to ensure the needs of COUNTY/COURT are met. If coverage is needed, a staff replacement must be at the COURT job location within two (2) hours of being notified by COURT.
- CONTRACTOR will provide COUNTY/COURT the method for supervision of CONTRACTOR'S employees assigned to COURT locations.
- For each clerical staff, CONTRACTOR shall provide a personal computer at current industry standards and all necessary computer peripherals (e.g., printers, modems, etc.). In addition, CONTRACTOR shall provide clerical staff with all necessary office products (writing instruments, forms, file folders, fax machines as determined by COUNTY/COURT, etc.) to perform their job functions.

7.0 MONITORING OF CONTRACTOR'S PERFORMANCE

7.1 PERFORMANCE

Performance shall be monitored using monthly reports discussed in Section 3.13.4 (Reporting Requirements) and evaluated quarterly. In addition, COUNTY/COURT shall monitor the CONTRACTOR'S performance to the Contract based on, but not limited to, the Performance Requirements listed on the Quality Control Plan 2020 (Attachment I) and Deliverables (Attachment J).

7.2 NON-CONFORMANCE

If CONTRACTOR performance does not conform to all requirements in this SOW and is unsatisfactory, the COURT PM shall write a Contract Discrepancy Report (“CDR”), (Attachment K) and forward it to CONTRACTOR. CONTRACTOR shall respond within five (5) working days upon notification by COURT PM and correct the discrepancy, at CONTRACTOR’S expense, if any.

COURT PM shall monitor all requirements described herein. COURT PM may from time to time provide comment on these services but will not unreasonably interfere with CONTRACTOR performance.

7.3 AUDITS

COUNTY/COURT may, at its discretion, direct or conduct Financial, Operational or other audits of the CONTRACTOR’S performance to ensure CONTRACTOR’S compliance with all requirements specified in this SOW.

8.0 UNSATISFACTORY PERFORMANCE OF SPECIFIED SERVICES

8.1 CONTRACT DISCREPANCY REPORT

In the event CONTRACTOR provides less than satisfactory performance of any service, or compliance with any requirement specified in this SOW, COUNTY/COURT shall issue, within five (5) business days to CONTRACTOR, a CDR. Additionally, COUNTY/COURT may apply one or more of the following remedies as deemed necessary:

- 8.1.1** COUNTY/COURT may require CONTRACTOR to implement a formal corrective action plan, which will be subject to COUNTY/COURT’S approval. The corrective action plan must include:
 - The reasons for the unacceptable level of performance, or failure to provide the specified services;
 - Descriptions of the specific steps to return performance to an acceptable level; and,
 - Descriptions of monitoring methods that will be implemented to prevent recurrence.
- 8.1.2** COUNTY/COURT may withhold account referrals until COUNTY/COURT determines the CONTRACTOR is providing the specified service.
- 8.1.3** COUNTY/COURT may exercise termination rights under the Contract between CONTRACTOR and COUNTY/COURT.

- 8.1.4** In the event COUNTY/COURT applies any of the above sanctions, COUNTY/COURT will notify CONTRACTOR in writing of the sanction(s) applied and the reason(s) for the sanction(s).

9.0 REMEDIES

9.1 NON-COMPLIANCE

When CONTRACTOR'S performance is not in compliance with the requirements of the SOW, COURT PM shall document unsatisfactory performance and may, if CONTRACTOR'S performance remains unsatisfactory, exercise its right up to and including termination of the Contract.

9.2 COLLECTION FINANCIAL REMEDIES

CONTRACTOR must meet the minimum success rate of a 31% average on all types of accounts referred after the second year of the contract. If the CONTRACTOR fails to meet the minimum success rate, a penalty equal to 5% of the commission paid to the CONTRACTOR for that fiscal year will be imposed. CONTRACTOR shall remit payment of penalty to COUNTY/COURT within thirty (30) business days of notice of penalty.

Within ten (10) business days after the notice of penalty, the CONTRACTOR may present evidence to the COURT PM that economic or environmental factors, outside of the control of the CONTRACTOR, have negatively impacted their ability to meet the minimum success rate. Such evidence shall be in writing and include supporting documentation. COUNTY/COURT shall review such evidence and provide the CONTRACTOR with their decision within thirty (30) business days. The decision of COUNTY/COURT shall be final.

10.0 WORK QUALITY ISSUES

Questions regarding the quality and direction of work performance will normally be handled between COURT PM and CONTRACTOR, but if and when COUNTY/COURT finds that important work matters are not being properly handled by CONTRACTOR and that previous management efforts by COUNTY/COURT have failed to achieve desired results, COUNTY/COURT may exercise remedies under the Contract.

11.0 SECURITY AND CONTROL PROCEDURES

- 11.1** CONTRACTOR shall apply General Accepted Accounting Principles in the management and processing of COUNTY/COURT accounts as well as preparation and maintenance of financial records and reports.

- 11.2** CONTRACTOR shall provide COUNTY/COURT a list of all pending and closed litigation, judgments, arbitrations, investigations or other controversy pending for the last five (5) years, to which CONTRACTOR or its principals were a party.

In addition, CONTRACTOR shall immediately notify COUNTY/COURT of any new litigation. The list shall at minimum contain: the case number, court venue and jurisdiction, a brief explanation of the litigation/judgment and the outcome/resolution.

- 11.3** CONTRACTOR shall be responsible for safeguarding any/all COUNTY/COURT property in accordance with this SOW. CONTRACTOR shall ensure the confidentiality of information and require all CONTRACTOR personnel providing services in conjunction with the Contract to sign a CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY CONTRACT attached to the Sample Contract as Exhibit G1. Employee Confidentiality Contracts must be submitted within three (3) business days of employee's start of work.

11.4 CONTRACTOR shall develop and submit to COUNTY/COURT within five (5) business days of execution of the Contract, Security and Control Procedures. The procedures shall identify methods used by CONTRACTOR to ensure that COUNTY/COURT property is safeguarded at all times while in CONTRACTOR'S possession. Security and Control procedures should include, but are not limited to: ensuring the security of COUNTY/COURT forms, case management systems, cash handling responsibilities (if applicable). CONTRACTOR shall notify the COUNTY PM of any changes to Security and Control Procedures within ten (10) business days of making a change.

- 11.5** CONTRACTOR shall develop and maintain a written Quality Control Plan to ensure compliance with all of the CONTRACTOR'S responsibilities as set forth in this SOW. The CONTRACTOR'S initial plan shall be submitted within five (5) business days after execution of the contract. Updates shall be submitted to the COUNTY PM for approval within ten (10) business days. The Plan shall include, but not be limited to, the following information:

11.5.1 The activities to be monitored on either a scheduled or unscheduled basis, how often monitoring will be accomplished and the title of the individual(s) who will perform the monitoring.

11.5.2 Methods for identifying deficiencies in the quality of service before the level of performance becomes unacceptable and not in compliance with the contract.

- 11.5.3** Methods for documenting the monitoring results and, if necessary, the corrective action taken.
- 11.5.4** CONTRACTOR shall provide COUNTY/COURT a quarterly audit showing the results of the Quality Control Plan (Attachment I).
- 11.5.5** CONTRACTOR shall have an independent audit performed over service organization controls and maintain a clean audit opinion in accordance with Service Organization Controls (SOC1) reports – formerly Statement on Auditing Standards (SAS) No. 70 Type 2 Report. This audit shall be performed annually and the independent auditor’s report submitted to the COUNTY PM.
- 11.6** CONTRACTOR’S internal account processing shall also include a History of Activity for each account, which lists the type and date of all activities, such as letters, telephone calls, involuntary actions, etc., employed by CONTRACTOR.

ATTACHMENT A

COMPLAINT TRACKING LOG

Date of Complaint	Collector's Name (If Applicable)	Complaint	Case Number	Customer's Name	Action Taken by CONTRACTOR	Date CPM Notified

ATTACHMENT B

SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES

REVENUE COLLECTION

REFERRAL FILE SPECIFICATION – CASE MANAGEMENT SYSTEMS

The following are typical referral record layouts from case management systems to CONTRACTOR:

Odyssey Referral Record Specification

File Type: Pipe Delimited (|) (Note: 1st field will not be started with a pipe, Last field will not end with a pipe)

Client Placement Detail Record				
Field	Type	Req or Opt	Definition	
Record Type	Char	Req	(A) for New Referral, (BC) for a Balance Change, (PC) for a Party Change, (R) for Recall	If there are both party and balance updates on a case, we will send two rows. The same data, however, will be presented in each of the rows.
Party ID	Char	Req	Party ID (Unique party identifier)	
Case Number	Char	Req	Case Number	
Citation Number	Char	Opt	Citation # from the Citation	
Law Enforcement Agency (LEA)	Char	Opt	If Criminal Traffic: 'Agency Name from Citation (4 digit code), If other criminal or other case category: Arrest LEA	Note: This field will be used to identify 'Red Light' cases. (LEAs: 7414, 7640, 7647, 7648, 7663, 7664, 7673, 7678, 7684, 7687 or 7688)
Court (ELM, MET, etc.)	Char	Opt	Detail Tab - Court	
Court Division	Char	Opt	Detail Tab - Court	
Case Type	Char	Req	Case Type Description	
Debt Type (Case Status)	Char	Req	Case Status Description (Ex. FTA / FTP)	
DOB	Char	Opt	Date of Birth YYYYMMDD	
DOD	Char	Opt	Date of Death YYYYMMDD	
DL #	Char	Opt	Driver's License Number	
DL State	Char	Opt	Driver's License State 2 digit code (CA, OR...)	
First Name	Char	Opt	Party First Name	Business process: Delinquent businesses will not be sent to Primary Collection Vendor.
Middle Name	Char	Opt	Party Middle Initial	
Last Name	Char	Opt	Party Last Name	
Suffix	Char	Opt	Party Suffix	
Address	Char	Opt	Address Line 1, Current Known, then Correspondence	Business process: delinquent parties with foreign addresses will not be sent Primary Collection Vendor.
Address2	Char	Opt	Address Line 2, Current Known, then Correspondence	

City	Char	Opt	City, Current Known, then Correspondence	
State	Char	Opt	State, Current Known, then Correspondence	
Zip	Char	Opt	Zip + 4, Current Known, then Correspondence	
Phone #	Char	Opt	Phone Number, Current Known, If multiple types, select in this order: cell, home, work Format: xxxxxxxxx	
Extension	Char	Opt	Extension	
Phone Type	Char	Opt	Phone Type (Ex. Work, Cell...)	
Email	Char	Opt	Email Address	
SSN	Nbr	Opt	Format: xxxxxxxxx	
Party Type	Char	Opt	Extended Connection description, (Ex: defendant, plaintiff, juvenile)	
Vehicle-Plate	Char	Opt	From Citation	
Vehicle Plate State	Char	Opt	From Citation	
Violation	Char	Req	Offense Description, All offenses on case (count order), Delimited using ~ (tilde)	
Statute	Char	Req	Statute, All offenses, (same order as Violation field) Delimited using ~ (tilde)	
Offense Date	Date	Req	Offense (violation) Date, Format: YYYYMMDD	This was determined to be a single date. Note: If for any reason there are multiple charges with different dates, we will take the 1st one.
Payment Plan Due Date	Date	Opt	Payment Plan 'Payoff' Date Format: YYYYMMDD	This will be the latest payoff date if there are more than one payment plan schedule on a payment plan.
Case Due Date	Date	Req	Case Due Date Format: YYYYMMDD	
Future Payment Due Date (FP)	Date	Opt	Case Due Date Format: YYYYMMDD <i>Only sent for a change (BC or PC) record.</i> This will be sent if there is either a balance change or a party change, if the date was updated.	
Initial Referral - Base Fine and PA	Amount	Req <i>(for A Record only - at least one of 4 columns must be populated)</i>	Total balance of fee codes being referred to collections for the first time, based on mapping. (Base Fine and PA) Format: 50.00 (2 decimal places) <i>Only populated for an A record.</i>	New Mapping on fee code: Base Fine & PA

Initial Referral - Fees	Amount	Req (for A Record only - at least one of 4 columns must be populated))	Total balance of fee codes being referred to collections for the first time, based on mapping (Fees). Format: 50.00 (2 decimal places) Only populated for an A record.	New Mapping on fee code: Fees
Initial Referral - Civil Assessment	Amount	Req (for A Record only - at least one of 4 columns must be populated))	Total balance of fee codes being referred to collections for the first time, based on mapping (Civil Assessment). Format: 50.00 (2 decimal places) Only populated for an A record.	New Mapping on fee code: Civil Assessment
Initial Referral - Program Fee	Amount	Req (for A Record only - at least one of 4 columns must be populated))	Total balance of fee codes being referred to collections for the first time, based on mapping (Amnesty Fee Program) Format: 50.00 (2 decimal places) Only populated for an A record.	New Mapping on fee code: Amnesty Program Fee
Payments - Base Fine and PA	Amount	Opt	Sum all payment and payment void transactions, based on mapping. Total amount of mapped fee codes (Base Fine & PA) Format: 50.00 (2 decimal places) Note: Exclude any payment with a payment type mapped to Collection Agency Payment	New Mapping on fee code: Base Fine & PA Existing Payment Type mapping, 'Payment' will be used to identify payments received from the collection agency.
Payments - Fees	Amount	Opt	Sum all payment and void transactions, based on mapping Total amount of mapped fee codes (Fees) Format: 50.00 (2 decimal places) Note: Exclude any payment with a payment type mapped to Collection Agency Payment	New Mapping on fee code: Fees Existing Payment Type mapping, 'Payment' will be used to identify payments received from the collection agency.
Payments - Civil Assessment	Amount	Opt	Sum all payment and void transactions, based on mapping Total amount of mapped fee codes (Civil Assessment) Format: 50.00 (2 decimal places) Note: Exclude any payment with a payment type mapped to Collection Agency Payment	New Mapping on fee code: Civil Assessment Existing Payment Type mapping, 'Payment' will be used to identify payments received from the collection agency.

Payments - Program Fee	Amount	Opt	Sum all payment and void transactions, based on mapping Total amount of mapped fee codes (Amnesty Fee Program) Format: 50.00 (2 decimal places) <i>Note:</i> Exclude any payment with a payment type mapped to Collection Agency Payment	New Mapping on fee code: Amnesty Program Fee Existing Payment Type mapping, 'Payment' will be used to identify payments received from the collection agency.
Adjustments for Adjudication - Base Fine and PA	Amount	Opt	Sum all adjudication adjustment transactions Total amount of mapped fee codes (Base Fine & PA) Format: 50.00 (2 decimal places)	New Mapping on fee code: Base Fine & PA, New Mapping on Adjustment Reason Code: LA Adjustment Transaction Adjudication
Adjustments for Adjudication - Fees	Amount	Opt	Sum all adjudication adjustment transactions. Total amount of mapped fee codes (Fees) Format: 50.00 (2 decimal places)	New Mapping on fee code: Fees New Mapping on Adjustment Reason Code: Adjudication
Adjustments for Adjudication - Civil Assessment	Amount	Opt	Sum all adjudication adjustment transactions. Total amount of mapped fee codes (Civil Assessment) Format: 50.00 (2 decimal places)	New Mapping on fee code: Civil Assessment New Mapping on Adjustment Reason Code: Adjudication
Adjustments for Adjudication - Program Fee	Amount	Opt	Sum all adjudication adjustment transactions. Total amount of mapped fee codes (Amnesty Fee Program) Format: 50.00 (2 decimal places)	New Mapping on fee code: Amnesty Program Fee New Mapping on Adjustment Reason Code: Adjudication
Adjustments in Error - Base Fine and PA	Amount	Opt	Sum all 'adjustment in error' transactions Total amount of mapped fee codes (Base Fine & PA) Format: 50.00 (2 decimal places)	New Mapping on fee code: Base Fine & PA New Mapping on Adjustment Reason Code: LA Adjustment Transaction In Error
Adjustments in Error - Fees	Amount	Opt	Sum all 'adjustment in error' transactions Total amount of mapped fee codes (Fees) Format: 50.00 (2 decimal places)	New Mapping on fee code: Fees New Mapping on Adjustment Reason Code: LA Adjustment transaction In Error
Adjustments in Error - Civil Assessment	Amount	Opt	Sum all 'adjustment in error' transactions Total amount of mapped fee codes (Civil Assessment) Format: 50.00 (2 decimal places)	New Mapping on fee code: Civil Assessment New Mapping on Adjustment Reason Code: LA Adjustment Transaction In Error

Adjustments in Error - Program Fee	Amount	Opt	Sum all 'adjustment in error' transactions Total amount of mapped fee codes (Amnesty Fee Program) Format: 50.00 (2 decimal places)	New Mapping on fee code: Amnesty Program Fee New Mapping on Adjustment Reason Code: LA Adjustment Transaction In Error
Other Transactions - Base Fine and PA	Amount	Opt	Sum all remaining transaction types Total amount of mapped fee codes (Base Fine & PA) Format: 50.00 (2 decimal places)	New Mapping on fee code: Base Fine & PA (Other transactions will include new assessments, payment adjustments, payment reversals, credits, charge reductions, remaining adjustments and reversals of these transactions)
Other Transactions - Fees	Amount	Opt	Sum all remaining transaction types Total amount of mapped fee codes (Fees) Format: 50.00 (2 decimal places)	New Mapping on fee code: Fees (Other transactions will include new assessments, payment adjustments, payment reversals, credits, charge reductions, remaining adjustments, and reversals of these transactions)
Other Transactions - Civil Assessment	Amount	Opt	Sum all remaining transaction types Total amount of mapped fee codes (Civil Assessment) Format: 50.00 (2 decimal places)	New Mapping on fee code: Civil Assessment (Other transactions will include new assessments, payment adjustments, payment reversals, credits, charge reductions, remaining adjustments, and reversals of these transactions)
Other Transactions - Program Fee	Amount	Opt	Sum all remaining transaction types Total amount of mapped fee codes (Amnesty Fee Program) Format: 50.00 (2 decimal places)	New Mapping on fee code: Amnesty Program Fee (Other transactions will include new assessments, payment adjustments, payment reversals, credits, charge reductions, adjustments, and reversals of these transactions)
Restitution	Amount	Opt	Total amount of victim restitution (not assessed to case) Format: 50.00 (2 decimal places) "Not yet implemented"	Waiting until Criminal decides how restitution will be recorded.
Previous Payment	Amount	Opt	Cumulative total of all payments on case, prior to going to collections. Format: 50.00 (2 decimal places) Only populated for initial referrals (A record).	
Last Payment Date	Date	Opt	Date of last payment on case prior to going to collections, Format: YYYYMMDD Only populated for initial referrals (A record)	
Last Payment Amount	Amount	Opt	Amount of last payment on case prior to going to collections, Format: 50.00 (2 decimal places) Only populated for initial referrals (A Record)	

Violation City	Char	Opt	From citation (Location of Violation)	
Vehicle Speed	Char	Opt	From CA Speeding Charge Component: Speed Amount field	
Speed Limit	Char	Opt	From CA Speeding Charge Component: Speed Limit field	
Non-Traffic Indicator (PED in License)	Char	Opt	From Citation: Vehicle Type = '60 - Pedestrian - including electric personal assistance' This field will be populated with 'Y' if the vehicle type qualifies. Otherwise it will be null.	
Judge Name	Char	Opt	Detail Tab - Judicial Officer	
Appearance Date	Date	Opt	Appear By Date, (Configured on Case Type) Format: YYYYMMDD	
Recall Type	Char	Opt	From case event mapping (text) When a case is recalled, a case event should be added to the case (configured with the 'Recall' collection status). The case event will have the LA Collections Recall Type mapping configured (ex. Bankruptcy, death) <i>This should only be populated for Recall record type.</i>	New: Mapping on event: LA Collections Recall Type Mapping will be a text field (Note: <i>There should be a case event configured for each type of recall that should be identified in the export file.</i>)
Bankruptcy Filed	Date	Opt	Bankruptcy Filed Event Date, Format: YYYYMMDD, <i>Note: This field will only be populated if there is a recall, initial referral, balance update, or party update. Adding a bankruptcy event to a case will not trigger the case to be sent on the export file.</i>	Mapping on event: LA Collections Export Bankruptcy Filed
Bankruptcy Discharged	Date	Opt	Bankruptcy Discharged Event Date, Format: YYYYMMDD <i>Note: This field will only be populated if there is a recall, initial referral, balance update, or party update. Adding a bankruptcy event to a case will not trigger the case to be sent on the export file.</i>	Mapping on an event: LA Collections Export. Bankruptcy Discharged

Warrant Type	Char	Opt	Warrant Type Description, This will be selected based on a mapping on the warrant type. This will be the most current, active warrant on the case. Note: This field will only be populated if there is a recall, initial referral, balance update, or party update. Adding a warrant to a case will not trigger the case to be sent on the export file.	Mapping on an event: LA Collections Export Warrant
I-Hold Date	Date	Opt	Warrant Date Format: YYYYMMDD	

Legend		
REQ (Required)	A field defined as required must be populated in order for the record to be included in the file. The record will be dropped to an error file if a required field is missing	
Opt (Optional)	An optional field will always be sent on the export file if it is populated. If it is missing, the record will still be sent.	

ATTACHMENT B

ATTACHMENT C

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SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES

REVENUE COLLECTION

REFERRAL FILE SPECIFICATION – FTP & CASE MANAGEMENT SYSTEM

The following is a sample referral record layout for FTP and Case Management System to CONTRACTOR:

Referral Record Layout (control record)

This is a control record. The referral file will have this record as the first record on the file. The totals are cumulative amounts of information from the detail record.

Field Name	Data Type	Width	Notes
01. Record Type	Character	1	"1"
02. Debt Type	Character	3	"COD"
03. COUNTY Code	Character	2	"19"
04. COUNTY Court Code	Character	3	"LAJ"
05. Total Records	Character	9	Zero filled
06. Total Principal	Character	12	Zero filled, 2 implied decimals.
07. Filler	Character	570	
Total		600	

Referral Record Layout – Record Type 2 (detail record)

Field Name	Data Type	Width	Notes
01. Record Type	Character	1	"2"
02. Debt Type	Character	3	"COD"
03. Action Type	Character	2	" N" = New Case, " W" = Withdraw Case " R" = Revise Case Information
04. COUNTY Code	Character	2	"19" = Los Angeles COUNTY
05. COUNTY Court Code	Character	3	"LAJ"
06. Court ID	Character	3	
07. Case Location (Type)	Character	2	"TR" = RS Case, "TS" = Failure-to-Pay Case, and "CR" = Criminal Case.
08. Defendant Number	Character	2	
09. LEA	Character	4	

ATTACHMENT C

Page 2 of 2

Payment File Layout – Record Type 2 (cont.)

Field Name	Data Type	Width	Notes
10. Case Number	Character	8	
11. Filler	Character	4	
12. COUNTY Participant ID	Character	10	
13. Social Security Number	Character	9	
14. Last Name	Character	17	
15. First Name	Character	11	
16. Middle Initial	Character	1	
17. Violation Date	Character	8	MMDDYYYY
18. Address Status	Character	1	
19. Address 1	Character	30	
20. Address 2	Character	30	
21. Apartment	Character	5	
22. City	Character	17	
23. State	Character	2	
24. Country	Character	30	If foreign
25. Zip Code	Character	9	
26. Referral Amount	Character	9	Zero filled, 2 implied decimals.
27. Filler	Character	36	
28. AKA Last Name	Character	17	
29. AKA First Name	Character	11	
30. AKA Middle Initial	Character	1	
31. Filler	Character	58	
32. Home Phone	Character	10	
33. Business Phone	Character	10	
34. Filler	Character	10	
35. Driver License Number	Character	10	
36. Driver License State	Character	2	
37. Filler	Character	12	
38. Vehicle License Number	Character	7	
39. Date of Birth	Character	8	MMDDYYYY
40. Filler	Character	10	
41. Date of Last Payment	Character	8	MMDDYYYY
42. Filler	Character	10	
43. Violation Statute 1	Character	3	
44. Violation Code 1	Character	15	
45. Violation Statute 2	Character	3	
46. Violation Code 2	Character	15	
47. Violation Statute 3	Character	3	
48. Violation Code 3	Character	15	
49. Violation Statute 4	Character	3	
50. Violation Code 4	Character	15	
52. Filler	Character	85	
Total		600	

ATTACHMENT D

SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES
REVENUE COLLECTION

PAYMENT/CONTINUANCE ARRAIGNMENT FILE SPECIFICATION

The following are payment/continuance arraignment record layouts from CONTRACTOR to payment interface of the case management systems:

Odyssey Payment Record Specification (subject to change/update)

Client Placement Detail Record			
Field	Type	Req or Opt	Definition
Party ID	Char	Req	Party ID (Unique party identifier)
Case Number	Char	Req	Case Number
First Name	Char	Opt	Party First Name
Middle Name	Char	Opt	Party Middle Initial
Last Name	Char	Opt	Party Last Name
Suffix	Char	Opt	Party Suffix
Address	Char	Opt	Address Line 1, Current Known, then Correspondence
Address2	Char	Opt	Address Line 2, Current Known, then Correspondence
City	Char	Opt	City, Current Known, then Correspondence
State	Char	Opt	State, Current Known, then Correspondence
Zip	Char	Opt	Zip + 4, Current Known, then Correspondence
Phone #	Char	Opt	Phone Number, Current Known, If multiple types, select in this order: cell, home, work Format: xxxxxxxxx
Extension	Char	Opt	Extension
Phone Type	Char	Opt	Phone Type (Ex. Work, Cell...)
Email	Char	Opt	Email Address
SSN	Nbr	Opt	Format: xxxxxxxxx
Payments			

Payments	Amount	Req	. Based on fee code priorities. . The Payment Type, Tender Method, Cashiering Station, and Till the transaction uses are determined by the Collection Agency Payment Configuration page.
PRIMARY COLLECTION VENDOR Receipt Number	Char	Opt	This will be stored in the Tender Method Ref# field. The tender method will need to be configured to have the reference # as an optional or required field.
PRIMARY COLLECTION VENDOR Receipt Date	Date	Opt	
Void Indicator	?	Opt	
Recalled cases	Char	Opt	If set to Yes, the Return Event configured on the Import parameter page will be added to the case. Note: The event should be configured to complete the Initial Collection Status (add the end date).
Programs - Events to be added			
Amnesty 50%	Yes/Null	Opt	If yes, trigger the Amnesty CBR. The event configured on the OCA will be added to the case.
Amnesty 20%	Yes/Null	Opt	If yes, trigger the Amnesty CBR. The event configured on the OCA will be added to the case.
Amnesty No Reduction	Yes/Null	Opt	If yes, do not trigger Amnesty CBR

Amnesty Program Fee	Yes/Null	Opt	If set to 'Yes', add the event mapped as LA Amnesty Fee Program. The event will be configured to assess the fee. <i>Note: This fee can only be assessed once to a case party.</i>
D-Hold Event	Yes/Null	Opt	If yes, add event to case.
One Third Down Event	Yes/Null	Opt	If yes, add event to case.
FTA / FTP			
FTP Hold Release event	Yes/Null	Opt	. If yes, add DMV FTP Hold Release event to case. . The DMV CBR will pick up the case event and send to the DMV.
FTA Hold Release event	Yes/Null	Opt	. If yes, add DMV FTA Hold Release event to case. . The DMV CBR will pick up the case event and send to the DMV.
FTP Hold event	Yes/Null	Opt	. If yes, add DMV FTP Hold event to case. . The DMV CBR will pick up the case event and send to the DMV.
FTA Hold event	Yes/Null	Opt	. If yes, add DMV FTA Hold event to case. . The DMV CBR will pick up the case event and send to the DMV.
Add Hearing			
Case Event			
Event Date			
Hearing Date	Date	Opt	
Hearing Time	Time	Opt	
Hearing Node ID		Opt	
Event Status			
Judge			

ATTACHMENT D

SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES

REVENUE COLLECTION

PAYMENT FILE SPECIFICATION – FTP

The following is the payment record layout from CONTRACTOR for FTP and case management system:

Payment Record Layout – Record Type 1 (control record)

This is a control record. The payment file must have this record as the first record on the file. The totals are cumulative amounts of information that are on the other records.

<u>Field Name</u>	<u>Data Type</u>	<u>Width</u>	<u>Notes</u>
01. Record Type	Character	1	"1"
02. Debt Type	Character	3	"COD"
03. COUNTY Code	Character	2	"19" = Los Angeles COUNTY
04. COUNTY Court Code	Character	3	"LAJ"
05. Total Records	Character	9	Zero filled
06. Total Amount	Character	10	Zero filled, 2 implied decimals.
07. Claim Schedule Number	Character	8	
08. Processing Date	Character	8	MMDDYYYY
09. Filler	Character	206	
	Total	250	

Payment Record Layout – Record Type 2 (detail record)

<u>Field Name</u>	<u>Data Type</u>	<u>Width</u>	<u>Notes</u>
01. Record Type	Character	1	"2", "U" = unidentified case, "I" = Identified Case "COD"
02. Debt Type	Character	3	
03. COUNTY Code	Character	2	"19" = Los Angeles COUNTY
04. COUNTY Court Code	Character	3	"LAJ"
05. Court ID	Character	3	
06. Case Location (Type)	Character	2	"TR" = RS Case, "TS" = Failure-to-Pay Case, and "CR" = Criminal Case.
07. Defendant Number	Character	2	
08. LEA	Character	4	

Payment Record Layout – Record Type 2 (cont.)

Field Name	Data Type	Width	Notes
09. Case Number	Character	8	
10. Filler	Character	4	
11. COUNTY Participant ID	Character	10	
12. Social Security Number	Character	9	
13. Last Name	Character	17	
14. First Name	Character	11	
15. Middle Initial	Character	1	
16. Amount of Payment	Character	9	Zero Filled, 2 implied decimals.
17. Received Date	Character	8	MMDDYYYY
18. Filler	Character	10	
19. Correct Receipt No.	Character	12	correct receipt number for identifying the unidentified case.
20. Receipt Number	Character	12	Regular receipt number
21. Filler	Character	119	
	Total	250	

ATTACHMENT F
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Select court/county (see Contact Information worksheet #1)											
REPORTING PERIOD		Cal. A									
1	Beginning Date-First day of Reporting Period	01-Jul-19									
2	Ending Date-Last day of Reporting Period	30-Jun-19									
CURRENT PERIOD: FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS											
	Number of Cases Referred/Transferred	Value of Cases Referred/Transferred	Number of Cases with Payment(s) Received (Item 1 and 2)	Gross Revenue Collected	Cost of Collections (Postal Code 1463.997)	Adjustment: Amount certified by Court-ordered Suspension, Dismissal or Alternative	Discharge from Accountability (Item 3)	Change in Value (Cal. C - E - G - H)	Value of Cases on Installment Agreement (Item 8)	Default Balance Installment Agreement (Item 9)	Percentage of Debt Defaulted On (Installment Agmt.) [Cal. E x Cal. J]
Item	Cal. B	Cal. C	Cal. D	Cal. E	Cal. F	Cal. G	Cal. H	Cal. I	Cal. J	Cal. K	Cal. L
3	Non-Delinquent Collections										
4	Court Collection Program										
5	County Collection Program										
6	Private Agency										
7	FTB Court-Ordered Debt										
8	Intra-Branch Program										
9	Other										
10	Total Delinquent										
PRIOR PERIODS INVENTORY: FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS											
	Number of Cases Referred/Transferred (Ending Balance from Prior Year)	Value of Cases Referred/Transferred (Ending Balance from Prior Year)	Number of Cases with Payment(s) Received	Gross Revenue Collected	Cost of Collections (Postal Code 1463.997)	Adjustment: Amount certified by Court-ordered Suspension, Dismissal or Alternative	Discharge from Accountability	Change in Value (Cal. M - P - R - S)	Value of Cases on Installment Agmt. (Ending Balance from Prior Year)	Default Balance Installment Agreement	Percentage of Debt Defaulted On (Installment Agmt.) [Cal. V x Cal. W]
Item	Cal. M	Cal. N	Cal. O	Cal. P	Cal. Q	Cal. R	Cal. S	Cal. T	Cal. U	Cal. V	Cal. W
11	Non-Delinquent Collections										
12	Court Collection Program										
13	County Collection Program										
14	Private Agency										
15	FTB Court-Ordered Debt										
16	Intra-Branch Program										
17	Other										
18	Total Delinquent										
COMBINED: BEGINNING AND ENDING BALANCES; FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS											
	Number of Cases Beginning Balance	Value of Cases Beginning Balance	Gross Revenue Collected	Cost of Collections (Postal Code 1463.997)	Adjustment	Discharge from Accountability	Change in Value	Number of Cases - Ending Balance	Value of Cases - Ending Balance	Error Message	
Item	Cal. X	Cal. Y	Cal. Z	Cal. AA	Cal. AB	Cal. AC	Cal. AD	Cal. AE	Cal. AF	Cal. AG	
19	Non-Delinquent Collections										
20	Court Collection Program										
21	County Collection Program										
22	Private Agency										
23	FTB Court-Ordered Debt										
24	Intra-Branch Program										
25	Other										
26	Total Delinquent										
COLLECTIONS METRICS FOR FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS											
Item	Metric	Current Period	Prior Inventory	Combined	Formula	Definition					
27	Gross Recovery Rate	Cal. AI	Cal. AJ	Cal. AK	Cal. AL (Collection + Adjustment + Discharge) / Referrable	Measures a collection program's ability to resolve delinquent court-ordered debt, including alternative sentences, community service, suspended sentence and discharge.					
28	Success Rate				Cal. AM (Collection) (Referrable + Adjustment + Discharge)	Measures the amount of revenue collected on delinquent court-ordered debt by delinquent accounts referred after adjustments and discharge, including NSF checks.					
VICTIM RESTITUTION AND OTHER JUSTICE RELATED REIMBURSEMENTS											
	Number of Cases - (Ending Balance from Prior Year)	Value of Cases - (Ending Balance from Prior Year)	Number of Cases Referred/Transferred in Period	Value of Cases Referred/Transferred in Period	Gross Revenue Collected	Adjustments	Gross Revenue Collected Value Restitution (PC 1888.4 100) Only	Change in Value	Number of Cases - Ending Balance	Value of Cases - Ending Balance	Error Message
Item	Cal. AN	Cal. AO	Cal. AP	Cal. AQ	Cal. AR	Cal. AS	Cal. AT	Cal. AU	Cal. AV	Cal. AW	Cal. AX
29	Non-Delinquent Collections										
30	Court Collection Program										
31	County Collection Program										
32	Private Agency										
33	FTB Court-Ordered Debt										
34	Intra-Branch Program										
35	Other										
36	Total Delinquent										
Reviewed by Court						Reviewed by County					
Printed Name		Signature				Printed Name		Signature			
Date		Title (Court Executive or Presiding Judge)				Date		Title (County Auditor/Controller or other)			

INFRACTIONS AMNESTY PROGRAM SAMPLE REPORT

Mandatory (Infraction) Amnesty Program					
	No. Accounts Resolved:		Gross Revenue Collected	Program Operating Cost	Recovered Costs
	Reduction ⁽¹⁾	Driver's License ⁽²⁾			
October 2015					
November 2015					
December 2015					
January 2016					
February 2016					
March 2016					
April 2016					
May 2016					
June 2016					
July 2016					
August 2016					
September 2016					
October 2016					
November 2016					
December 2016					
January 2017					
February 2017					
March 2017					
TOTAL	0	0	\$0.00	\$0.00	\$0.00
Optional (Misd.) Amnesty Program					
	No. Accounts Resolved:		Gross Revenue Collected	Program Operating Cost	Recovered Costs
	Reduction ⁽¹⁾	Driver's License ⁽²⁾			
October 2015					
November 2015					
December 2015					
January 2016					
February 2016					
March 2016					
April 2016					
May 2016					
June 2016					
July 2016					
August 2016					
September 2016					
October 2016					
November 2016					
December 2016					
January 2017					
February 2017					
March 2017					
TOTAL	0	0	\$0.00	\$0.00	\$0.00
¹ Includes number of accounts that had an outstanding balance reduction under amnesty. Resolved accounts are those that have been paid in full or are current on installment payments to the amnesty payment plan. ² Includes number of accounts that had driver's license reinstated, with or without an outstanding balance reduction. Resolved accounts are those that have been paid in full or are current on installment payments to the amnesty payment plan.					
Court/County:					
Completed by:					
Title:					
Phone No.:					
Email:					

ATTACHMENT G
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Mandatory Amnesty Program	Additional Program Detail															ADLR No. Accounts: Driver's License One Payment	ADLR Total Collected: Driver's License One Payment	ADLR No. Accounts: Driver's License Payment Plan	ADLR Total Collected: Driver's License Payment Plan	ADLR Ending Balance: Driver's License (ADLR)
	No. Accounts Eligible ¹	Total Value: Eligible Accounts	No. Accounts: 50% One Pymt	Total Collected: 50% One Pymt.	No. Accounts: 50% Payment Plan	Total Collected: 50% Payment Plan	Ending Balance: 50% Payment Plan	No. Accounts: 20% One Pymt.	Total Collected: 20% One Pymt.	No. Accounts: 20% Payment Plan	Total Collected: 20% Payment Plan	Ending Balance: 20% Payment Plan								
October 2015																				
November 2015																				
December 2015																				
January 2016																				
February 2016																				
March 2016																				
April 2016																				
May 2016																				
June 2016																				
July 2016																				
August 2016																				
September 2016																				
October 2016																				
November 2016																				
December 2016																				
January 2017																				
February 2017																				
March 2017																				
TOTAL	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	

	Calls		Participation Forms ⁷				Citizen Amnesty Categories ⁸			Civil Assessment Waived			Amnesty Fine Waived		
	Screening Calls	Web	Manual	Total Forms	Registered Citations	50%	20%	Driver's License Release	Total	50% Amount	20% Amount	Total Amount	50% Amount	20% Amount	Total Amount
October 2015															
November 2015															
December 2015															
January 2016															
February 2016															
March 2016															
April 2016															
May 2016															
June 2016															
July 2016															
August 2016															
September 2016															
October 2016															
November 2016															
December 2016															
January 2017															
February 2017															
March 2017															
TOTAL	0	0								\$0	\$0	\$0	\$0	\$0	\$0

¹ Reflects number of accounts estimated for the Amnesty Program.
² Number of accounts where only the driver's license was reinstated, the individual did not qualify for the reduced amount under amnesty. LASC does not separate reporting for license hold releases on reduction vs. non-reduction cases so this data is not available.
³ LASC reported figures represent both reduction and non-reduction cases.
⁴ Number of accounts that were set-up on an amnesty installment payment plan and the individual defaulted. Reported figures are new defaults occurring during the month.
⁵ Value of accounts in which "the court is satisfied" via alternative sentence, e.g., accounts in which community service or other is permitted and the value was reduced or waived.
⁶ Number of accounts deemed inadmissible based on the program's review of the individuals qualifications (e.g., eligibility criteria unmet).
⁷ Reflects unique case count and not number of transactions.
⁸ Los Angeles Superior Court and Los Angeles County did not elect to participate in the optional component of the amnesty program.
⁹ Reflects total number of forms submitted only. LASC requires first payment with completed form in order to be fully enrolled in the amnesty program.
¹⁰ Represents gross citations potentially eligible for the amnesty program. LASC requires receipt of first payment and in good standing in order to be fully enrolled.
¹¹ LASC allows the \$50 amnesty program fee to be included in an installment plan instead of demanding payment up front. Change was implemented March 1, 2016.
¹² Receivable aging from the date of delinquency for reduction cases only.

Court/County: Los Angeles County
 Compiled by: David Ruan
 Title: Finance Administrator
 Phone No.: 213-633-0129
 Email: druan@lacourt.org

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	S	T	U	V	W	X	Y	Z	AA	AB	BB = (C+F+H+K)	CC = (I+P)	DD = (E+G+JL+O+Q)
Mandatory Amnesty Program	No. Accounts w/Civil Asst.	Total Deducted: Civil Asst.	Average Age of Resolved Accounts ⁵	Total Collected: \$50 Amnesty Fee ¹¹	No. Licenses Reinstated (DL Only Abstract) ²	No. Licenses Reinstated (DL & Reduction Abstract) ³	No. Payment Plan Defaults - Reduction Cases ⁴	No. Payment Plan Defaults - Driver's License Cases ⁴	Value of Accounts: 'Court Satisfied' ⁵	No. Accounts Deemed Ineligible After Program Review ⁶	No. Accounts Resolved: Reduction (50% & 20%) ⁷	No. Accounts Resolved: ADLR ⁷	Total Gross Revenue:
October 2015											0	0	\$0
November 2015											0	0	\$0
December 2015											0	0	\$0
January 2016											0	0	\$0
February 2016											0	0	\$0
March 2016											0	0	\$0
April 2016											0	0	\$0
May 2016											0	0	\$0
June 2016											0	0	\$0
July 2016											0	0	\$0
August 2016											0	0	\$0
September 2016											0	0	\$0
October 2016											0	0	\$0
November 2016											0	0	\$0
December 2016											0	0	\$0
January 2017											0	0	\$0
February 2017											0	0	\$0
March 2017											0	0	\$0
TOTAL		\$0		\$0	0	0	-	-	\$0.00	0	0	0	\$0

ATTACHMENT H

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COURT LOCATIONS

Court ID	Court Name	Address	City	Zip Code
Central Civil & Criminal Court	Clara Shortridge Foltz Criminal Justice Center	210 W. Temple St.	Los Angeles	90012
	Stanley Mosk Courthouse	111 North Hill Street	Los Angeles	90012
	Central Civil West	600 S. Commonwealth	Los Angeles	90005
	Central Arraignment Court	429 Bauchet St.	Los Angeles	90012
	Metropolitan Courthouse	1945 S. Hill Street	Los Angeles	90007
	East Los Angeles Courthouse	214 S. Fetterly Avenue	Los Angeles	90022
	Spring Street	312 North Spring Street	Los Angeles	90012
East District	Pomona Courthouse South	400 Civic Center Plaza	Pomona	91766
	West Covina Courthouse	1427 W. Covina Parkway	West Covina	91790
	El Monte Courthouse	11234 E. Valley Blvd.	El Monte	91731
	Whittier Courthouse	7339 South Painter Ave.	Whittier	90602
Juvenile Justice Courts	Edmund D. Edelman Children's Court	201 Centre Plaza Drive	Monterey Park	91754
	Eastlake Juvenile Court	1601 Eastlake Avenue	Los Angeles	90033
	Inglewood Juvenile Court	110 Regent Street	Inglewood	90301
	Sylmar Juvenile Courthouse	16350 Filbert St.	Sylmar	91342
	Alfred J. McCourtney Juvenile Justice Center	1040 W. Avenue J	Lancaster	93534
Mental Health Department	Mental Health Department	1945 S. Hill Street	Los Angeles	90007
		5925 Hollywood Blvd.	Los Angeles	90028
North Central District	Burbank Courthouse	300 E. Olive	Burbank	91502
	Glendale Courthouse	600 E. Broadway	Glendale	91206
Northeast District	Pasadena Courthouse	300 E. Walnut	Pasadena	91101
	Alhambra Courthouse	150 W. Commonwealth	Alhambra	91801
North District	Michael D. Antonovich Courthouse	42011 4th Street	Lancaster	93534
North Valley District	San Fernando Courthouse	900 Third Street	San Fernando	91340
	Chatsworth Courthouse	9425 Penfield Ave.	Chatsworth	91311
	Santa Clarita Courthouse	23747 W. Valencia Blvd.	Valencia	91355
Northwest District	Van Nuys Courthouse – West	14400 Erwin Street Mall	Van Nuys	91401
	Van Nuys Courthouse – East	6230 Sylmar Avenue	Van Nuys	91401
South District	<i>Governor George Deukmejian</i>	<i>275 Magnolia</i>	<i>Long Beach</i>	<i>90802</i>
South District	Catalina Courthouse	215 Sumner Avenue	Avalon	90704

Court ID	Court Name	Address	City	Zip Code
South Central	Compton Courthouse	200 W. Compton Blvd.	Compton	90220
Southeast District	Norwalk Courthouse	12720 Norwalk Blvd.	Norwalk	90650
	Downey Courthouse	7500 E. Imperial Hwy	Downey	90242
	Bellflower Courthouse	10025 Flower St.	Bellflower	90706
Southwest District	Inglewood Courthouse	One Regent Street	Inglewood	90301
	Torrance Courthouse	825 Maple Avenue	Torrance	90503
	Torrance Courthouse Annex	3221 Torrance Blvd.	Torrance	90503
West District	Santa Monica Courthouse	1725 Main Street	Santa Monica	90401
	Beverly Hills Courthouse	9355 Burton Way	Beverly Hills	90210
	Airport Courthouse	11701 S. La Cienega Blvd.	Los Angeles	90045

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LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Does it Meet Expectations			Comments
				Meets Expectations	Exceeds Expectations	Exceeds Expectations	
1	Section 2.2 Compliance with Penal Code Section 1463.007	Meet components of Penal Code Section 1463.007 as set forth in the SDW	Site audits; Analyze Reports				
2	Section 2.3 Contractor Service Requirements	In accordance with all State/Federal laws	Review of collection practices				
3	Section 2.3 Contractor Service Requirements	Prepare various reports for LASC/COUNTY	Analyze Reports				
4	Section 3.5.1 Court Appearances: Procedures to inform LASC locations of debtors court appearance dates	As directed by COUNTY/LASC	Audits; Analyze Reports				
5	Section 3.5.1 Transfer data for CARS program	As directed by COUNTY/LASC	Audits; Analyze Reports				

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LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Does It Meet Expectations	Meets Expectations	Exceeds Expectations	Comments
6	Section 3.6.2 Involuntary Methods of Collection	As instructed by LASC: Institute bank levy; wage garnishments; etc.	Analyze Reports				
7	Section 3.7.4 Transfer/Interface with FTB-COD program	Monthly referral & transmission of payments	Audits; Analyze Reports				
8	Section 3.7.5 Transfer/Interface with FTB Interagency Intercept Program	Yearly referral/transmission of payments	Audits; Analyze Reports				
9	Section 3.8.1 Processing Debtor Payments	All debtor payments shall be updated within one business day of receipt (except for unidentified payments)	Audits; Analyze Reports				
10	Section 3.8.1 Transfer of Funds	Timely deposits into COUNTY bank accounts	Analyze daily deposit slips, amount deposited in COUNTY Bank Account and the sum of all payments on the Payment Report				

ATTACHMENT I
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LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Does Not Meet Expectations			Comments
				Meets Expectations	Exceeds Expectations	Exceeds Expectations	
11	Section 3.8.3 Unidentified Payments	5th business day of following month	Audits; Analyze Reports				
12	Section 3.8.4 Incorrect Account Payments and Adjustments	Daily report listing	Audits; Analyze Reports				
13	Section 3.8.9 Segregation of Accounts	Separate LASCICOUNTY Accounts by court location and from all other CONTRACTOR accounts	Audits/Analyze Reports				
14	Section 3.8.10 Internal Control Procedures	Appropriate control and separation of employees duties	On site audits				
15	Section 3.8.10.8 Written Internal Control Procedures	Maintained and updated as necessary	Review of CONTRACTOR'S procedures				

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LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Does It Meet Expectations	Meets Expectations	Exceeds Expectations	Comments
16	Section 3.9.2 Internet Services	Allow debtor to pay or check balances via CONTRACTOR'S web page	Review Reports				
17	Section 3.9.5.2 Complaints: Notification by phone of any verbal or written complaint	Immediately notify	Telephone call/ phone message				
18	Section 3.9.5.2 Complaints: Provide a copy of any written complaints	Within 3 business days of complaint receipt	Review reports/date and time of complaint				
19	Section 3.9.5.2 Investigative written report regarding the disposition of each verbal and written complaint	Within 14 business days of complaint receipts	Review Reports				
20	Section 3.9.5.2 Master log of all complaints	Provide a copy monthly	Review Reports				

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LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Does Not Meet Expectations	Meets Expectations	Exceeds Expectations	Comments
21	Section 3.10.7-3.10.9 Payment Information	Once each business day payment information shall be sent via electronic file and or computer/tape per specifications outlined in this Statement of Work	Audits; Analyze reports				
22	Section 3.10.11 Uncollectible Information - For Accounts Referred via CMS	Provide monthly	Audits; Analyze Reports				
23	Section 3.12.1 Invoices	Submit invoices in a timely manner, by the 5th day of each month	Analyze invoices				
24	Section 3.13.4 Reporting Requirements: Summary listing of accounts	10th business day of each month	Audits; Analyze Reports				
25	Section 3.13.4 Reporting Requirements: Summary description of account activity and status	10th business day of each month	Audits; Analyze reports				

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LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Performance				Comments
				Does Not Meet Expectations	Meets Expectations	Does Not Meet Expectations	Meets Expectations	
26	Section 3.13.4 Reporting Requirements: Summary description of month-to-date and year-to-date performance	10th business day of each month	Audits; Analyze Reports					
27	Section 3.13.5 Provide data to be included in JCC Report	As directed by LASC	Receive; Analyze Report					
28	Section 6.1 Contract Project Manager	Prompt response to request; timely problem resolution	Monitoring; Review Reports					
29	Section 6.1.7 Current list of employees/management	Upon execution of contract, thereafter every month. Shall be kept current during the term of Contract	Analyze Reports					
30	Section 6.1.9 Representative for LASC collection meetings	Upon request	Meeting attendance audit					

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**LOS ANGELES SUPERIOR COURT REVENUE ENHANCEMENT SERVICES
QUALITY CONTROL PLAN 2020**

#	Performance Requirements/ Statement of Work Reference	Performance Standard	Typical Monitoring Method use by Court	Does N of Meet			Comments
				Expectations	Meets	Exceeds	
31	Section 6.2.2 Clerical staff at various LASC locations	As determined by needs of the Court	Site audits; Analyze Reports				
32	Section 6.2.2 Supervision of CONTRACTOR'S personnel at LASC locations	Ongoing	Site audits; Analyze Reports				
33	Section 9.2 Financial Remedies: Meeting minimum Success Rate	CONTRACTOR shall meet an overall minimum success rate of 31% on accounts after the second year of contract	Audits; Analyze Reports				
34	Section 11.3 Confidentiality: Require all CONTRACTOR personnel providing services in conjunction with the Contract to sign the Employee Acknowledgement and Confidentiality Contract	Submit within 3 business days of employee's start of work	Review Reports				
35	Section 11.4 Security and Control Procedures	Within 5 business days after execution of Contract (Updates to be submitted within ten business days of any change)	Audits; Analyze Reports				
			TOTAL				

ATTACHMENT J
Page 1 of 4

Los Angeles Superior Court Revenue Enhancement Services
DELIVERABLES

Name	Media	Frequency	SOW Reference
PLANS/PROCEDURES			
Procedures to inform COURT locations of debtors court appearance dates	Hard copy	As directed by COUNTY/LASC	Section 3 5.1
Written Internal Control Procedures	Hard copy	Maintained and updated as necessary	Section 3 8 10.8
Transition plan	Hard copy	Within 5 business days after execution of Contract	Section 4 2
Formal corrective action plan (if COUNTY/COURT deems CONTRACTOR'S performance as unsatisfactory)	Hard copy	Within 5 business days after notification	Section 8.1
Security and Control Procedures	Hard copy	Within 5 business days after execution of Contract (updates to be submitted within 10 business days of any change)	Section 11.4
Written Quality Control Plan	Hard copy	Within 5 business days after execution of Contract (Updates to be submitted within 10 business days of any change)	Section 11.5

ATTACHMENT J
Page 2 of 4

Los Angeles Superior Court Revenue Enhancement Services

DELIVERABLES (CONTINUED)

Name	Media	Frequency	SOW Reference
PERSONNEL			
Name, address, and telephone number of CONTRACTOR'S Project Manager and alternate	Hard copy	Upon execution of Contract	Section 6 1 6
Current list of employee management	Hard copy	Upon execution of contract, thereafter every month, shall be kept current during the term of Contract	Section 6 1 7
Representative for COUNTY/COURT collection meetings	-	Upon request	Section 6 1 9
Clerical staff and appropriate supervision to various COUNTY/LASC locations as determined by the Court	-	Upon execution of Contract	Section 6 2.2
Signed Contractor Employee Acknowledgement and Confidentiality Contract forms from all CONTRACTOR personnel providing services in conjunction with this contact.	Hard copy	Submit within 3 business days of employee's start of work	Section 11 3

ATTACHMENT J
Page 3 of 4

Los Angeles Superior Court Revenue Enhancement Services

DELIVERABLES (CONTINUED)

Name	Media	Frequency	SOW Reference
REPORTS/ACCOUNT INFORMATION			
Immediate notification of CONTRACTOR failure to meet the requirements of PC 1463 007	Verbal/ followed by Hard copy	Immediate	Section 2.2
Report of unidentified payments with any documents received with the payment (i.e. mailing envelope, enclosures) attached	Hard copy	5th business day of following month	Section 3.8.3
Report of incorrectly applied payments listing correct cases where payments should be applied or if payments should be refunded	Hard copy	Daily	Section 3.8.4
Immediate notification by phone of any verbal or written complaints	Verbal	Immediately	Section 3.9.5.2
Written notification of complaint to follow up phone notification	Hard copy	Within 3 business days of complaint receipt	Section 3.9.5.2
Written report of investigation of complaint	Hard copy	Within 14 business days of complaint receipt	Section 3.9.5.2
Master log of all complaints	Hard copy	Monthly	Section 3.9.5.2
Payment files	Electronic file	Once each business day	Section 3.10.7 - 3.10.9
Uncollectible accounts files	Electronic file	Monthly	Section 3.10.10
Updated account information (i.e., address, telephone number, Social Security number, etc.)	Electronic file	Upon request, as specified	Section 3.10.14
Summary listing of accounts referred in a given month	Hard copy	10th day of following month	Section 3.13.4
Summary and detailed (e.g. by account number) description of account activity and status	Hard copy	10th day of following month	Section 3.13.4
Summary description of month-to-date and year-to-date performance	Hard copy	10th day of following month	Section 3.13.4
Return of all accounts, additional information relating to accounts records and/or files pertaining to accounts	Electronic file	Within 3 business days of Contract termination	Section 3.14.3

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**Los Angeles Superior Court Revenue Enhancement Services
DELIVERABLES (CONTINUED)**

Name	Media	Frequency	SOW Reference
FINANCIAL INSTRUMENTS AND RELATED DOCUMENTS			
All financial instruments (e.g. cash, checks, credit card remittances, etc.)		No later than the business day following their receipt	Section 3.8.1
Wire transfer funds into COUNTY bank account by 2:00 p.m. PST		Daily	Section 3.8.1

Name	Media	Frequency	SOW Reference
EQUIPMENT/TECHNOLOGY			
At each COUNTYFLASC location, a personal computer at current industry standard and/or all necessary peripheral equipment and software for on-line access to COUNTY/LASC accounts on CONTRACTOR'S database		After execution of Contract	Section 3.11.2
For each clerical staff, a personal computer, at current industry standards, and all necessary computer peripherals including on-line access to COUNTY/LASC accounts on CONTRACTOR'S database.		After execution of Contract	Section 6.2.2

ATTACHMENT K
Page 1 of 2

TECHNICAL EXHIBIT 1 CONTRACT DISCREPANCY REPORT (CDR)

1. USER COMPLAINT to be completed by COURT Project Manager (CPM)

Today's Date: _____

Contractor: _____

Phone Number: _____ CPM: _____

Date(s) of Unacceptable Performance: _____

Description of Unacceptable Performance: _____

2. REVIEWED:

Signed: _____

COURT Project Director (CPD)

Date: _____

3. Contractor RESPONSE (to be completed by Contractor Project Manager)

Date received from CPM: _____

Explanation for Unacceptable Performance: _____

ATTACHMENT K
Page 2 of 2

Corrective Action Taken:

Signed: _____ Date:
Contractor Project Manager

4. INSTRUCTIONS

CPM: Forward CDR to the Contractor.

Contractor: Must respond to CPM in writing within five (5) working days of receipt of CD

EXHIBIT A2

SELECTED PORTIONS OF CONTRACTOR'S TECHNICAL PROPOSAL

--- Begins on Following Page ---

Superior Court of California, County of Los Angeles

Response to Superior Court of California, County of Los Angeles
Solicitation RFP 2019-067 for Revenue Enhancement Services

DUE DATE

Friday December 6, 2019, 10:00am PST

CONTACTS

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Renee.Linnabary@lgbs.com
206.919.2088



Superior Court of California
County of Los Angeles
18000 Studebaker Road
Suite 700
Cerritos, CA 90703

Agreement #2019-067-02

Main: 844.598.2700 - Fax: 512.693.0728

December 1, 2019

Email: Nancy.Su@lgbs.com
Direct: 213.973.1866

Superior Court of California, County of Los Angeles
Stanley Mosk Courthouse
111 North Hill Street
Los Angeles CA 90012

RE: RFP 2019-067 for Revenue Enhancement Services

Dear Ms. Jauregui and other evaluation members:

On behalf of Linebarger Goggan Blair & Sampson, LLP (Linebarger), I am pleased to submit this response to the Superior Court of California, County of Los Angeles (Court), Request for Proposal for Revenue Enhancement Services. We are excited about this opportunity to serve the Court and feel that our current contractual collection experience throughout California, including an existing agreement for tertiary collections with the Los Angeles Superior Court, and across the nation will bring great benefit to the Court. Our firm wants the opportunity to prove our ability in the primary position, either exclusively or with a split of business, to demonstrate how our law firm can collect more than a traditional collection agency and provide superior customer service to all individuals and businesses.

Nationwide government expertise- Linebarger has 43 years of government collection experience. We focus our work within the government sector, serving 700 individual courts and 2,500 government clients nationwide. Our firm employs over 1,300 individuals to ensure our clients have the best in collection handling, legal support, technical service, and security. We service large and complex court contracts including: Houston, Texas; Chicago, Illinois; St. Louis, Missouri; Denver, Colorado; Oregon Judicial Department including 36 trial courts statewide; State of Iowa Judicial Branch on behalf of 99 separate county district courts; over one third of the 65 Florida County Clerks; and 500 individual Texas courts.

Customized collection solutions- We offer debtors convenient options to resolve their outstanding debts and always treat them with respect and empathy. Our collectors offer payment plans that are reasonable and flexible based on the debtor's situation and our client's guidelines. We offer multiple payment options including receiving payments online, over the phone, or in person at local stores via PayNearMe. Our firm never charges convenience fees. We want to earn your business and will present, in the information that follows, our customized collection program that incorporates our team of skilled collectors, government fees and fines expertise, experienced implementation team, tailored reporting to your needs, online payment portal, superior skip-tracing, advanced technology, and a highly trained legal staff.

California expertise- Linebarger is established in California with attorneys and two in-state offices, including one within Los Angeles County. We are an approved collection vendor under the California Judicial Council and currently service nine California Superior Court clients (Alameda, Butte, Contra Costa, El Dorado, Humboldt, Los Angeles, Mendocino, Orange, and Riverside). Our firm has an established working relationship with the Franchise Tax Board in both the Court Ordered Debt and Tax Intercept programs. We work with the FTB on our clients' behalf for better results.

On-site staff- We maintain onsite staff in various court locations including El Dorado, California and Orange County, Florida. Our team understands how to effectively manage remote staff, including how to comply with security and audit requirements at remote sites.

Law firm advantage- Throughout our response we demonstrate the advantages of a law firm over a traditional collection agency. We have more than 120 attorneys to lend their expertise at no added cost. Hiring a national law firm rather than a standard collection agency has additional benefits that result in lower risk and more money for our clients: adherence to the stringent ethical requirements; the ability to offer legal advice and opinions on issues related to the contractual services we provide; and communications from our law firm to debtors that are professional and compassionate. Our firm has a deep understanding of court collections including traffic, criminal, felony, and victim restitution accounts. Communication from a law firm is often treated with more urgency than a standard agency leading to better results. We work every account assigned and always treat individuals with respect, professionalism, and empathy while developing the best plan for account resolution.

IT and security- As an incumbent vendor for tertiary collections, our firm has an understanding of Penal Code 1463.007 and is familiar with existing Court processes and IT requirements. All services can be provided with no interruption in service or revenue. Our IT department has experience working with Tyler Technologies, including working with more than 20 interfaces with clients using Tyler products. Linebarger employs over 160 IT staff. We invest heavily in technology and data security. We are PCI SOC 1 and SOC 2 certified and receive several audits to ensure the security and integrity of client data. We have detailed our security measures and industry awards within our response.

All of these factors will benefit the Court and provide unparalleled collection services. Our entire team is committed to serving the needs of the Court. Should you have any questions or comments, please do not hesitate to contact me.

Respectfully submitted,



Nancy Su
Attorney

1. Executive Summary

Provide an Executive Summary of your proposal. The Executive Summary should be a high-level, general overview of how Proposer intends to accomplish the requirements of this RFP. The Executive Summary should demonstrate the **Proposer's understanding of the requirements**. The Executive Summary must also address how Proposer meets the minimum requirements.

The Superior Court of California, County of Los Angeles (Court) system is one of the largest court systems in the country. With a total in excess of 3 million cases with outstanding delinquent court-ordered debt totaling \$3.45 billion, and continuing accrual and referral, the Court requires a highly capable and experienced collection partner solution.¹

Linebarger singularly focuses on court and government debt collection. We are pleased to submit the following proposal for debt collection services to your Court. With 43 years of government and court debt collection experience in California and across the nation, we are confident that Linebarger can provide an effective program that will exceed the Court's expectations while offering superior customer service. As an existing vendor for tertiary accounts, the Court has placed more than \$59.7 million in inventory with our firm. We have directly applicable experience collecting for the Court on the existing inventory where 94 percent of our inventory is from 2009 and prior. Linebarger has proven our ability to apply all collection avenues to collect this aged and therefore more difficult to collect debt. As we have demonstrated with our current contract, we work every single account assigned to increase revenue for the Court. We are prepared and ready to provide primary collection services for the Court where we will exceed our performance as a tertiary vendor.

Linebarger has extensive experience collecting on delinquent court-ordered debts for more than 700 separate court systems across the country, including the Superior Court of California in multiple counties.

¹ Re: Report of Statewide Collection of Court-Ordered Debt for 2017-18, as required under Penal Code section 1463.010

1. Executive Summary

We believe that every process necessary to perform collection efforts on behalf of the Superior Court of California, County of Los Angeles currently exists in the Linebarger process arsenal.

As an incumbent vendor for tertiary collections, we can provide collections for primary accounts with no interruption in service. Our team understands the requirements of the Court and has existing processes and functionalities consistent with the requirements of this RFP. We can seamlessly integrate and incorporate our processes into providing primary collections services for the Court, resulting in an immediate benefit.

Linebarger stands ready to fill every aspect of the Court's collection needs and, in turn, enhance the overall performance, account resolution success, and revenue generation for the Court. We will accomplish this enhanced mission on several fronts by developing and implementing an ever-evolving collection program that appropriately pursues effective and proven collection methods – including, as necessary or desired by your Court, the enhanced services obtained through pursuit of legal services by a reputable collection law firm.

We are certain that our specific experience and familiarity with the Court's contract, and the collection of delinquent court fees and fines in jurisdictions across the country, including California, will provide an immediate benefit for the Court. Our proposed project team has over two decades of direct revenue enhancement California Superior Court contract management experience.

Proposed Solution

Linebarger can provide all the services requested in this RFP, and we can do so while offering enhanced, specific benefits that few firms can offer. These include:

- More than 43 years of experience in the field of government collections.
- We have over 1,300 employees, including more than 330 highly-trained collection staff, and more than 120 attorneys. We are confident that our firm has more than adequate resources to manage your Court's collection project.

1. Executive Summary

- The advantages that come with partnering with a law firm rather than a standard collection agency.
- Our advanced technology infrastructure and in-house staff of more than 160 IT professionals.
- Best practices gleaned from our experience partnering with more than 2,500 government clients nationwide.
- More than 16 million notices were sent in 2018 by Linebarger, including over 63,000 letters sent on behalf of Los Angeles Superior Court which generated over \$8 million of resolved inventory. As a law firm, we were able to reach defendants with very aged accounts to establish contact and resolution.
- California presence with two offices including one within Los Angeles County.
- We currently work with 9 California courts: (Alameda, Butte, Contra Costa, El Dorado, Humboldt, Los Angeles, Mendocino, Orange, and Riverside)
- We have extensive experience working with the Tax Intercept Program. Our vetted skip-tracing process allows us to qualify additional accounts for the program each year. This results in more collections for our courts.
- We have vast experience in working with the Court Ordered Debt program. Once accounts are submitted to the COD program, our team continues to interact with defendants and act as liaison with the Franchise Tax Board. More than 222,000 accounts have been submitted by Linebarger on behalf of three courts to the COD program as of October 2019.
- We have over 40 interfaces with Tyler Technologies. Our team participates in the annual conference and has monthly calls with the respective leadership teams.

Decades of Experience—A Single Focus

From its foundation 43 years ago, Linebarger has focused its efforts on collecting debt exclusively for government clients. This intentional focus has created a product and service that is time-tested and effective. By focusing only on governmental collections, we have created a best-practices program that provides unparalleled results and processes for our government entity clients. Linebarger will provide a full-service collection program with performance and results that will ensure the Court's satisfaction.

1. Executive Summary

Our proposed solution for collecting debt is comprehensive in nature, involves all aspects of our law firm, is fully customized to meet the Court's requirements and preferences, and adheres to all statutory requirements for the overall program.

The Advantages of a Law Firm

As the most populous county in the nation, Los Angeles County faces the challenge of collecting numerous types of debts from a continually growing population. Without comprehensive efforts on the Court's behalf by its collection vendor, the outstanding court debt figure will continue to increase into the future despite best efforts of the Court's existing collection program.

Inclusion and utilization of Linebarger, a national collection law firm, for your first placement accounts will add significant, direct, and immediate advantage and benefit to your County, your Court and your Court's defendants, as well as to your total constituent base.

Linebarger provides advantages not offered by typical collection agencies:

- As a law firm and lawyers, we are official "Officers of the Court" with an inherent understanding of every responsibility that we have to the overall Court system and process. Every dealing on behalf of your Court is undertaken with this duty in the forefront of our minds and actions.
- Every aspect of the entire collection effort is handled internally under-one-roof by our own in-house attorneys. Because we do not refer or subcontract any aspect of the collection work, the drawbacks and potential problems faced by non-law firm collection agencies (who must outsource their legal work to potentially unknown law firms) do not exist when partnering with Linebarger.
- Because defendants actually regard contact from a law firm as a more imminent stage in the collection process, Linebarger often gets results when others fail.
- Our attorneys successfully navigate the vast, complex maze of federal and state laws, regulations, court decisions and administrative rulings that govern collections, which allows compliance with all rules and regulations and minimizes risk to avoid complaints and problems.

1. Executive Summary

- As a law firm, we adhere to stringent ethical requirements promulgated by the Supreme Court of every state in which we practice. These requirements set a higher standard of professional conduct than that required of ordinary collection agencies.

The Advantages of In-House Technology and Personnel

In addition to gaining the advantage of partnering with a law firm for your collection needs, your court also gains the advantage of leveraged technology applications. While much of the technological advantage remains behind-the-scenes, this distinct and unique “invisible feature” supports and assists in the resulting performance of our law firm.

In the current business environment, collection agencies often seek to maximize profits by operating database management software that meets a bare minimum of functionality and security. To maintain such a system, they may employ a single technology person to keep their system running and to be a contact liaison between the collection agency and the operating system, or they may outsource this function completely, leaving their clients’ data and connectivity in the hands of an unknown entity. In short, technology resources are generally an afterthought – a fixed expense to be minimized.

Linebarger’s philosophy is to invest and maintain maximum efficiency by leveraging cutting edge technologies. Over the years, we have invested millions of dollars in the latest hardware and software products available.

Furthermore, rather than having a solo IT person or outsourced vendor attempting to manage our vast technology, we currently maintain an in-house IT staff of more than 160 highly skilled and trained professionals.

We recognize that shrinking budgets have forced many of our government clients to cut back on their technology support staffs, and by maintaining a large IT force of our own, we are able to augment our clients’ IT capabilities, rather than adding an additional burden to them.

1. Executive Summary

Our IT professionals:

- Use the latest technology to meet all our client's needs, including providing the ability for all data to be transmitted electronically.
- Operate and maintain all aspects of our technology needs through in-house staff
- Maintain and customize our CUBS collection software
- Develop and build customized interfaces and data transmission pathways for each client installation
- Provide assistance to clients during implementation processes
- Provide training to clients to allow for ease in implementation and/or in system or operational upgrades over the course of time
- Maintain the highest levels of physical and data security to protect our client data and defendant information

The credentials and skill sets of our in-house technology staff are second to none. Our ability and commitment to employing an entire team of more than 160 IT professionals provides assurance to our clients that their technology needs will be met in every respect.

- Our staff is highly familiar with Tyler Technologies products and have multiple existing and functional interfaces with clients using Tyler products including:
 - Oregon Judicial Department has over 500,000 accounts placed totaling more than \$566 million (36 trial courts)
 - Orange County, Florida has over 125,000 accounts placed totaling \$95 million in placements (population 1.2 million, including the City of Orlando)
 - Tarrant County, Texas (population 2 million, including the City of Fort Worth)
 - Travis County, Texas (population 1.2million, including the City of Austin)
- Existing working relationship with the Franchise Tax Board and interfaces with COD and TIP in place.

1. Executive Summary

- Daily operational functions will flow smoothly – and any possible glitch or issue will be immediately identified and resolved by in-house IT staff without delay. We do not have to wait in a work queue for an outside IT person to respond to our issue.
- Your data and information is safe. Data security and integrity are maintained at the highest levels through our specific in-house IT security team.
- Reporting functions – including customized or ad-hoc client reports – are developed and generated by in-house staff based on your Courts’ needs and preferences.

The main goal of our staff is to provide excellent service to our government clients. Employing one of the best technology teams in the industry provides a foundation upon which every other function and service we provide is simplified. This foundation allows every member of our law firm to approach their duties and functions in the most efficient manner.

Best Practices Approach to Collections

While our law firm applies a standard set of tools, each program is designed in accordance with the client’s specific legal and program requirements and with the ultimate goal of maximizing collections.

As the section above illustrates, there is a distinct “law firm advantage” that provides significant benefit to clients working with a collection law firm rather than a standard collection agency vendor. While Linebarger uses similar standard collection agency techniques at points along the collection process, we are also able to provide clients with an array of law firm specific tools.

As a law firm, we are able to implement all collection tools – including pursuit of all available legal remedies – in a single-stop-shop location with all collection activities pursued in-house and under one roof.

With our firm, the Court will have direct contact, oversight, and communication with a single collection vendor throughout the entire collection process. You will not be subject to the possibility of having your accounts forwarded to an unknown law firm or collection vendor with whom you have no relationship, control, or ability to contact or communicate.

1. Executive Summary

Linebarger strives to create effective partnerships with our clients that allow clients to focus on their core government responsibilities and operations with full confidence in the manner in which we perform our role as their delinquent collection unit.

Our firm proposes a turnkey collection program, guided by a strong local management team, experienced collectors, and a secure data processing environment to enhance your Court's current efforts.

Highlights of our proposed solution include:

- Our team is committed to being responsive to your needs
- Our firm applies a best practices approach to collections.
- We never stop working accounts. While some agencies work accounts for a short period of time and effectively "give up", we work accounts the entire time they are placed with Linebarger for collections.
- We work all accounts assigned versus utilizing scoring of accounts. All debtors deserve to be notified of their outstanding obligation.
- We utilize a monthly skip-trace sweep process. Any account with a missing address or phone number will be skip-traced monthly, at minimum.
- Letter sweeps are done periodically, and at minimum, every account will receive a letter at least once per year. A separate tax intercept notice is sent prior to the November 30 deadline.
- Our local and out-of-state collection staffs receive intensive, interactive training programs to ensure that they know and adhere to all laws and regulations pertaining to the collections industry. Additionally, our employees are trained to strictly observe the firm's policies regarding client confidentiality.
- We use our enhanced, collector-friendly computer systems, along with the latest in telecommunications technology. Using these systems, our collectors can consistently make personal contact with debtors and inform them that a law firm is contacting them on your behalf.
- Our regular and ongoing compliance training ensures that our managers and collectors remain current on all federal/state laws and regulations governing the collection industry.

3. Work Plan for Providing Requested Services

Provide a detailed Work Plan, which must include a proposed method for completing the work set forth in the Statement of Work.

To maximize account resolution, efficiently manage and handle every aspect of client interaction, as well as effectively interact with debtors, Linebarger will design and implement a systematic and efficient process specifically tailored to your delinquent receivables portfolio and to the regulatory environment in which you operate. From the date we are notified of contract award, and through the entire development and implementation phase, we will work with you and your team to implement effective communication tools to reach your debtors while providing the value-added legal services typical collection agencies cannot offer.

While our approach to collecting delinquent receivables is mostly systematic, we also customize our services to meet each client's needs. We have implemented many innovative solutions for our clients over the years to help them resolve issues related to their collection programs.

The work plan should demonstrate a clear understanding of all the tasks needed to meet the SOW requirements, and should include the following:

a. Provide the names of key staff that will manage and support this project. Describe roles and responsibilities of the Contractor and its representatives. Include individual qualifications (certifications, years of experience, expertise, etc.) and provide a resume for each. At a minimum, Proposer must identify the project manager, lead collectors, lead information technology personnel for interfacing with the Court's case management and/or accounting system(s).

Primary Placements

- Linebarger offers the enclosed primary collection portfolio services.
- Our current work for the Court in tertiary placements has provided us with the knowledge of the program and prepared us for the primary placement portfolio

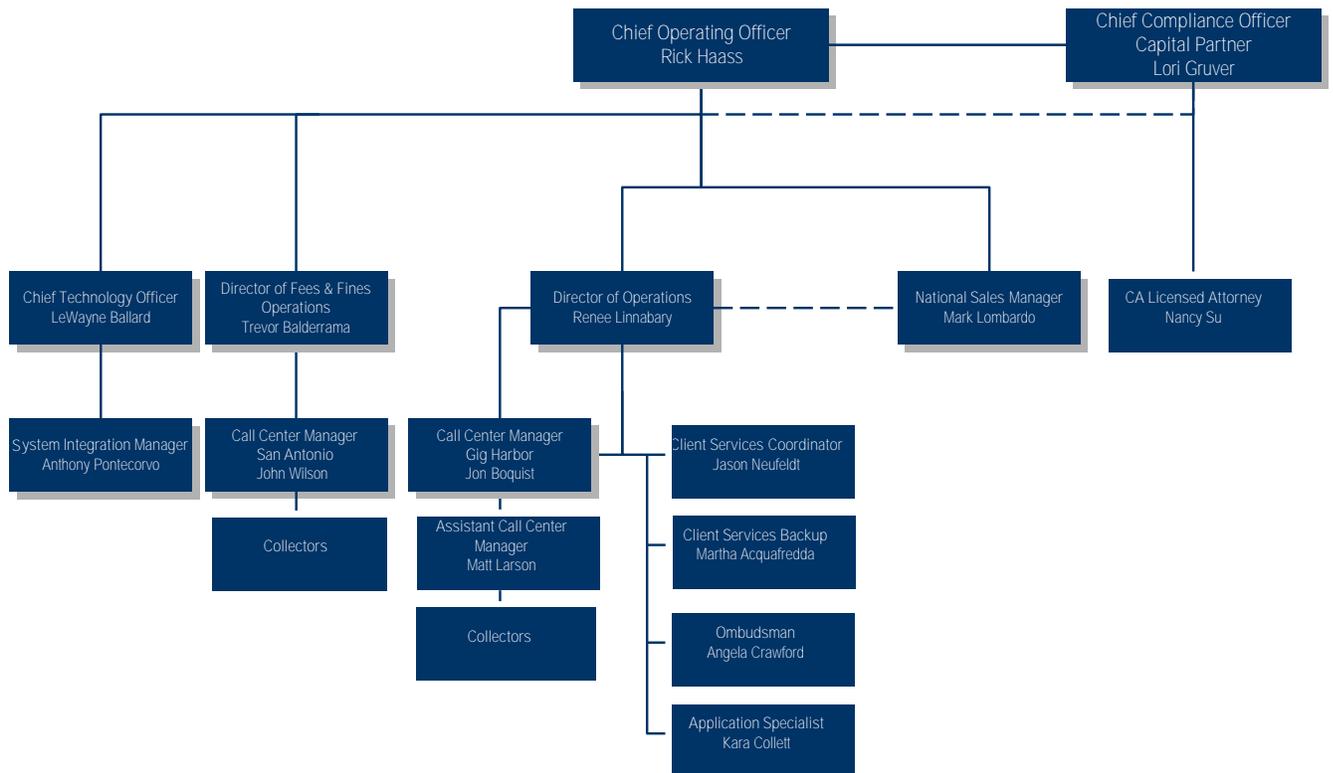
3. Work Plan for Providing the Requested Services

Linebarger offers the following talented team to serve the Court and its assigned individuals. While we do not anticipate any changes, we will submit any changes to this team to the Court for prior approval.

Please see Exhibit C: Resumes Key Personnel.

The following key project personnel have direct Los Angeles Superior Court collection contract experience: Mark Lombardo, Renee Linnabary, Jon Boquist, Matt Larson, Martha Acquafredda, Jason Neufeldt, and Kara Collett.

LINEBARGER
Los Angeles Superior Court - Key Personnel



3. Work Plan for Providing the Requested Services

Court Project Team

The entire project team has specific experience working on behalf of Los Angeles Superior Court’s tertiary portfolio. We will parlay that experience into implementing a best of class primary collection service.

Name	Title	Role	Relevant Work Experience
Martha Acquafredda	Client Service Coordinator	Contract Manager back-up	15 years of government experience in California
Trevor Balderrama	Director of Fees & Fines	Director	23 years in government sector
LeWayne Ballard	Chief Technology Officer	Oversight of IT functions	19 years of government industry experience
Jon Boquist	Call Center Manager	Lead collector	29 years dedicated to government collections
Kara Collett	Application Specialist	Lead IT	26 years dedicated to government collections
Angela Crawford	Compliance Representative	Coordinate, research, and respond to all complaints	12 years of government collection experience
Lori Gruver	Chief Compliance Officer Capital Partner	CCO and Attorney oversight	28 years of government experience including compliance of contracts nationwide
Rick Haas	Chief Operating Officer	Executive Oversight	24 years of experience with the law firm in a progressive management capacity
Matt Larson	Assistant Call Center Manager	Lead collector	20 years of government collection experience
Renee Linnabary	Director of Operations	Project Manager back-up	25 years of nationwide government experience, oversight of CA contracts for 19 years
Mark Lombardo	National Sales Manager	Project manager	32 years of collection experience including 27 in government. Project Manager for current Los Angeles Superior Court contract
Jason Neufeldt	Client Service Coordinator	Contract Manager	22 years of government collection experience in CA
Anthony Pontecorvo	Systems Integration Manager	Lead IT	25 years of IT experience, 13 years with Linebarger
Nancy Su	Associate Attorney	LA based lead attorney	7 years of collection experience including 1 year focused on government collections

3. Work Plan for Providing the Requested Services

Name	Title	Role	Relevant Work Experience
John Wilson	Call Center Manager	Lead collector	46 years of collection experience with 16 dedicated to government collections

The total relevant experience of the team = 353 years

Average Tenure of Contract Collection Staff

- collection supervisors average 10.98 years with the firm
- collectors average 3.95 years with the firm

Agent Name	Years of Direct Government Debt Collection Experience
ANDERSON, AUTUMN	3 YEARS
ARAGON, KRISTINE	15 YEARS
BALDERAS, BRYANA	2 YEARS
BARAHONA, LEIDA	6 YEARS
BULLARD, JESSICA	4 YEARS
CASILLAS, FELICIA	9 MONTHS
DEAN, PAULA	8 MONTHS
DOUGHTY, PHILIP	2 MONTHS
DOUTHIT, LORIN	4 YEARS
ENRIQUEZ, IDALIA	13 YEARS
GARCIA, EMMA	3 YEARS
GARZA, GINA	10 YEARS
GASTINEAU, ERIC	2 1/2 YEARS
GOMEZ, MARIA	12 YEARS
GOUDREAU, SEAN	8 YEARS
GUERRA, FELIPE	8 YEARS
HALL, MORENE	1 1/4 YEAR
HANCOCK, BENJAMIN	1 YEAR
HARDEN, JOANN	17 YEARS
HARMON, CHRISTOPHER	3 YEARS
HARRIS, SHADONNA	1 YEAR
HAVENS, MELLISA	2 YEARS
HAYNES, NICOLE	2 1/4 YEAR
HERBERT, CHASTITY	2 1/2 YEARS
HERNANDEZ, AARON	2 YEARS
HILL, STEPHANIE	2 YEARS
HOLGUIN, CARMEN	3 YEARS
HUNT, NICOLE	9 YEARS
JARAMILLO, VINESSA	4 YEARS
JAUREGUI, KIMBERLY	6 YEARS
JOSEPH, SUSAN	2 YEARS
MARTINEZ, RUBEN	6 YEARS
MCARDLE, GARY	1 1/4 YEAR

3. Work Plan for Providing the Requested Services

Agent Name	Years of Direct Government Debt Collection Experience
MCINTURFF, JANESSE	2 YEARS
MCQUEEN, NICHOLAS	2 1/4 YEAR
MCWILLIAMS, SHAWNA	5 YEARS
MERAZ, ESMERALDA	1 YEAR
MORENO, ELIZABETH	3 YEARS
MURPHREE, PATRICIA	6 MONTHS
NAVARRO, LAURA	8 YEARS
NORET, JAMIE	13 YEARS
NORMAN, CORINA	2 1/4 YEAR
OLASON, SHANNON	6 YEARS
PARRA, ROSE	3 YEARS
PATTESON, MARISA	4 YEARS
PETERSEN, CHARLENE M	3 YEARS
POTTARD, KATHY	11 YEARS
QUESTNOT, TEX ANITA	8 YEARS
REYES, JESSICA	3 YEARS
RICO, CHARISMA	2 YEARS
RIVERA, STEPHANIE	2 1/4 YEAR
RODRIGUEZ, STEFANY	9 YEARS
SHUTLER, BRIAN	1/2 YEAR
SUNIGA, MONICA	10 YEARS
THOMPSON, KATHLEEN	12 YEARS
URIBE, MELLISA	11 YEARS
VARGAS, LISA	4 YEARS
WALL, REBECCA	4 YEARS
WILCOX, ETHAN	9 MONTHS
WOLF, KASEY	2 YEARS
YOUNG, STEPHANIE	3 MONTHS

The total relevant experience of collectors = 290.25 years

b. Discuss your firm’s capacity and methodology to assure and maintain proper confidentiality of court records.

Having implemented comprehensive collection programs for some of the nation’s largest public sector entities, Linebarger has built a reputation for delivering excellent results and exceptional customer service. One of the keys to our success is quality control.

Linebarger’s quality control program encompasses all of our activities, from verbal and written contact with debtors, to the security of our firm’s systems, data and facilities. Our quality control program performs five key functions:

3. Work Plan for Providing the Requested Services

- identifies potential problems with processes, practices, staff, and/or security
- evaluates the fundamental causes of such problems
- develops specific corrective actions
- creates training sequences to reinforce corrective actions
- schedules follow-up reviews

Monitoring within the Project Team

Mark Lombardo will continue to serve as Project Manager. He will work hand in hand with our Director of Operations, Renee Linnabary, and contract manager, Jason Neufeldt, for the Court project. They will conduct regular reviews of project-related activities to ensure high-quality debtor service and contractual, procedural, and regulatory compliance in all dealings with and for the Court.

Our project management team for the Court will routinely monitor all of the collection program's internal functions and will be responsible for ensuring the project's compliance with firm procedures and standards and the Court's policies.

Internal Audit Department

The law firm employs three full-time Internal Auditors to provide a "checks and balances" role over its accounting, human resource, and administrative processes. The internal audit team also serves as an additional, independent quality control mechanism to monitor compliance with the firm's contracts. This team works with the collection management team to ensure all aspects of the contract are correctly administered and followed.

The Internal Audit Department determines whether controls implemented by the Court project management team are adequate to ensure that:

- risks are appropriately identified and managed
- financial, managerial, and operating information is accurate, reliable, and timely
- employee and collector actions conform to policies, standards, procedures, and applicable laws and regulations
- programs, plans, and objectives are achieved

3. Work Plan for Providing the Requested Services

- quality and continuous improvement are promoted in the firm's internal control processes
- funds are collected and disbursed accurately and in a timely fashion

The Internal Audit Department is separate from the management team for the Court project and monitors firm operations to ensure contractual and regulatory compliance in accounting, human resources, and administrative processes.

Working under the International Standards for the Professional Practice of Internal Auditing (ISPPA), as promulgated by the Institute of Internal Auditors (IIA), the firm's Internal Audit Department conducts regular operational and investigative audits of the firm's offices and significant operations using a risk-based approach. Our Audit and Ethics Committee approves our annual audit schedule.

Department staff members report to the Internal Audit Manager, who reports directly to the Audit Committee, a subset of the firm's Management Committee. The Audit Committee meets regularly to discuss internal audit reports and significant business and control processes of the firm. The Chief Financial Officer and Chief Operating Officer also attend the Audit Committee meetings.

Compliance and Quality throughout the Collection Process

In 2013, we established the position of Chief Compliance Officer (CCO). Our CCO is integral to the firm's commitment to statutory and regulatory compliance nationwide. In 2016, our CCO, Lori Gruver, joined a handful of professionals in our industry in receiving certification from the Association of Credit and Collection Professionals (ACA). She earned this designation by completing a rigorous curriculum covering risk assessment, controls, corrective action, and advanced studies in collection laws, data security, privacy, and ethics.

3. Work Plan for Providing the Requested Services

Our advanced technology also assures that we maintain full compliance throughout the collection process, including all phone contacts. Contact screens identify all FDCPA and state requirements and restrictions that apply to any business or residential call. The use of this technology, coupled with the training our call center employees receive, provides our clients with the comfort of knowing that we are acting within the law in our representation of them, thereby reducing the liability risk to both them and us.

Fair, Ethical and Courteous Treatment of Delinquent Account Holders

As a law firm focused on the collection of delinquent government receivables, we are committed without compromise to the high ethical standards of the legal profession as well as those of the collection field. Our collectors only use collection strategies and techniques that are both legal and ethical.

Experienced managers work the collection floor on a daily basis, observing collectors to ensure they treat all debtors with courtesy and respect.

Confidentiality

All debtor information is kept confidential at all times. All employees must sign a nondisclosure/confidentiality agreement when they join the law firm. We can have each employee sign a confidentiality agreement form specific to the Court's contract.

Protecting Debtor Rights

All Linebarger employees receive rigorous initial and ongoing training in the rights of debtors. This training includes comprehensive coverage of the FDCPA and the Privacy Act of 1974, as well as the full range of Court policies and procedures regarding collection activities.

To guarantee full compliance with both the spirit and letter of the above regulations, the firm's call center managers and the attorneys overseeing the collection programs monitor collection efforts. They provide feedback to collectors and submit reports of compliance disparities to their managing attorneys and if appropriate: the Court.

3. Work Plan for Providing the Requested Services

Long History of Compliance

After more than 43 years of providing professional collection services to our clients, we have never had a FTC violation or FDCPA judgment levied against us for violating collection laws or regulations in the history of our firm. This record is not accidental, but rather the result of a combination of managerial commitment, selective recruiting, intense training, and zealous quality control. In short, Linebarger has been in full compliance with all applicable laws, regulations, and ethical standards, and will continue to remain in compliance.

As a testament to the law firm's professionalism and performance, some of Linebarger's largest clients have renewed their contracts for more than 20 years.

ISO 9001:2000 Quality Management Standards

Linebarger follows the guidance provided within NIST SP 800-53 Recommended Security Controls for Federal Information systems.

The Linebarger Configuration Management Policy defines the processes and controls necessary to develop a baseline for hardware, software, and firmware associated with a system. Additionally, it defines the process to evaluate changes to the baseline system and determine the risk to the system. Integral to the Linebarger Configuration Management policy are defined communication paths between different stakeholders and external entities.

A comprehensive Change Control process is essential to the success of individual project efforts and contributes to the overall performance of the organization. Linebarger places strong emphasis on effectively communicating with employees, customers, and clients (stakeholders) involved in its Change Control process, thereby increasing the project's success. The benefits of this process are increased quality, reduced re-work, and better risk management.

Linebarger has adopted a Change Management and Change Control Methodology that lends itself well to managing change in both technical and customer service environments. The firm's focus on these core capabilities has enabled it to become the premier collector of government receivables.

3. Work Plan for Providing the Requested Services

Quality Control Features of Collection Software

Linebarger uses customized software to manage its clients' data. For each account, the activity screen used by collectors features a reminder field that must be completed before he or she can exit the screen. These reminders establish when the next step in the collection process must be taken, and whether follow-up should be automated or personally handled by a collector. Reports track the collection process to ensure that we work accounts in a timely fashion.

When immediate follow-up is required, a supervisor assumes ownership of the account and seeks to resolve the issue before transferring the account back to the appropriate person or group. In all instances these quality control measures are designed to create an accurate and productive process to collect the highest amount of debt owed to the Court as efficiently as possible.

c. Include an implementation plan that includes a timeline.

Linebarger is an incumbent and can have all services in place and operational within 30 days.

Los Angeles Superior Court	Owner	Start Date	End Date
Items denoted in red from the Court			
Timeline based on start date of 7/1/2020			
All dates are flexible and services can be implemented within 4 weeks			
Set-up			
Legal and compliance			
Execute collection agreement	Mark Lombardo	4/1/2020	4/6/2020
Provide insurance certificates	Mark Lombardo	4/1/2020	4/21/2020
Kick off meeting			
Develop initial implementation plan	Renee Linnabary	4/6/2020	4/13/2020
Onsite meeting at Court	Renee Linnabary	4/11/2020	4/11/2020
Schedule weekly meetings with Court	Renee Linnabary	weekly	weekly
Revise implementation plan	Renee Linnabary	4/13/2020	4/15/2020
Debtor notification			
Flyer to post at Court to notify of new collection vendor	Renee Linnabary	6/15/2020	6/15/2020
Counter cards	Renee Linnabary	6/15/2020	6/20/2020

3. Work Plan for Providing the Requested Services

New client set-up in CUBS system			
Schedule internal Linebarger staff meetings	Renee Linnabary	weekly	weekly
Provide primary contacts to Court	Renee Linnabary	4/11/2020	4/11/2020
Client fact sheet	Renee Linnabary	4/13/2020	4/13/2020
Set-up client in system	Jason Neufeldt	4/15/2020	4/15/2020
Employee acknowledgment forms	Angela Crawford	6/15/2020	7/1/2020
IT			
FTP setup	Kara Collett	4/18/2020	4/23/2020
VPN connection to our system	Kara Collett	4/18/2020	4/23/2020
Referral file specification-case management systems	Currently in development as of 12/20		
Layout from client	Client	4/20/2020	4/20/2020
Test file from client	Client	4/20/2020	4/20/2020
Map file to Linebarger system	Kara Collett	4/22/2020	4/25/2020
Submit programming defect	Kara Collett	4/25/2020	4/25/2020
Complete programming	Anthony Pontecorvo	4/25/2020	5/10/2020
Complete QA testing	Anthony Pontecorvo	5/10/2020	5/15/2020
User evaluation review	Kara Collett	5/15/2020	5/16/2020
Push to production	QA team	5/16/2020	5/18/2020
Referral file specification-FTP & case management system	Currently in development as of 12/20		
Layout from client	Client	4/20/2020	4/20/2020
Test file from client	Client	4/20/2020	4/20/2020
Map file to Linebarger system	Kara Collett	4/22/2020	4/25/2020
Submit programming defect	Kara Collett	4/25/2020	4/25/2020
Complete programming	Anthony Pontecorvo	4/25/2020	5/10/2020
Complete QA testing	Anthony Pontecorvo	5/10/2020	5/15/2020
User evaluation review	Kara Collett	5/15/2020	5/16/2020
Push to production	QA team	5/16/2020	5/18/2020
Payment/continuance arraignment file specification	Currently in development as of 12/20		
Layout from client	Client	4/20/2020	4/20/2020
Test file from client	Client	4/20/2020	4/20/2020
Map file to Linebarger system	Kara Collett	4/22/2020	4/25/2020

3. Work Plan for Providing the Requested Services

Submit programming defect	Kara Collett	4/25/2020	4/25/2020
Complete programming	Anthony Pontecorvo	4/25/2020	5/10/2020
Complete QA testing	Anthony Pontecorvo	5/10/2020	5/15/2020
User evaluation review	Kara Collett	5/15/2020	5/16/2020
Push to production	QA team	5/16/2020	5/18/2020
Payment file specification-FTP	Currently in development as of 12/20		
Layout from client	Client	4/20/2020	4/20/2020
Test file from client	Client	4/20/2020	4/20/2020
Map file to Linebarger system	Kara Collett	4/22/2020	4/25/2020
Submit programming defect	Kara Collett	4/25/2020	4/25/2020
Complete programming	Anthony Pontecorvo	4/25/2020	5/10/2020
Complete QA testing	Anthony Pontecorvo	5/10/2020	5/15/2020
User evaluation review	Kara Collett	5/15/2020	5/16/2020
Push to production	QA team	5/16/2020	5/18/2020
Reconciliation schedule	Kara Collett	7/1/2020	7/1/2020
Reports			
Invoice			
Receive sample from client or provide sample for review	Client	5/18/2020	5/18/2020
Submit programming defect	Kara Collett	5/23/2020	5/23/2020
Complete QA testing	Anthony Pontecorvo	6/7/2020	6/12/2020
User evaluation review	Kara Collett	6/12/2020	6/13/2020
Push to production	QA team	6/13/2020	6/15/2020
JCC report			
Current template is programmed and Court included	Client	7/1/2020	7/1/2020
Overall status of accounts referred			
Receive sample from client or provide sample for review	Client	5/18/2020	5/18/2020
Submit programming defect	Kara Collett	5/23/2020	5/23/2020
Complete QA testing	Anthony Pontecorvo	6/7/2020	6/12/2020
User evaluation review	Kara Collett	6/12/2020	6/13/2020
Push to production	QA team	6/13/2020	6/15/2020
Acknowledgment report			
Receive sample from client or provide sample for review	Client	5/18/2020	5/18/2020
Submit programming defect	Kara Collett	5/23/2020	5/23/2020

3. Work Plan for Providing the Requested Services

Complete QA testing	Anthony Pontecorvo	6/7/2020	6/12/2020
User evaluation review	Kara Collett	6/12/2020	6/13/2020
Push to production	QA team	6/13/2020	6/15/2020
Daily payment transmittal report			
Receive sample from client or provide sample for review	Client	5/18/2020	5/18/2020
Submit programming defect	Kara Collett	5/23/2020	5/23/2020
Complete QA testing	Anthony Pontecorvo	6/7/2020	6/12/2020
User evaluation review	Kara Collett	6/12/2020	6/13/2020
Push to production	QA team	6/13/2020	6/15/2020
Daily adjustment report			
Receive sample from client or provide sample for review	Client	5/18/2020	5/18/2020
Submit programming defect	Kara Collett	5/23/2020	5/23/2020
Complete QA testing	Anthony Pontecorvo	6/7/2020	6/12/2020
User evaluation review	Kara Collett	6/12/2020	6/13/2020
Push to production	QA team	6/13/2020	6/15/2020
Accounts status report			
Receive sample from client or provide sample for review	Client	5/18/2020	5/18/2020
Submit programming defect	Kara Collett	5/23/2020	5/23/2020
Complete QA testing	Anthony Pontecorvo	6/7/2020	6/12/2020
User evaluation review	Kara Collett	6/12/2020	6/13/2020
Push to production	QA team	6/13/2020	6/15/2020
Unidentified payment report	Kara Collett	6/15/2020	6/20/2020
Incorrectly applied payments	Kara Collett	6/15/2020	6/20/2020
Operations			
Procedures for court appearance dates			
Identify number of additional staff needed	John Wilson/Jon Boquist	5/1/2020	5/1/2020
Advertise position	Angela Crawford	5/3/2020	5/13/2020
Interview	Matt Larson	5/13/2020	5/18/2020
Offer Letters	Angela Crawford	5/18/2020	5/23/2020
Train new collectors	Matt Larson	6/2/2020	6/17/2020
All staff training on client requirements	Matt Larson	6/23/2020	6/23/2020

3. Work Plan for Providing the Requested Services

Contract Manager for day to day inquiries	Jason Neufeldt	5/1/2020	5/1/2020
Set up dedicated toll free number	Jason Neufeldt	5/1/2020	5/1/2020
Add to dialer campaigns	Dialer team	5/1/2020	5/3/2020
Set up call routing	Dialer team	5/11/2020	5/13/2020
Test call routing	Dialer team	5/13/2020	5/15/2020
Online access			
List of Court staff	Jason Neufeldt	5/15/2020	5/15/2020
Create user names and passwords	Jason Neufeldt	5/20/2020	5/22/2020
Train Court personnel	Jason Neufeldt	6/1/2020	6/3/2020
Packeting rules	Nancy Su	6/15/2020	6/17/2020
Letter series			
dedicated PO Box	Amanda Russell-Hedtke	5/1/2020	5/6/2020
Delinquent notice series	Renee Linnabary	5/6/2020	5/16/2020
Pay Near Me enable letters	Anthony Pontecorvo	5/21/2020	5/31/2020
Provide samples to client	Renee Linnabary	6/10/2020	6/20/2020
Spanish translation on reverse	Letter group	6/10/2020	6/20/2020
Move to production once client approves	Jason Neufeldt	6/25/2020	7/1/2020
Client approval of live letters	Client	7/1/2020	7/1/2020
Payment plan guidelines			
Send to client for approval	Jason Neufeldt	5/1/2020	5/1/2020
Set-up in system	Kara Collett	5/1/2020	6/30/2019
Dispute procedures	Jason Neufeldt	5/1/2020	5/1/2020
Bankruptcy handling	Jason Neufeldt	5/1/2020	5/1/2020
Deceased handling	Jason Neufeldt	5/1/2020	5/1/2020
Finance			
Bank account	Accounting Department	5/15/2020	5/25/2020
ACH schedule	Jason Neufeldt	5/15/2020	5/25/2020
Online payments	Kara Collett	5/25/2020	5/30/2020
Payment application		5/15/2020	5/25/2020
Spread payments oldest to newest or evenly-apply to certain buckets first	Kara Collett	5/15/2020	5/25/2020
Compliance			
Complaint tracking log	Angela Crawford	5/15/2020	5/25/2020

3. Work Plan for Providing the Requested Services

Linebarger has an extensive collector procedure and policy manual that can be provided upon request. We will train collectors on the specifics of the Court's contract.

In two recent West Coast implementations, we provided our collectors with training sessions prior to going live. This was helpful to familiarize the collectors on the nuances of these contracts.

As an example, we offer the following implementation examples:

Implementation example #1

- 30 days from contract execution to go live
- Loaded over 300,000 accounts totaling over \$300m over the weekend
- Court wrote off over \$100m in aged accounts past statute prior to going live
- Accounts assigned to prior agency were transferred to firm on cutover date
- Prior collection agency sent letter to accounts on payment plan to notify of new agency
- Court allowed prior agency to take payments for 5 business days past cancellation and then forwarded all payments to Linebarger
- Loaded prior agency payment plan information into Linebarger system so that collectors could honor prior arrangements
- All active garnishments changed from prior agency to Linebarger
- Posted flyers at court location to provide new agency name and contact information
- Court transitioning to new case management system 8 months after going live

Implementation example #2

- 90 days from contract execution to go live
- Over half a million traffic accounts transferred
- Criminal and civil accounts remained with another agency
- Training provided to court staff at 3 locations in the county
- Garnishments and accounts on active payment plans transferred to Linebarger

3. Work Plan for Providing the Requested Services

d. Describe in detail your firm's process for insuring that all services are provided correctly, completely and on time. Include a statement and discussion of anticipated major difficulties and problem areas, together with potential or recommended approaches for their solution.

Linebarger is always excited as we contract and implement new clients. The Court will be a top priority client if our firm is selected. Because our IT and implementation teams are so capable, we have gained the ability to put our best foot forward from our initial introduction to our new clients. With experience working with over 2,500 contracted clients (and each subsidiary, division or department falling under each), our implementation teams are able to provide an efficient and timely onboard process. As an incumbent vendor for the tertiary portfolio, we anticipate a smooth and seamless implementation process for the new contract and additional roles the firm may be asked to fulfill.

While delays are never anticipated, we have considered scenarios upon which our implementation teams may be unable to move as fast as their capability due to no fault of their own. Our internal implementation processes therefore have been developed to identify and minimize the most common potential delays.

Because large implementations often involve multiple government entity divisions or departments that are "connected to" the main client, there are often several different stakeholders participating in the decision-making process. Examples include:

- obtaining insight and input from the Courts' Judges as well as Court Administration directors or personnel
- coordinating payment processing and reporting with Finance Department staff and possibly financial institutions
- discussing and considering issues with Legal Departments or County Attorney staff
- coordinating with and meeting the needs of elected officials
- working and coordinating with Court staff who will be handling the daily operational functions of the project

3. Work Plan for Providing the Requested Services

To anticipate potential implementation issues and avoid them to hasten the implementation process, the Linebarger implementation teams are thoughtfully assigned so that every team member is fully engaged and so that every aspect of the process is moving forward in simultaneous unison. Because your Court has utilized a collection agency in the past, many first-time-user issues are not relevant to this implementation.

To solve any potential multi-department issues, we always suggest making initial introductions of all departments in person and as early in the process as feasible. This allows everyone involved to start with a general overview and understanding of what each stakeholder is responsible for in the process, and which person or group should be contacted for specific questions or decisions. In this regard, open and direct communication lines are key to success.

In the event a third-party provider (data management system or otherwise) is involved in the process, we encourage their participation and integration in all discussions/meetings.

Examples of Potential Problems and Solutions

Problem	Solution
Upwards of \$2 billion of backlog accounts creating a potential of overwhelming Court staff and resources based on initial Linebarger collection efforts.	Linebarger is willing and able to commence and ramp up collection efforts on a strategic schedule during initial weeks and months to minimize burden on Court staff.
As accounts are referred, Court may have debtors with cases at various levels in the collection process (i.e. cases with Primary collections; cases at FTB-COD; cases with Tertiary collections; etc).	Linebarger will work with the Court to change the agency identification code with FTB.
Phone and data lines are not available at Court locations at the 30-day mark	Utilize our current Los Angeles County office and supplement by using wireless cards for data connectivity and provide on-site staff with cell phones.
Staff background checks are not completed within 30 days	Consult with County about logistics of hiring existing contractor staff who have already passed their background checks.

3. Work Plan for Providing the Requested Services

1.0 STATEMENT OF WORK

1.1 SCOPE OF WORK

Linebarger is a current contract holder for the California Judicial Council. We understand the needs and nuances of collection of California Superior Court debt. As a current vendor for the Court's tertiary placements, we feel we are qualified and ready to take on the primary portfolios. We want to continue our relationship with the Court. Our firm is familiar with the portfolios assigned. We understand this solicitation is for the primary level and may involve up to three collection vendors.

Linebarger does understand that the Court is contracting for collections services for delinquent court ordered debt at the primary level; and we are willing and able to provide high levels of service on this portfolio.

Linebarger and our collection team has experience – both primary and tertiary efforts - in collecting on behalf of California Courts that refer for collection the exact portfolio referenced in your RFP. We have additional experience collecting all variety of delinquent court fees and fines on behalf of more than 700 court entities across the country. While each court debt portfolio has its own characteristics based upon the law of the jurisdiction and based upon the manner and preference of each particular court in how collection efforts are pursued, “court collections” is a particularly unique receivable that requires particular knowledge, skill and experience to handle appropriately. Linebarger has years and decades of designing and implementing specific processes and procedures for handling court debt collection. Our targeted experience coupled with our Officers of the Court relationship with our Court clients provides benefits and results that are unmatched.

1.2 BACKGROUND

Linebarger is familiar with the background of this contract and has submitted a solution based proposal to enhance the Court's revenue and service.

3. Work Plan for Providing the Requested Services

Our firm is familiar with the Court's in-house collection procedures and has worked with similar procedures for many of our large court collection clients, including the Cities of Houston, and Chicago; the Counties of Dallas, Los Angeles, and Miami-Dade; and statewide entities including the Judicial Council of California, the Colorado Judicial Department, the Iowa Judicial Branch, and the Oregon Judicial Department. We are confident that we can provide the services the Court needs in a manner that will exceed its expectations for reliability, efficiency, and customer service.

With more than 2,500 government entity clients, including more than 700 court clients, we are familiar with accepting referred cases at any stage. We view our service as taking over the collection function on your behalf at whatever time your Court believes it is no longer efficient and effective for the Court to continue. We believe that a collection service that supports and supplements an overall plan and provides a cumulative effect is the best approach.

Linebarger is willing and able to accept and collect on accounts as reflected in the RFP; or on any schedule determined by the Court.

1.3 CATEGORY OF REFERRAL TYPES

We have worked the collection categories described in this RFP through our statewide contract with the Judicial Council of California, including the Court's tertiary portfolio. We understand the nature of each debt category and are experienced in all stages of collection and legal processes for each one. Processes and procedures that currently exist may be immediately integrated and implemented on behalf of the Court. We have reporting and data communication systems in place through our current contract with the Court and can easily make additions to the process.

Upon contract award, our implementation team will meet with your team to identify any process that may need to be customized to your court's particular situation or preference. Based on our experience with each, we have no reservations about our ability to handle the following matters.

We understand that the Court reserves the right to refer additional types of accounts as deemed appropriate.

3. Work Plan for Providing the Requested Services

2.0 CONTRACTOR'S GENERAL SERVICE REQUIREMENTS

2.1 GENERAL SERVICE REQUIREMENTS

Services

Linebarger is qualified to provide all services described in this proposal and has the expertise and capacity to handle the volume and complexity of the Court's accounts. In addition to providing the services listed in the RFP (at a minimum), Linebarger is well known for the unique and creative value-added services provided to our clients. Depending on the needs and desires of our varying government and court clientele, we have provided such value-added services as special mailing or phone campaigns to enhance collections; participation and management of specialized settlement or amnesty programs; various marketing or media blitz campaigns surrounding specific programs; educational programs; high levels of participation in community organizations, events and charities.

Employees

All of our offices and employees are located in the United States, and all work will be performed within the United States. A significant portion of the management and collection team for your Court's project will be Linebarger employees who are residents of California, providing services for your Court within the State of California. As operations and functions are implemented and collection activities commence on behalf of the Court, we fully anticipate that our base of California, and specifically Los Angeles County-based, employees will continue to grow. Collection services will be performed within our full service sites in Gig Harbor, Washington and San Antonio, Texas.

All Service Performed within the United States

Our firm is committed to protecting the confidentiality of personal data on all accounts referred to us and insuring that such data is handled securely, according to the best practices of both the legal and collections fields. We manage and store all data in-house on our own servers, so information will never leave the United States. We have the capability to meet the confidentiality requirement of the County and Court during the entire period of the contract and any extension thereof.

3. Work Plan for Providing the Requested Services

Security

We have current communication capability to interface with the Court's case management and collection management systems and to transmit relevant collection data in a frequency deemed acceptable by the Court. Such operations are already working to the satisfaction of our more than 2,500 government clients nationwide.

Linebarger undergoes independent audits to verify our security and control requirements using NIST, PCI, and SSAE 16 [American Institute of CPA's (AICPA)] standards. Details of these audits follow:

National Institute of Standards and Technology Security Standards (NIST)

As a result of a firm-wide effort to maximize the already excellent security of our IT systems, in July 2005 Linebarger received its National Institute of Standards and Technology (NIST) Compliance Letter, based upon the NIST 800 series special publications, which provide guidance on developing and implementing a comprehensive computer security program. These documents assist organizations that process "Sensitive but Unclassified (SBU) information."

The certification process involves an extensive review of every aspect of the firm's information systems security, including disaster recovery, intrusion detection, physical plant security, and virus protection. The firm undergoes NIST compliance verification annually.

Payment Card Industry Compliance (PCI)

Linebarger holds PCI Level 1 Merchant and PCI Level 1 Service Provider certifications. We treat all information and personal data connected with the collection of client accounts as confidential and protect it throughout its life cycle in our systems. Linebarger undergoes an annual Payment Card Industry (PCI) assessment of our controls as a Merchant and a Service Provider. An Attestation of Compliance (AOC) and Report on Compliance (ROC) confirms the controls comply with the PCI standards. Only a PCI Qualified Security Assessor (QSA) can issue a PCI Level 1 ROC. An Approved Scanning Vendor (ASV) also conducts a quarterly scan of our technical environment to test our systems' security against the PCI standards. Any deficiencies in PCI standards result in an automatic failure of PCI compliance. Linebarger undergoes annual certifications.

3. Work Plan for Providing the Requested Services

Statement on Standards for Attestation Engagements SSAE16/18 Audits

Linebarger undergoes multiple SSAE16/18 audits of our Service Organizational Controls (SOC) to comply with the reporting requirements for various clients throughout the year. These audits ensure that Linebarger maintains compliance with American Institute of CPA's (AICPA) control standards. Each audit consists of physical, logical, procedural, and technical controls against the AICPA standards for Service Organizations. The process consists of visual inspections, personnel interviews, and policy evaluations. An independent auditor generates a SOC 1 Type 2 report to document the findings. The report includes all noted deficiencies and a Corrective Action Plan (CAP) if needed, with a set date to remediate. Our last audit confirmed that Linebarger has the necessary controls to assure that we meet all control objectives.

Network Security

Within our computer network, ITG develops and deploys strict security protocols to protect clients' data from both external and internal threats:

Endpoint Protection: All Linebarger systems utilize commercial antivirus software. In addition to antivirus software, Advanced Endpoint Protection software protects against unknown malware, exploits, and zero-day threats.

Continuous monitoring to prevent intrusion: A next-generation firewall (NGFW) provides protection at the firm's external perimeter. An Intrusion Protection System (IPS) also monitors traffic to/from the firewall as an additional layer of protection.

Automated monitoring and notifications: ITG monitors all Linebarger systems for availability and unusual behavior. They rely on out-of-band systems for logging, real-time alerts and automated notifications.

Close monitoring of Internet communications: Our system collects information on all inbound and outbound Internet traffic.

256-bit end node to end node data encryption: We maintain several virtual private network (VPN) connections, which provide the necessary speed and security.

3. Work Plan for Providing the Requested Services

Password protection: Access to the firm’s computer network requires a unique user ID and password created using “strong” criteria: at least eight characters, a mixture of upper- and lower-case letters, at least one number, and at least one special character. All users must change their passwords every 90 days. The system does not allow users to reuse recent passwords.

Security at each end node: Limited, secure end node access protects law firm communications. Each end node has a dedicated IP address, and our end node routers send audit logs to our centralized log server, creating a record of all transmissions.

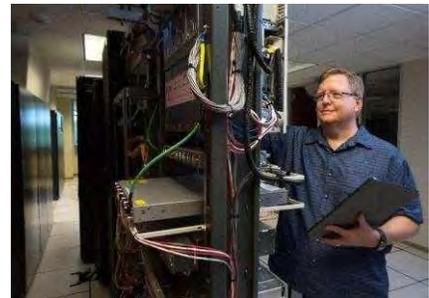
Access on a strict need-to-know basis: Once a client’s data resides within the Linebarger system, a secure login and password unique to that client prevents accidental or intentional intrusion. We provide the login and password only to those firm employees who need direct access to client data, effectively isolating the client’s account data from other system data.

Centralized IT operations: We will maintain all electronic data associated with the Court’s project at Linebarger’s ITG facility, the primary technology location for the firm. Located in San Antonio, Texas, this facility’s extensive physical and network safeguards protect the information and hardware maintained at this location. Linebarger maintains a leased 10Mbs dedicated connection for all data transfers and data communications with clients.

Secure Data Transfers

Linebarger’s ITG department takes extraordinary steps to guarantee security during transmission of client data:

- SFTP: Linebarger’s system supports SFTP as a protocol for secure file transfers
- Web SSL: We support HTTPS file transfers through a secure Web page. All data transfers and logons occur within a 256-bit encrypted SSL session
- IP Sec Tunnel: Our systems utilize secured FTP or VPN tunnels with a minimum of AES-256 encryption
- PGP encryption: We support the use of PGP for encrypting files that are e-mailed. Encrypted messages and a user’s key, work in conjunction with scrambling algorithms so that only the intended recipient can decrypt the data



3. Work Plan for Providing the Requested Services

Controlled Destruction of System Outputs

Linebarger follows established procedures for identifying confidential information and securely destroying it. Secure physical media is stored in PCI compliant locked containers for weekly onsite destruction. All containers remain under Linebarger control at all times. Linebarger employees monitor all onsite destruction and receive a certificate of destruction. We employ IT Asset Disposition (ITAD) processes for secure hard drive, memory and media destruction. Linebarger provides chains of custody and certificates of destruction.

2.2 COLLECTION VENDOR COMPLIANCE WITH PENAL CODE SECTION **1463.007**

Primary collection service is the service we believe will allow us to have the greatest impact on behalf of your County and Court; and this is the service that Linebarger prefers to offer to your Court.

Our firm is willing and able to meet the statutory requirements as set forth in 2.2 and California Penal Code Section 1463.007.

Linebarger has current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court. All services offered by Linebarger will be performed by in-house Linebarger employees without any need to subcontract portions of work to entities unknown and outside the direct control of your court.

For the primary collection vendor services we offer, Linebarger fully understands the provisions and requirements of Penal Code Section 1463.007 and is prepared to implement collection services as required by the statute. We will immediately report a failure to meet any of these requirements:

1. Attempts telephone contact with delinquent debtors.

Linebarger will continuously attempt telephone contact with delinquent debtors for whom we have phone number with the intention of communicating with appropriate parties and moving their outstanding matters toward a positive resolution.

3. Work Plan for Providing the Requested Services

In the event phone numbers are not provided, Linebarger will attempt to skip trace to obtain valid phone numbers and/or other valid information to allow communication with the delinquent debtor.

2. Notify delinquent debtors for whom the program has an address in writing of their outstanding obligation within a specified number of days of delinquency.

Linebarger has the ability to mail to delinquent debtors on any schedule and based upon any particular strategic plan as directed by the Court. Upon receipt of an account from your court, Linebarger will immediately begin internal processing of the account and written communication to the delinquent debtor will occur without delay and on any agreed upon schedule. Our notices almost always receive greater attention as they are sent on law firm letterhead and include a return envelope from the law firm. We conduct annual letter sweeps for accounts without any successful contact. Our firm sent 16 million letters in 2018.

3. Generating internal monthly reports to track collections data, such as age of debt and delinquent amounts outstanding.



Linebarger is able to generate and provide reports containing nearly any imaginable content (assuming data is in our system) on any schedule as desired and directed by the Court.

4. Sending delinquent accounts to the Franchise Tax Board's Tax Intercept Program and Court-Ordered Debt Collection Program.

Linebarger and our assigned collection team has vast experience and understanding of the FTB Tax Intercept Program as well as the FTB-COD program. We understand the important role of each program and believe utilizing these programs for the overall cumulative performance result is desirable and necessary. Linebarger will send accounts to these programs as directed by the Court.

5. Using the Department of Motor Vehicle information to locate delinquent debtors.

Linebarger has direct access to DMV records and information in 46 states, including California.

3. Work Plan for Providing the Requested Services

DMV records are routinely accessed by Linebarger for existing government and court clients; and the process will be integrated and incorporated into procedures used on behalf of your court. Linebarger has extensive experience in obtaining DMV data. The table below lists the states that we currently access DMV data.

Linebarger Access to DMV Records		
Alabama	Louisiana	Oklahoma
Arizona	Maine	Oregon
Arkansas	Maryland	Pennsylvania
California	Massachusetts	Rhode Island
Colorado	Michigan	South Carolina
Connecticut	Minnesota	Tennessee
Delaware	Mississippi	Texas
District of Columbia	Missouri	Utah
Florida	Nebraska	Vermont
Georgia	Nevada	Virginia
Hawaii	New Hampshire	Washington
Illinois	New Jersey	West Virginia
Indiana	New Mexico	Wisconsin
Iowa	New York	Wyoming
Kansas	North Carolina	
Kentucky	Ohio	

6. Establishing wage and bank account garnishments where appropriate.

As a law firm and lawyers, we are uniquely qualified and capable of pursuing garnishment proceedings on behalf of your Court. For California-based debtors, these processes will be pursued by our Los Angeles County based, California licensed attorney, Nancy Su and her legal staff.

We also have in-house attorneys licensed in states across the country, with the ability to register judgments in other states and pursue garnishment proceedings in the state in which your delinquent debtor may have moved. All pursuit of remedies requiring legal action will be handled by Linebarger employees.

3. Work Plan for Providing the Requested Services

7. Placing liens on real property owned by delinquent debtors where appropriate.

As a law firm and lawyers, we are uniquely qualified and capable of pursuing real property lien proceedings on behalf of your Court, where appropriate and authorized. For California-based debtors, these processes will be pursued by our California licensed attorney, Nancy Su and her legal staff. We also have in-house attorneys licensed in states across the country, with the ability to register judgments in other states and pursue lien proceedings in the state in which your delinquent debtor may have moved, where appropriate and authorized. All pursuit of remedies requiring legal action will be handled by Linebarger employees.

8. Coordinating with the County's Probation Department to locate debtors who may be on formal or informal probation.

Linebarger is willing and able to coordinate and communicate with your County Probation Department (as appropriate and authorized) to locate delinquent debtors who may be on probation. We will be happy to communicate in any effective manner desired by the Court or the Probation Department.

9. Accepting payment of delinquent debt by credit card and debit card.

Linebarger offers numerous simple and convenient payment options to debtors to allow and encourage payment and resolution of accounts. Credit card and debit card payments are available to debtors and accepted by Linebarger with no convenience fee charged or assessed to the debtor.

10. Using local, regional, state, or national skip tracing or locator resources or services to locate delinquent debtors.

Linebarger utilizes numerous skip tracing services that work together to offer an overall excellent skip tracing result for our clients. Because of the size of our operations, we are able to take advantage of economies of scale with regard to our skip tracing methodologies. In this regard, our skip tracing efforts are continuous, as opposed to being handled on a routine basis (such as monthly).

3. Work Plan for Providing the Requested Services

We obtain excellent skip tracing results faster than our competitors, which allows us to translate new debtor information into resolved accounts and revenue flow for your Court. Monthly skip-tracing sweeps are conducted through an 8-vendor waterfall system, with 11 million searches each month.

11. Using an automated dialer or automated distribution system to manage telephone calls.

Linebarger utilizes the latest technologies and telephone dialer systems in the industry. The efficiencies gained in managing calls through an automated dialer system provide enormous benefit and account resolution advantages for our clients. In 2018 alone, our system handled more than 1.263 million answered inbound calls and 1.634 million answered outbound calls. Our capacity and capabilities are virtually limitless – and fully scalable to any need that your Court referral volume warrants.

12. Uses Employment Development Department employment and wage information to collect delinquent debt.

Linebarger is willing and able to coordinate and communicate with the Employment Development Department (as appropriate and authorized) for wage information to help collect delinquent debt.

2.3 CONTRACTOR SERVICE REQUIREMENTS

Linebarger is willing and able to meet the requirements set forth in RFP section 2.3. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger will produce all reports required by the Court within Section 3.13.4 and will deliver them according to the timeline and format established by the Court.

Sample reports are provided in Exhibit B.

We will conduct the following collection activities, pursuant to the contract, in accordance with all applicable State and Federal consumer and collection practice laws:

3. Work Plan for Providing the Requested Services

- Obtain and maintain appropriate licenses, approvals, permits and authorizations required by applicable laws throughout term of contract. Linebarger will be responsible for all fees, costs and taxes associated with obtaining such licenses, approvals, permits, and authorizations.
 - Linebarger is licensed to collect delinquent receivables in throughout the United States. We also believe that we retain and maintain all necessary and appropriate licenses, approvals, permits and authorizations required by law to conduct our business on behalf of your Court. In the event we identify any requirements that are not currently met, we will immediately obtain and maintain these requirements throughout the term of the contract. Linebarger will be responsible for associated fees, costs and taxes.

- Linebarger will provide the Court a list of all pending and closed regulatory violations or non-compliances (e.g., Fair Debt Collection Practices Act (FDCPA), California Fair Debt Collection Practices Act (CFDCPA), UDAPP violations under Frank-Dodd Wall Street Reform and Consumer Protection Act, and the Consumer Financial Protection Bureau (CFPB) for the last five (5) years. In addition, Linebarger will immediately notify the Court of any new violations or instances of non-compliance. As a law firm that focuses on government debt collections, we have extensive understanding of and experience with federal, state, and local collections law, and we have an outstanding record of compliance. After 43 years of providing professional collection services to our clients, we have never had a FTC violation or FDCPA judgment levied against us for violating collection laws or regulations in the history of our firm. This record is not accidental, but rather the result of a combination of managerial commitment, selective recruiting, intense training and zealous quality control. In short, Linebarger has been in full compliance with all applicable laws, regulations, and ethical standards, and will continue to remain in compliance.
 - Linebarger will maintain and provide a list of pending and closed regulatory violations or non-compliances as required by the RFP and contract; and will immediately notify the Court of any new violations or instances. Linebarger's historical record of maintaining compliance is impressive – and is a result of affirmative action to maintain the highest levels of compliance.

3. Work Plan for Providing the Requested Services

- Linebarger is legally capable and unrestricted to provide the Court with all requested services from implementation through full execution of all services. We are prepared and ready to serve the Court.
- Our firm has reporting in place for the Court and will adjust any reports to meet the current requirements of the Court. Collection success will be provided in the format and frequency defined by the Court. We will report the collection success rate and gross recovery rate on a monthly basis. Please see Exhibit B, Sample Reports

3.0 CONTRACTOR'S SPECIFIC SERVICE REQUIREMENTS

3.1 COLLECTIONS VIA MAIL

3.1.1 All Contractor **letters** sent to debtors shall be pre-approved by **the** Court Project Manager (PM).

All content in letters sent to Court debtors from Linebarger will be pre-approved by the Court Project Manager. Upon notice of contract award, our implementation team will meet with Court team members to discuss every implementation issue, including the collection letter series. We will draft letter content around your Court requirements and preferences. A California licensed attorney will review the letters to ensure they comply with all applicable laws and regulations. Following initial drafting, the letters will be sent through our internal legal standards review process wherein our internal committee, consisting of in-house lawyers with letter content drafting expertise, will review your Court's letter series for legal content (such as complying with applicable laws and regulations) and consistency with necessary procedural efficiency (such as making sure correct addresses and phone numbers are in the correct letters, etc.). The typical letter process includes sending an initial placement notice with the tax intercept notice, a second notice, third notice and annual notice if the account will be referred to FTB TIP. Once a payment plan is established, a confirmation is mailed followed by a payment plan default letter should the account become delinquent.

Upon an initial approval from the legal standards committee review, the letter series is submitted to your Court team for final review, confirmation of accuracy and approval. Once letters are approved by your Court team members, we will move the letters into production and mailing of letters to debtors.

3. Work Plan for Providing the Requested Services

Linebarger has an approved letters series in place for the Court and can adapt these letters to fit the new contract. We will not use or display the official seal or logo of the Court on any letters.

3.1.2 CONTRACTOR shall employ “skip tracing” to obtain current debtor address and phone number.

Linebarger will employ skip-tracing to track down missing debtor contact information. For ease of proposal evaluator review and to avoid over-duplication of mundane content, our full skip-tracing processes are described a few pages below in Section 3.2, beginning on page 32 within this chapter.

3.1.3 First Delinquency Letter

Linebarger will meet or exceed the requirements in RFP Section 3.1.3.

Accounts received from the Court are uniquely coded and sent to the National Change of Address (NCOA) database for address verification and then CASS-certified to meet U. S. Postal Service mailing requirements for address standardization. We also perform a delivery-point validation (DPV) process at this time to ensure that the address is an actual deliverable address and not a vacant lot or non-existent address. This minor and seemingly insignificant, but invaluable process, allows initial letters to arrive to debtors at their correctly addressed location without delay.

Accounts with verified addresses are automatically transferred to the law firm’s demand letter inventory queue, where the initial letter is immediately generated. Printing the demand letter on the law firm’s letterhead impresses upon the debtors the gravity of his or her obligation to pay the delinquent amount owed.

In accordance with the terms of the RFP, each letter will:

- Identify our firm and advise the debtor that the account has been placed with our law firm, which is under contract with the Court
 - Debtors routinely respond with more urgency to a letter from a law firm than to a letter from a non-law firm collection agency

3. Work Plan for Providing the Requested Services

- Inform the debtor of the origin of the debt and the current amount owed
 - Linebarger letters clearly set forth all available information identifying the nature of the delinquent receivable. By including all available information in the written communication, debtors are less likely to be confused by vague or insufficient language. Removing all debtor questions within the written communication results in a higher likelihood of payment and resolution; and a lower probability of complaints.
- Advise of the consequences of continued non-compliance, such as possible driver's license suspension, wage garnishment and State tax refund intercept, if applicable
 - Linebarger letters will include factual reference to any remedy that is available to your Court that debtor may face for non-compliance.
- Describe payment options available such as installment payment plans
 - Linebarger letters will provide description of all payment options available to debtor in a manner intended to encourage payment and positive account resolution.
- Describe how payment may be remitted
 - Linebarger letters will describe all available payment remittance alternatives available to debtor. We understand that the ultimate goal of our efforts is to obtain payment and resolve the account. In this regard, ease and simplicity in accepting and processing debtor payment is paramount to the goal.
- Explain that a debtor with an Infraction/Misdemeanor with Unadjudicated Bail, Sanctions, Juror Sanction, Child Custody Evaluation or other accounts as approved by the Court who wish to dispute the debt must schedule a court appearance
 - Linebarger letters will clearly provide explanation to debtors of their right and ability to dispute their debt through court appearance. As lawyers and officers of the court, we fully understand and appreciate the importance of court accessibility in appropriate matters. We will work with your Court to protect debtor rights in a manner consistent with Court policy and directive.
- List a toll free (e.g., "800") telephone number, which allows debtors to remit payment, schedule a court appearance and/or obtain general information

3. Work Plan for Providing the Requested Services

- Linebarger letters will all provide a toll free telephone number that will allow debtors to contact our offices to discuss any account matter, including allowing remittance of payment, scheduling a court appearance and/or to obtain general information relating to their account.
- Provide a return envelope for the submission of payment
 - Linebarger letters will include a return envelope, along with a detachable, bar-coded payment coupon to allow debtors to easily remit payment by mail.
- List the Linebarger web page address, which allows debtors to remit payment
 - Linebarger letters will provide information instructing debtors on how to remit payment on their account through the Linebarger web page payment portal.

The following sample letter is provided purely as an example of content and form that may be used for your Court collection efforts. During implementation, the exact letter content and form will be developed and customized specifically for each separate debt type and remedy available.

3. Work Plan for Providing the Requested Services

Linebarger Goggan Blair & Sampson, LLP

ATTORNEYS AT LAW
ADDRESS
CITY, STATE ZIP
1 (800) XXX-XXXX Toll Free

USPS CODE
USPS CHECK DIGIT
JOHN DOE
123 HOME STREET
CITY, STATE AND ZIP

MONTH/DAY/YEAR

7654321

Case No: NUMBER
999 Citation(s) Totaling \$1,000.00

IMPORTANT NOTICE

Dear JOHN DOE:

Our law firm has been hired to represent the CLIENT to resolve the following cases. Court records indicate you have unpaid court fees and fines as listed below:

Case No.	Amount Due	Violation Code	Description
XXXXXXXXXX	XXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXX	XXXXXXXXXX	XXXXXXXXXX
XXXXXXXXXX	XXXX	XXXXXXXXXX	XXXXXXXXXX

You may have additional citations not listed here. See total above and on coupon stub below.

Please return your payment in the amount of \$1,000.00, along with the payment coupon below, **immediately**. Your check or money order should be made payable to: Linebarger Goggan Blair & Sampson, LLP. If you prefer to pay by credit card, you may make payment for traffic or parking violations by credit card online at www.lgbswebpayments.com.

Failure to pay or respond as requested may result in further enforcement activity for the collection of this obligation. **Please be advised that if a warrant for your arrest has been issued by the Court, you may be arrested at any time.** For additional information regarding your case(s), you may contact the CLIENT at 1-800-123-4567 or obtain information from their website address at www.clientwebsite.com.

If you have made payment within the last 10 days, you may disregard this notice, but please contact our office to advise us of this payment. If you are in bankruptcy, please do not consider this letter a demand for payment; but please contact our office to provide us with the necessary bankruptcy information. A bankruptcy does not discharge criminal fees and/or fines.

Our toll free telephone number is 1-877-273-1625. Our office hours are Monday through Thursday 8:00AM to 8:00PM, Friday 8:00AM to 5:00PM, and Saturday 8:00AM to noon.

Linebarger Goggan Blair & Sampson, LLP

By: NAME
Attorneys for Client

PLEASE DETACH AND RETURN LOWER PORTION WITH PAYMENT IN ENVELOPE PROVIDED

Defendant: DEFENDANT'S NAME
Case No: NUMBER
999 Citation(s) Totaling \$1,000.00

Amount Due: \$1,000.00 as of MONTH/DAY/YEAR

Amount Enclosed: _____

Payment should be in the form of a check or money order made payable to: Linebarger Goggan Blair & Sampson, LLP.

BAR CODE

CLIENT - LGBS
123 ANY STREET
CITY, STATE 12345

3. Work Plan for Providing the Requested Services

No Use of Court Seal or Logo

Linebarger will not use or display the official seal or logo of the Court on any of its letterheads or other communications with any debtor for any reason.

3.1.4 Follow-up Letters

Debtors who fail to make payment or otherwise do not respond by the 31st day following the date of mailing will be issued a second letter, provided the debtor has a valid address. Thereafter, follow-up letters will be sent to debtors with valid addresses on a schedule allowed or required by California Penal Code Section 1463.007 or until debt is satisfied in full. Please see Exhibit A: Sample Letters. We have included the primary suite of letters and included additional samples: FTB TIP, 2nd notice, 3rd notice, payment plan confirmation, and payment plan default.

3.1.5 Additional Letters

Linebarger will issue additional letters on a schedule allowed or required by California Penal Code Section 1463.007 or as needed, with the approval of the Court.

3.1.6 Spanish Language Version of Letters

All correspondence we send on behalf of the Court will be provided in both English and Spanish.

3.2 SKIP TRACING

3.2.1 Skip Tracing Services

Linebarger will routinely and continuously utilize skip tracing services to assist in resolving accounts and collecting court receivables. As an additional security and data integrity protection measure, all accounts Linebarger sends to national skip-tracing databases are identified by the unique numbers assigned to them during account preparation. When new contact information or a new telephone number is found, the account is queued to continue in the letter mailing process and/or placed in the collector inventory for telephone contact attempts.

3. Work Plan for Providing the Requested Services

3.2.2 Monthly Skip Tracing

Due to the size and resources of our law firm, our clients enjoy the benefits of our inherent economies of scale with regard to skip tracing frequency. With Linebarger, our clients need not wait for a routine monthly or quarterly skip trace batch processing.

Our skip tracing efforts continue to cycle on a continuous basis until a current/correct address is obtained, unless the account is paid in full, deemed uncollectible or transferred. This process often accelerates communications with newly located debtors; potentially resulting in generated funds much earlier than a skip tracing routine on a monthly batch processing schedule.

3.2.3 Provide County/Court with Updated Information

Linebarger will provide the Court with updated information via SFTP. During implementation discussions, we will create and develop criteria upon which information obtained through skip tracing efforts is deemed accurate enough for the Court to rely on the new information prior to the Court updating its' official records with the information.

3.2.4 Skip Tracing Resources

Linebarger will utilize various skip tracing methods over the course of our contract to locate debtor information. A two-prong approach of both automated waterfall skip-tracing and manual searches will garner the best results for the Court. All skip tracing work and results will be documented into specific skip-trace windows within our enterprise software system. To prevent improper pursuit on any account, newly located information from skip tracing results, including address and phone information, will be verified before changing this information in the main records.

Aged accounts or difficult-to-locate accounts often require additional skip-tracing effort. Our collection teams are able to analyze and identify these accounts to refer the accounts along for additional skip tracing through a variety of search vendors.

In addition to sources listed below, Linebarger will incorporate the following RFP-recommended resources into our arsenal and utilize as necessary and appropriate (subject to any legal limitations or prohibitions):

3. Work Plan for Providing the Requested Services

- telephone directories
- credit bureau reports
- county tax assessor records
- current voter registration records
- debtor's financial and banking references
- debtor's current or previous employers
- national change of address database
- department of motor vehicles
- third party firms such as LexisNexis
- relatives/neighbors/associates

Electronic Skip Tracing

We contract with several premium, skip-trace vendors to locate debtors. We also assign our own collectors to perform skip tracing in-house, using subscription-only national databases. Altogether, Linebarger skips close to 6,000,000 accounts per month, achieving economies of scale that enhance debtor location and debt collection for the benefit of all Linebarger clients, large and small. Maintaining a skip-tracing program of this size lets us continue pursuing accounts, even when debtors relocate, until those accounts are either collected or recalled by the client.

Our collectors access national skip-tracing databases for every state, city, and zip code to obtain phone numbers using debtor addresses. Our skip trace vendors provide search information on a wide variety of variables including last known address to new geographic locations. These combined services offer accurate contact information in less time than other organizations, allow us to provide faster collections and more money generated for our clients.

Batch-Tiered Series of Databases

Our batch skip-tracing system periodically reviews and ranks database vendors according to their performance and sends accounts to the highest performing vendors. This is intended to provide your Court with the highest possible skip tracing success results.

3. Work Plan for Providing the Requested Services

BEGIN PRIVILEGED, CONFIDENTIAL & TRADE SECRET INFORMATION

Skip Tracing Vendors

We currently use the following skip tracing vendors in assisting customer location:

- USPS NCOA
- USPS DPV
- Various state DMVs
- CBC/Innovis
- Merkle, Inc.
- TransUnion/TLO
- Interactive Data/IDI

END PRIVILEGED, CONFIDENTIAL & TRADE SECRET INFORMATION

3. Work Plan for Providing the Requested Services

Asset Location Capabilities

Our automated asset location system uses various vendors to check multiple databases to look for place of employment, open bank accounts, real property, and other tangible assets. In addition, our professional collectors are trained to obtain this information when talking to debtors and record the information in their accounts.

Out-of-State and Canadian Debtors

Linebarger has direct access to Department of Motor Vehicles (DMV) records and information in 46 states and the District of Columbia, including California. Linebarger has extensive experience in obtaining DMV data in California as well as other States as a result of our toll road and parking collection programs. We also have strategic relationships with Canadian entities to obtain access to vehicle registrations in Canada and to perform Canadian debt collection services in those instances where Court debtors have moved out of the country.

The table below lists the states that we currently access DMV data.

Linebarger Access to DMV Records		
Alabama	Louisiana	Oklahoma
Arizona	Maine	Oregon
Arkansas	Maryland	Pennsylvania
California	Massachusetts	Rhode Island
Colorado	Michigan	South Carolina
Connecticut	Minnesota	Tennessee
Delaware	Mississippi	Texas
District of Columbia	Missouri	Utah
Florida	Nebraska	Vermont
Georgia	Nevada	Virginia
Hawaii	New Hampshire	Washington
Illinois	New Jersey	West Virginia
Indiana	New Mexico	Wisconsin
Iowa	New York	Wyoming
Kansas	North Carolina	
Kentucky	Ohio	

3. Work Plan for Providing the Requested Services

3.3 CONTACTS VIA TELEPHONE

3.3.1 Skip Tracing

In the event the Court is unable to provide phone numbers for various debtor accounts, Linebarger will follow the general steps described in section 3.2, Skip Tracing, to obtain current phone number information. Our skip tracing processes do include obtaining a “phone append” search to obtain phone number information that is available through the search effort.

3.3.2 Telephone Calls

In tandem with our mailing process, our call centers will make calls to those accounts that have phone numbers. If we capture a telephone number associated with the account through incoming calls or skip-tracing, we will use that phone number to make future calls on the account. We can also provide email notifications as part of our collection service. Our Chief Compliance Officer, Lori Gruver, will approve these email notifications to ensure that they meet all requirements for FDCPA compliance and Court policies and regulations. Our Gig Harbor and San Antonio full service call centers will be designated to this contract.

NOTE: All telephone contacts comply with all applicable federal and state regulations, as well as your policies regarding such contact. Moreover, each time we reach a debtor, the collector will confirm that individual’s identity and clearly identify themselves as an employee of the law firm under contract with the Court.

For the debtors’ convenience, we assign a toll-free number to your project. Linebarger includes this number in all correspondence and phone conversations with the Court’s debtors.

An interactive voice response system (IVR) assists debtors who call the toll-free number associated with the Court’s contract. This system operates 24 hours a day for the convenience of after-hours callers.

The system presents callers with several options:

- make credit card payments
- hold for forwarding to a specific collector (maximum wait time of 30 seconds)

3. Work Plan for Providing the Requested Services

- leave a message for a specific collector, or leave a general message for an individual collector the next morning

We return all calls no later than the following business day.

Customer Follow-up & Reporting

To provide a record and reporting trail that collection attempts are being made, every case worked has a tickler (work again date) field that must be populated before a collector is able to exit out of that case. These ticklers are time- and date-stamped for follow-up either manually or with a system-generated response. To assure that we address all accounts timely, several reports track our process. In specific instances (i.e., those requiring immediate follow-up), a supervisor will transfer that case to his or her ownership and personally seek to resolve the issue or request. Once resolved, the supervisor transfers the case back to the responsible person or group.

Main Dialer Features for Linebarger Call Centers

- SIP based telephony (VoIP)
- fully blended call handling (inbound & outbound)
- predictive dialing with compliant algorithms
- TCPA and FDCPA compliance management
- ACD with skills based routing
- IVR with 24 hour automated payment capability
- real-time reporting and analytics
- multiple nationwide call centers
- interactive automated messaging
- integrated call recording
- agent quality assurance metrics
- agent monitoring & coaching
- telephony redundancy for disaster recovery
- equipment redundancy
- site redundancy



3. Work Plan for Providing the Requested Services

We record all calls to protect your interests and the interests of your debtors. These recordings also assist us in better training our collectors and ensuring quality control.

We maintain our recordings on-line for one year and then archive them to off-line storage for an additional five years. While the general information of each call is recorded, we do not record credit card information.

3.3.4 Compliance When Making Contact

All calls and communication with debtors – both inbound and outbound calls - will be made in strict compliance with all applicable rules and regulations governing collection practices in the United States. The focus on customer service will be paramount in all collection attempts.

Collector Training Program

Linebarger's collector training program consists of two parts: new hire training for employees in their first two weeks with the firm; and ongoing training for all employees, regardless of tenure. Collectors undergo 80 hours of training before they work independently. Call center managers maintain training records for every employee.

3. Work Plan for Providing the Requested Services

New Hire Training Check-off Sheet

Our New Hire Training Check-off Sheet summarizes the collector training process.

NEW HIRE TRAINING CHECK-OFF SHEET			
Name _____	Hire Date _____		
	Employee	Supervisor	Date
New Employee Info Sheet	_____	_____	_____
CUBS training module	_____	_____	_____
FDCA training module	_____	_____	_____
ACA PTCT training module	_____	_____	_____
Office policies training with supervisor	_____	_____	_____
Admin process/client training with supervisor	_____	_____	_____
Shadow with supervisor	_____	_____	_____
CUBS Training worksheet and navigation	_____	_____	_____
TLO skip tracing training	_____	_____	_____
XDCI client info screen	_____	_____	_____
Noble Systems phone training	_____	_____	_____
Phone etiquette training	_____	_____	_____
Call Scripting and Turnover call procedures	_____	_____	_____
Client-specific training	_____	_____	_____
Bankruptcy and Dispute Process training	_____	_____	_____
Compliance Training, Policies and Procedures	_____	_____	_____
Sample Noble Scorecard	_____	_____	_____
Logging into Dayforce	_____	_____	_____
Payment plan procedures and requirements	_____	_____	_____
Review of Agent Performance Reports	_____	_____	_____

With assistance from senior managers and experienced collectors, Linebarger’s trainers lead newly hired collectors through a rigorous five-phase education and examination process:

Phase 1: Laws and Regulations and Company Policies

Training shall include a minimum of sixteen (16) hours on FDCA, more restrictive state collection law, and other law relating to the collections industry.

3. Work Plan for Providing the Requested Services

Following initial training on the FDCPA, state collection laws, and other collection laws, new collection employees are tested on the materials covered. The minimum acceptable test score is 90 percent; all employees receive follow-up training on any incorrect answers. Any employee that fails to meet the minimum score receives additional training and another opportunity to pass the test.

Phase 2: FDCPA, Telephone Techniques and System Training

Trainees continue their study of the FDCPA using a computer-based training program developed by the American Collectors' Association (ACA). Instructors review final exam results with trainees, fully explaining correct answers to any missed questions. Two ACA training tools are used to teach collectors appropriate telephone techniques: Professional Telephone Collection Techniques, an interactive software package; and Advanced Telephone Collecting, a DVD package that includes worksheets.

Collectors receive thorough training on the firm's customized computer system. Trainees first take Computer-Based Training (CBT) lessons with instructors, and then complete on-the-job training (OJT) within their assigned units.

Phase 3: Court-Specific Training

Training that focuses on the Court's needs and circumstances ensures compliance with its procedures and policies and regulations governing its activities, as well as understanding the nature of the delinquencies owed the Court.

Phase 4: Hands-On Collection Training

Each trainee works with a trainer, a manager, and a senior non-management collector in rotation to ensure the trainee understands and learns the use of proper collection techniques. Each trainee is closely monitored to ensure compliance with Linebarger's standards of operation and FDCPA requirements.

Phase 5: Mentoring

Linebarger's new employee training concludes with an on-the-job mentoring program.

3. Work Plan for Providing the Requested Services

In addition to an immediate supervisor, each new collector is assigned to a senior employee and taken “under his wing” to sharpen skip tracing skills, telephone techniques, and overall knowledge of the Court receivables. Such mentoring enhances performance and minimizes complaints.

Designated Trainers

At each of Linebarger’s call centers, an individual is designated to provide training activities. These include frequent special sessions on systems upgrades and collection tools enhancements, and presentations on collection topics such as regulatory changes.

Educational Materials

Linebarger maintains membership in many of the industry’s professional organizations, and uses their videos and other educational materials in its ongoing training programs.

External Training

Linebarger encourages employees to participate in external training opportunities. Employees bring information from such courses and seminars back to the firm for the benefit of managers and collectors alike.

Group Discussions

Periodic, interactive discussions inform collectors and other employees about changes in operating procedures, laws, and regulations. To ensure that fair treatment of each debtor is part of the normal course of business for every Linebarger collector, we monitor phone calls for compliance and professionalism. We also monitor system actions to ensure collectors follow correct procedures for account documentation. Collectors are generally monitored a minimum of several hours each month.

Onscreen Displays

On the job, onscreen displays reinforce collectors’ training by highlighting restrictions, guidelines and operating procedures specific to a particular client. Such reminders help the collector comply with the laws and regulations of the client’s state, as well as applicable federal laws.

3. Work Plan for Providing the Requested Services

Regulatory Updates

The firm's attorneys and collection supervisors monitor changes in laws and regulations related to the accounts receivable management industry. They provide regular updates to employees to ensure continued compliance.

Sources of information used to monitor changes in applicable collection laws and regulations include the following:

- Linebarger's Governmental Affairs and Compliance Divisions
- American Collectors Association (ACA) – the collection industry's leading professional trade organization
- *Legal Bulletin* – tracks legislation and regulation changes at the federal and state level
- *ACA Advocate* – provides information on court cases relating to the collection industry, including interpretation of decisions
- *Currents* – newsletter providing up-to-date legislative and regulatory information
- *Cred-Alert* – credit agency information as it relates to the collection industry
- *Collection Agency Report* – monthly newsletter for collection agency management
- *Collections and Credit Risk* – periodical for the credit and collections industry
- Continuing Legal Education Seminars
- *Inside ARM.com* – periodical for the credit and collections industry
- *Collector Magazine* – trade publication for consumer-based collection organizations
- Seminars, conferences and contacts with a network of industry professionals

3. Work Plan for Providing the Requested Services

Client information screen

Linebarger has developed a client information screen to ensure proper contract specifications are included and provided to the collectors every time they enter an account. A client information window sample is provided below.

XDCI Screen Sample

Los Angeles Superior Court (CACOLASCC2) **SAMPLE**

- Payment (remit) options:
Mail (address):
LGBS
Client# CACOLASCC2
P.O. Box 702118
San Antonio, TX 78270
(MONEY ORDERS, CASHIERS CHECKS, PERSONAL AND BUSINESS CHECKS) INCLUDE LGBS ACCOUNT NUMBER and MAKE PAYABLE TO LGBS

Walk-in (address/hours):
Use alternate payment options. We do not want defendant going to Court or LA Office.

Credit Card (XCC or client):
WWW.LGBSWEBPAYMENTS.COM OR XCC

Defendant needs Client # and CUBS #
- Holdover days on checks:
5 day holdover on checks and Money orders
We can reverse NSF's on Statements
- LGBS Phone number for Call Backs
Phone number: 844-598-2699
Fax: 210-495-0911
- Partial payments / Settlements accepted:
Yes. Defendant allowed to make voluntary payment plans
No settlements

# in family	Poverty	Under empl.	Standard
Single Def	\$11,800	\$16,394	>\$16,394
Family of 2	\$16,020	\$22,108	>\$22,108
Family of 3	\$20,160	\$27,821	>\$27,821
Family of 4	\$24,300	\$33,534	>\$33,534
Family of 5	\$28,440	\$39,247	>\$39,247
Family of 6	\$32,580	\$44,960	>\$44,960
Family of 7	\$36,730	\$50,687	>\$50,687
Family of 8	\$40,890	\$56,428	>\$56,428

Bal <	24 months	18 months	12 months
1000.01-2000.00	48 months	36 months	24 months
2000.01-3000.00	72 months	54 months	36 months
3000.00-4000.00	96 months	72 months	48 months
4000.01 plus	120 months	90 months	60 months
- License repayment program:
If the debtor makes an inquiry regarding License Hold or Restriction:
1) Do not advise which cases might or could restrict license
2) Do not refer them back to the Court/Client
3) Advise debtor they will need to contact CA DMV to obtain info

If the debtor tells us there is a license hold:
Accounts must be paid in full to release any possible hold on license.
- License repayment program fees: N/A
- License repayment program payment parameters: N/A
- License release clear time/Client notification/Special instructions
If the account has a Drivers License hold, and debtor mails payment in, or pays with us by phone, released after paid in full and will take 7-10 days to clear. Debtor may still have to pay reinstatement fee to DMV.

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3. Work Plan for Providing the Requested Services

9. Warrant information/Special handling: N/A

10. Dispute Process:
DO NOT REFER OFFENDERS BACK TO THE COURT FOR DISPUTES
DISPUTES SHOULD BE IN WRITING SENT TO LGBS SENT TO:
LGBS, LLP
355 South Grand Ave., Suite 2450
Los Angeles, CA 90071

11. Client phone number (ok to contact):
Refer debtors to client website to schedule court appearances: <https://www.lacourt.org/>

12. Client website for access to view docket/tickets: <https://www.lacourt.org/>
Website to look up what infraction is for. Enter the numbers only (drop of the last letter) from the SHORT DESC in XDCI (Remember there are multiple pages in XOFN)
<http://codes.findlaw.com/ca/vehicle-code/veh-sect-27360.html>
Website for list of codes: <https://www.dmv.ca.gov/portal/dmv/detail/dl/vioptct>

13. Contract Manager: Jason Neufeldt

14. Miscellaneous client information:
DRIVERS LICENSE MAY BE SUSPENDED

If D claims financial hardship, refer to court website and client will then instruct us to suspend collections.

Uncollectible accounts are returned if no phone/address, invalid/missing DRL and no contact for 12 months

Court Locations (in WF56):
ALH ALHAMBRA COURTHOUSE
ATP MICHAEL D ANTONOVICH COURTHOUSE
BH BEVERLY HILLS COURTHOUSE
BUR BURBANK COURTHOUSE
CAC CENTRAL ARRAIGNMENT COURT
CCW CENTRAL CIVIL WEST
CHA CHATSWORTH COURTHOUSE
CIT WEST COVINA COURTHOUSE
COM COMPTON COURTHOUSE
DOW DOWNEY COURTHOUSE
ELA EAST LOS ANGELES COURTHOUSE
ELM EL MONTE COURTHOUSE
GLN GLENDALE COURTHOUSE
ING INGLEWOOD COURTHOUSE
LAC CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER
LAM METROPOLITAN COURT
LAS SAN FERNANDO COURTHOUSE
LAV VAN NUYS COURTHOUSE - WEST
LAX AIRPORT COURTHOUSE
LB GOVERNOR GEORGE DEUKMEJIAN
LC BELLFLOWER COURTHOUSE
MH MENTAL HEALTH DEPARTMENT
NEW SANTA CLARITA COURTHOUSE
PAS PASADENA COURTHOUSE
POM SOUTH POMONA COURTHOUSE
SBA TORRANCE COURTHOUSE
SM SANTA MONICA COURTHOUSE
SMC STANLEY MOST COURTHOUSE

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As stated, after establishing telephone contact with a debtor our collectors clearly identify themselves as employees of a law firm under contract with the Court. Collectors then confirm the debtor's identity, and verify current address, telephone numbers, and place of employment prior to expanding the conversation and moving the matter toward a mutually positive resolution.

3. Work Plan for Providing the Requested Services

Example of working all accounts

Our contract with the Oregon Judicial Department: We have 199,385 accounts, 72 in a legal status, and only two are in a suspended “stop work” status. Linebarger works and re-works all accounts. This results in more return for our clients and a much higher resolution rate for all accounts assigned.

Monitoring Work Efforts

It is imperative that we monitor work efforts on a daily basis. Both our agents and supervisors rely on the collector bucket report below throughout the day. This allows us to identify outliers, monitor trends and be pro-active in working with our agents to be well rounded.

2/17/2017

Agent Name	Talk %	Rank	Wait %	Rank	Wrap %	Rank	Pause %	Rank	Calls	Rank	RPC	Rank	RPC/Hr	Rank	Proms	Rank	Conv. Rt	Rank	Call Avg	Rank	PtTot: I	Tot Rank
Agent 1	53.71	1	18.56	6	5.69	1	19.48	4	97	6	78	2	8.59	3	23	1	29%	3	0:03:01	6	33	1
Agent 5	48.81	4	18.27	5	10.58	5	19.52	5	137	2	109	1	11.95	1	15	4	14%	6	0:01:56	2	35	2
Agent 3	49.4	3	14.18	3	9.43	3	17.33	1	113	4	78	2	8.93	2	11	7	14%	6	0:02:17	4	35	2
Agent 6	45.37	5	23.66	7	7.1	2	18.54	3	146	1	75	4	7.75	4	14	5	19%	5	0:01:48	1	37	4
Agent 4	43.58	7	14.15	2	16.6	7	17.65	2	118	3	49	6	5.38	6	17	3	35%	2	0:02:01	3	41	5
Agent 7	49.55	2	13.24	1	10.32	4	24.51	7	68	7	38	7	4.17	7	18	2	47%	1	0:03:59	7	45	6
Agent 2	44.54	6	17.22	4	13.8	6	22.56	6	101	5	59	5	6.56	5	13	6	22%	4	0:02:22	5	52	7
Dept. Avg:	47.9		17.0		10.5		19.9		111		69.4		7.6		15.9		26%		0:02:29			
Dept Totals									780		486				111				Bandwidth	19		

10 Bucket Key	
Talk %	Amount of agent's daily production hours connected to a live party
Wait %	Amount of agent's daily production hours waiting for a next inbound or prepping for next outbound
Wrap%	Amount of agent's daily production hours updating account after call has ended
Pause %	Amount of agent's daily production hours pausing the blended call flow for lunch, break, or other
Calls	Total number of blended calls for the day by agent
RPC	Total number of Right Party Calls for the day by agent
RPC / hr	Number of Right Party Calls per production hour worked by agent
Proms	Total number of blended payments or promise payments taken by agent
Conv. Rate	Total % of Right Party Contacts that resulted in a payment or promise for an agent
Call Avg	Average time spent per blended call by agent

3. Work Plan for Providing the Requested Services

In addition to the daily monitoring, walking around, listening to agents calls and other tools available, we also monitor the inventory management.

Inventory management

We consider factors that affect rate, and respond accordingly. The following represents scenarios where a situation could affect rate and our response to that situation.

Factors Affecting Liquidation Rate	Response
Mail return	Additional skip tracing
Percentage of letters	Letter sweep
Skip trace attempts	Skip sweep
Inbound %	Skip, letter, and outbound sweeps
Outbound %	Dialer sweep

We also review and adjust staffing levels to maximize response times and performance levels.

Targets
1,500 ACR
Agent to supervisor ratio 10:1

Other Remedies
<ul style="list-style-type: none"> Higher base wage (\$15.00 per hour) results in better customer experiences Audits conducted by Contract Manager and Collection Manager Monthly meetings with Court staff Check that manually-dialed, day-time calls to customer cell phones occur at varied times Supervisors or veteran agents work accounts where we have reached the right party but still unwilling to pay

Recovery rates are monitored via the placement activity, liquidation, performance, set-up, and monthly collection activity. Each of these factors contributes to better collection results and ensures a higher level of customer service for the Court and debtors. Key performance indicators include:

- liquidation by batch
- net placement and collected percentage

3. Work Plan for Providing the Requested Services

- liquidation by account type
- resolution rate
- mail return percentage
- canceled amount percentage
- letters mailed
- address/phone updates
- inbound phone activity
- outbound phone activity

Collector pledge

Linebarger has adapted our collection practices to ensure that social justice is carried out. Our collectors work with customers and abide by the collector pledge every day. In addition, each collector is required to post this pledge at their desk for reference during their daily work.

We incorporate the ACA Collector Pledge into our initial training, signed by all employees, and emphasized in our daily work.

*"I believe every person has worth as an individual.
I believe every person should be treated with dignity and respect.
I will make it my responsibility to help consumers find ways to pay
their just debts.
I will be professional and ethical.
I will commit to honoring this pledge."*

Linebarger utilizes a compassionate approach to collections. We develop a positive working relationship with every individual assigned. Payment plans are negotiated based on income level and number of family members. Courteous service is required of all of our employees. Supervisors and managers listen to calls daily to make sure that each defendant is treated with respect.

Clients Reap Benefits of Quality Control Program

Although fully integrated into all of the firm's activities, Linebarger's quality control program is nearly invisible to our clients. Nonetheless, clients see the results:

- few complaints from debtors
- excellent recovery rates achieved
- outcomes that justify and honor our clients' trust

3. Work Plan for Providing the Requested Services

3.3.5 Communicating with debtors with Special Needs

Assisting Special Needs Individuals

We staff our call centers so that we can be responsive to debtors with a variety of needs. We can accommodate debtors with hearing or visual impairments with equipment that enables our call center personnel to communicate directly and reliably with them.

Assisting Bilingual Debtors

Over 60% of our professional collectors are bilingual or multilingual, and we have translation assistance available in cases where we do not have staff with the requisite language skills. Our firm utilizes an interpreter service that allows us access to over 10,000 interpreters in 240 languages. Our collectors simply dial a toll free number, select the language and include the interpreter/operator on the call so that all communication is recorded and the debtors' questions are answered. Our interpreter service works with various government entities such as courts and corrections, employment and labor, and public health. Translation services will be provided in Spanish, Chinese, Armenian, Korean, and Vietnamese, as well as other languages as needed.

3.3.6 Follow-up Telephone Calls

For debtors who are non-compliant, Linebarger collection staff will maintain contact with each debtor by attempting initiation of at least one phone contact per month. During the telephone call, our collection agents will:

- Identify our firm
- Inform the debtor of the origin of the debt and the amount owed
- Advise debtor of the consequences of continued noncompliance, such as driver's license suspension, wage garnishments, State tax refund intercept and/or asset seizures or liens
- Describe payment options including installment payment plans
- Describe how payments may be remitted

3. Work Plan for Providing the Requested Services

- Explain that a debtor with an Infraction/Misdemeanor with Unadjudicated Bail, Sanction, Juror Sanction, Child Custody Evaluation or other accounts as approved by the Court who wish to dispute the debt, must schedule a court appearance

Every communication from Linebarger to Court debtors will be made with the intention and goal of moving the matter toward positive resolution. This resolution not only serves the needs of the Court, but also provides positive and meaningful resolution and closure of an outstanding court matter for the debtor.

3.4 DEBTOR PAYMENT OPTIONS/METHODS OF PAYMENT

3.4.1 Flexible Payment Plans

While our initial goal and effort is to obtain full resolution of Court accounts through payment in full, Linebarger recognizes the simple fact that a number of debtors are simply unable to make payment in full. As we communicate with Court debtors to explore every option for resolution of their account and determine from a review of the debtor's finances that full payment is not immediately possible due to financial hardship or difficulties, we are always happy to negotiate flexible alternative payment plans that meet the needs of debtor as well as follow Court guidelines (if allowed by the Court). In establishing any alternative payment plan, we will not charge interest or fees to debtors for this service.

When an alternative payment plan is established, a payment plan letter is generated and sent to the debtor confirming the terms and Court-specific requirements. The letter also provides clear instruction on making the payments and complying with the terms of the arrangement.

Accounts with payment plans are placed in our system's installment agreement queue for automatic monitoring and tracking payment compliance. Both the system and the collector monitor payments until the delinquent amount is paid in full. In the event payment is not made in compliance with the arrangement, collection efforts resume immediately to obtain payment and continuing compliance.

The goal is to keep the debtor compliant rather than having him/her fall off the plan. No benefit is achieved in establishing plans that are destined to default.

3. Work Plan for Providing the Requested Services

Following is a sample poverty guideline we utilize for various client contracts and can incorporate to the Court’s contract handling, if approved.

	Federal poverty level	Under employed 138% above poverty level	Standard income
Single defendant	\$ 11,880	\$ 16,394	\$16,394 plus
Family of 2	\$ 16,020	\$ 22,108	\$22,108 plus
Family of 3	\$ 20,160	\$ 27,821	\$27,821 plus
Family of 4	\$ 24,300	\$ 33,534	\$33,534 plus
Family of 5	\$ 28,440	\$ 39,247	\$39,247 plus
Family of 6	\$ 32,580	\$ 44,960	\$44,960 plus
Family of 7	\$ 36,730	\$ 50,687	\$50,687 plus
Family of 8	\$ 40,890	\$ 56,428	\$56,428 plus
Down payment	1st monthly payment	1st monthly payment	1st monthly payment
Balance under \$1000	24 months	18 months	12 months
Balance \$1000.01 to \$2000	48 months	36 months	24 months
Balance \$2000.01 to \$3000	72 months	54 months	36 months
Balance \$3000.01 to \$4000.00	96 months	72 months	48 months
Balance \$4000.01 plus	120 months	90 months	60 months
Example	Monthly payment	Monthly payment	Monthly payment
Balance owed:			
\$ 500.00	\$ 20.83	\$ 27.78	\$ 41.67
\$ 1,500.00	\$ 31.25	\$ 41.67	\$ 62.50
\$ 2,500.00	\$ 34.72	\$ 46.30	\$ 69.44
\$ 3,500.00	\$ 36.46	\$ 48.61	\$ 72.92
\$ 4,500.00	\$ 37.50	\$ 50.00	\$ 75.00

3.4.2 Forms of Payment

Our goal is to offer simple, attractive and convenient payment options to debtors that encourage payment and account resolution.

For debtor’s convenience, Linebarger may accept, at a minimum, the above types of payments through various means including:

- **Mail/In-Person** - In-Person at designated physical locations with multiple forms of payment accepted including personal checks, cash, money orders, and cashier’s checks via mail or in person.

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- **Checks by phone** – We can take a debtor’s bank account information over the phone to process a payment immediately. We will forward the payment to you within 5 to 7 business days to ensure that there are sufficient funds in the account to cover the payment.
- **Credit and Debit Cards** – debtors can provide credit and debit card information either by phone or via our website. Our call centers all accept credit card payments 24 hours a day through our IVR system. Our credit and debit card merchant processes funds on a daily basis. You will receive your funds within 48 hours.
- **Mobile Device payments** – The Linebarger payment website is compatible with mobile devices, allowing debtors to make payments using credit cards, debit cards, or an Automated Clearing House (ACH) transaction.
- **PayNearMe** – Debtors can make cash payments at PayNearMe locations such as their closest corner convenience or drug stores throughout their communities without incurring a transaction fee. PayNearMe offers true convenience to people who do not have debit or credit cards, checking accounts, or do not want to pay an additional fee for a cashier’s check. All payments are traceable, and the person making a payment walks away with a receipt.

Online Payment Portal

We offer the convenience of paying online to our debtors. Linebarger collection notices include a link to our payment portal, <https://www.lgbswebpayments.com>. For those that do not wish to utilize our web payment portal, our notices also include a detachable payment coupon and a return envelope. In addition, we also provide instructions to the appropriate payment-processing center for those individuals who wish to pay in person.



3. Work Plan for Providing the Requested Services

Our web portal facilitates fast and convenient payments from PCs or mobile devices. This portal relies on the latest national security standards and is PCI-compliant. We designed the web portal with enhanced cross-platform functionality to provide greater user ease and satisfaction when making payments.



3.4.3 Payment Plan Statement

Linebarger will provide a statement and a return envelope to debtors who have established a monthly payment plan. The statement will inform the debtor of the amount paid to date, the remaining balance, the minimum amount due, and the payment due date.

3.4.4 Personal Checks

We will ensure that when a debtor submits a personal check at one of our local business offices and a receipt is issued to debtor, the case number or Linebarger account number, receipt number, and debtor's last name appear on the check.

3.4.5 In-Person Receipts

Linebarger will provide each debtor a receipt for all payments received in person at one of our local business office(s).

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RECEIPT		1821
 Account No.		
Linebarger Goggan Blair & Sampson LLP 5801 Soundview Dr NW, Ste 50B Gig Harbor, WA 98335	Payer Name: Payer Address:	
DATE	DESCRIPTION	AMOUNT
03-07-2016	ACCOUNT NO. CLIENT ACCOUNT NO. PAYMENT IN FULL MO 17-350263426	\$193.75
	AMOUNT DUE	\$193.75
	AMOUNT RECEIVED	\$193.75
	ACCOUNT BALANCE	\$0.00

3.4.6 Accepting Payments via the Internet

As noted early in this response, to encourage debtors to make full and prompt payments, Linebarger relies on a variety of convenient, secure electronic payment methods – such as checks by phone, credit or debit card payments by phone, and credit or debit card payments via our internet payment portal, and mobile payment application. We do not charge a convenience fee to debtors for any of the electronic payment options that we make available to them. Payment history can also be viewed through this system.

3.5 COURT APPEARANCES

As a law firm and as lawyers, we have a full understanding and appreciation for the importance and necessity of the legal process and a debtor’s right to a court hearing.

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This process not only allows a debtor an opportunity to have his or her matter properly adjudicated, but also insures and protects that debtor's constitutional due process rights.

As lawyers and "Officers of the Court", we hold an inherent understanding of, and duty to, the Court (and the entire court system). There is no one more inherently qualified to uphold and administer the requirements of this RFP section than a collection vendor partner such as Linebarger.

Linebarger team members have direct and relevant experience in handling this very activity of scheduling court appearances on behalf of the Court and at the request of the Court's debtors. Upon notice of contract award and during implementation meetings with the Court staff, we will develop the customized and preferred protocols that your court wishes to implement and utilize. We are confident in our ability to handle this function in an efficient and effective manner.

3.5.1 Court Appearances

Linebarger will allow debtors to set a court appearance as directed by the County/Court. Linebarger will work with the slots allotted to us to assign court appearances. We will report the appointments on a daily basis so the Court can update their records. For example, on traffic failure to appear cases, a debtor retains the right to an arraignment/hearing. Therefore, upon request by a debtor, Linebarger will:

- Allow a debtor to schedule a court hearing, pursuant to Court policy, on the following types of accounts: Traffic Failure to Appear, Civil Sanctions, Juror Sanctions and Child Custody Evaluations.
 - For any matter in which a debtor retains the right to an arraignment/hearing (and for any matter that the Court allows or authorizes a debtor to appear for hearing to expedite the judicial process or provide convenience to the debtor), and upon request by a debtor, Linebarger will allow and assist debtor in scheduling a court appearance.
- Schedule a court appearance on a day and time which has already been established by the Court (the Court may provide Linebarger with dates and times for each location, as needed.)

3. Work Plan for Providing the Requested Services

- We understand that your court will provide a schedule of pre-established court appearance dates, times and locations that are available. Linebarger will assist debtor in scheduling a court appearance on an appropriate date, time and location. Linebarger and team members to be assigned for your court project have experience in handling this particular court appearance hearing process.
- Linebarger will be responsible to transfer a data file electronically of all court dates, court locations, and debtor phone numbers to the court's case management systems and separate electronic system as designated by the County/Court known as the Court Appearance Reminder System (CARS). CARS places automated reminder calls to debtors that have pre-scheduled a court date through Linebarger.
 - Upon scheduling a court appearance with a debtor, Linebarger will transfer an electronic data file with the relevant and necessary information to the Court's CARS system. Linebarger and team members to be assigned to your Court project have experience in handling this process.
- If appropriate and with express debtor consent, Linebarger will notify debtor of court date and account balance via text messaging.
 - Linebarger has the capability to communicate with appropriate parties via text messaging. If appropriate, and with the express consent of debtor (and when all other compliance measures are met), Linebarger will notify debtor of their court date and account balance.
- Upon scheduling a court appearance, immediately suspend all collection activity until the County/Court requests that it be resumed.
 - Linebarger will suspend all collection activity immediately upon a debtor scheduling a court appearance. This suspension of activity will remain until the County and/or Court directs that activity is to resume.
- Debtors who are referred with either Adjudicated Infractions/Misdemeanors or Adjudicated Misdemeanors/Felonies accounts do not retain the right to an arraignment. Linebarger will refer debtors requesting an Ability-To-Pay Hearing to the Court.
 - Linebarger understand that debtors with adjudicated matters generally no longer retain the right to a court appearance.

3. Work Plan for Providing the Requested Services

We have current procedures and processes in place to appropriately handle adjudicated matters. Linebarger will refer debtors requesting an Ability-To-Pay Hearing to the Court.

3.6 DEBTOR FAILURE TO COMPLY WITH NOTICES OF DELINQUENCY AND TELEPHONE CALLS

The ability to pursue available remedies against debtors who fail or refuse to comply with collection efforts that allow a voluntary resolution provides a necessary and desirable enforcement mechanism. As a law firm, and as lawyers, we have the ability to move from routine collection efforts to involuntary action without delay, when appropriate. All such action will be handled internally by in-house Linebarger lawyers and legal staff. Your Court will experience no delay, because Linebarger need not refer the account to an outside law firm for handling this remedy.

Likewise, because legal actions are not referred out to a law firm or lawyer who may be unknown to your Court, all communication pathways and contact points remain directly between the Court and your Linebarger contact point. The Court retains full awareness of the process; maintains consistent information flow and communication pathways, and full control over the process. Your Court and staff begin and end with the same contact point for any and every action taken by Linebarger on your behalf.

3.6.1 Involuntary Payment Actions

Upon a Judicial Order from the Court, Linebarger will initiate involuntary payment actions on debtors who fail to pay or establish a payment plan or satisfy their debt. The County/Court will provide a listing of types of accounts that are subject to involuntary payment actions.

Linebarger employee and California-licensed attorney Nancy Su has extensive experience in handling involuntary payment actions in Courts across the State, including the Los Angeles County Superior Courts. In the event your debtor has moved from the California jurisdiction, Linebarger has in-house lawyers and the ability to pursue involuntary actions in the state in which your court's debtor has relocated. We understand most involuntary payment actions will flow through COD.

3. Work Plan for Providing the Requested Services

Based upon the list and criteria received from your Court, Linebarger will pursue appropriate involuntary action. All necessary processes for pursuit of involuntary action are currently in place and exist in the Linebarger arsenal, and can be integrated and incorporated immediately in the process for your Court.

3.6.2 Recalcitrant Debtors

Linebarger will perform the following steps for recalcitrant debtors with accounts identified by the County/Court that are subject to involuntary payment actions that fail to establish a payment plan or satisfy their debt:

- Complete the required paperwork and obtain the appropriate court orders to enforce a civil judgment for the actions listed in this SOW.
- Institute one or more of the following actions:
 - bank levy
 - wage garnishment
 - repossession of property, including vehicle
 - real property liens

Linebarger is willing and able to meet the requirements set forth in RFP section 3.6.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

3.6.3 Associated Costs

Any and all associated costs incurred in instituting the actions listed above will be paid by Linebarger and reimbursed by the debtor upon collection of the debt. The County/Court will only pay commission on the referred amount and not on any associated collection costs.

Linebarger is willing and able to meet the requirements set forth in RFP section 3.6.3. We understand that in some jurisdictions, there will be statutory authority in favor of your Court (as a governmental entity) for the waiver of some costs and filing fees. We will follow appropriate and applicable law in this regard.

3. Work Plan for Providing the Requested Services

Linebarger has current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

3.7 ACCOUNT MANAGEMENT

3.7.1 Withdrawal of Account

Linebarger understands that your county and court is the “owner” of the accounts being referred for collection efforts. The Court may withdraw any transferred account at any time, including accounts that meet the following conditions:

- account referred in error
- account dismissed by a judicial officer
- debtor is incarcerated
- debtor is deceased
- account is referred to other agency for continued collection efforts

3.7.2 Handling of Recalled Accounts

Linebarger is willing and able to meet the requirements set forth in RFP section 3.7.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

Upon notification of a withdrawn account in writing, email or other means of electronic messaging from the County or Court (if such action is taken), Linebarger will remove the withdrawn account from our system within two (2) business days of receipt of notice from the Court. Accounts withdrawn will be electronically transmitted from Linebarger to the Court according to specifications by the Court.

Upon notice from the County or Court of account withdrawal, Linebarger will immediately cease all collection activity and close the account. A list of closed accounts will be maintained by Linebarger.

3. Work Plan for Providing the Requested Services

We understand that the Court reserves the right to take actions deemed necessary to recover debt from an account that has been withdrawn from Linebarger, and that in the event that the Court withdraws an account, our firm will have no claim or right to compensation on any outstanding balance subsequently recovered by the Court, one of its agents, or another service provider on such accounts.

3.7.3 Accounts Deemed Inactive/Uncollectible

Linebarger understands the concept and goal of Section 3.7.3 and will comply with the terms. While Linebarger never unilaterally defines or identifies an account as uncollectible per se, we will work with your court to determine relatively strictly defined attributes that will allow us to evaluate individual accounts according to your Court's preferences.

At least every 60 days, Linebarger will evaluate each account and make a determination as to whether collection activity should cease. Defining attributes for accounts deemed uncollectible are:

- missing or inaccurate contact information including phone number and address
- missing or inaccurate driver's license number
- no contact with debtor for the past consecutive six months
- inactivity and no payment on account for the past consecutive six months

We will provide the Court with a monthly report on all accounts deemed uncollectible according to the defined attributes, including age of referral. During implementation, we will also discuss with your Court's implementation team potential strategies to improve resolution and collection on accounts that may not squarely meet defining attributes to be considered uncollectible.

In the event an account has been deemed uncollectible and returned to the Court, Linebarger will have no right to compensation on any outstanding balance subsequently recovered by the Court, one of its agents, or another service provider.

3. Work Plan for Providing the Requested Services

3.7.4 Transfer of Accounts Deemed Inactive or Uncollectible

Linebarger understands the County or Court reserves the right to take actions deemed necessary for an account that has been deemed inactive or uncollectible, including, but not limited to referral to the California FTB or other collection entity. We will return accounts that have been requested back within 10 business days as instructed. We understand the scope of accounts to be returned to the County/Court include, but are not limited to:

- Any account meeting the criteria in Section 3.7.3 “Accounts Deemed Inactive / Uncollectible”
- Any account referred to Linebarger for a period exceeding 12 months from the referral date that has not been transferred to FTB-COD pursuant to Section 3.7.4
- Any account that Linebarger has referred to FTB Interagency Intercept Collection pursuant to Section 3.7.5 that remains unresolved.
- All accounts referred to Linebarger for a period exceeding 12 months from the referral date that have no payment on the account for the past consecutive 90 days.

3.7.5 Transfer of accounts to Franchise Tax Board (FTB), Court Ordered Debt (COD)

- Linebarger will interface with the California FTB and COD programs. We have extensive experience working with the FTB, COD and TIP programs. Processes are in place to facilitate this service.
- Upon direction from the County/Court, Linebarger will transmit selected collection inventory to the FTB COD for additional collection efforts. We understand the Court reserves the right to process referrals directly to FTB.
- Immediately upon transfer, we will transmit account information to up the Court collection management system.
- Upon referral of an account to the FTB COD, Linebarger will cease all collection activity on the account but, at a minimum, remain responsible for the following:
 - Linebarger will electronically send and receive account information to FTB COD in a format agreed upon by the County/Court and FTB COD.

3. Work Plan for Providing the Requested Services

- Payment information received by Linebarger from FTB COD will be electronically transmitted to the County/Court. Linebarger will be responsible for updating our collection system and transmitting payment information to the County/Court using the process described in Section 3.10 – Transmission of Account Information.
- Linebarger will notify defendants advising them that Linebarger is no longer pursuing collections and the account has been referred to FTB COD.
- We understand that upon approval from the County/Court, Linebarger may be required to refund to the debtor any over-collected amount received from FTB COD.
- Linebarger will be responsible for all costs associated with programming identification, transfer and separate reporting of accounts referred to the FTBCOD.
- Linebarger will not receive compensation on accounts that are collected by the FTB COD.

3.7.6 Collections Transfer of accounts to Franchise Tax Board (FTB), Interagency Intercept Collections (**T**ax Intercept)

- Linebarger will interface with the California Franchise Tax Board, Interagency Intercept Collections (FTB Tax Intercept).
- Upon direction from the County/Court, Linebarger will transmit selected collection inventory to the FTB Tax Intercept for additional collection efforts.
- Upon referral of an account to the FTB Tax Intercept, Linebarger will cease all collection activity on the account but, at a minimum, remain responsible for the following:
 - Linebarger will electronically send and receive account information to FTB Tax Intercept in a format agreed upon by the County/Court and FTB Tax Intercept.
 - Linebarger will attempt and obtain debtor Social Security Numbers via skip tracing tools (e.g. LexisNexis).

3. Work Plan for Providing the Requested Services

- Payment information received by Linebarger from FTB Tax Intercept will be electronically transmitted to the County/Court. Linebarger will be responsible for updating our collection system and transmitting payment information to the County/Court using the process described in Section 3.10 – Transmission of Account Information.
- Linebarger will mail a notice at least 30 days in advance of referring the account to FTB Tax Intercept, to the debtor advising them that Linebarger no longer is pursuing collections and the account has been referred to FTB Tax Intercept.
- We understand that upon approval from the County/Court, Linebarger may be required to refund to the debtor any over-collected amount received from FTB Tax Intercept.
- Linebarger will be responsible for all costs associated with programming identification, transfer and separate reporting of accounts referred to the FTB Tax Intercept.
- Linebarger will be responsible for all costs associated with placing the accounts with FTB Tax Intercept.
- Linebarger will be responsible for any costs associated with obtaining the debtors Social Security Number.
- Linebarger will schedule court dates and handle inquiries from debtors, as necessary
- Linebarger will not receive compensation on accounts that are collected by the FTB Tax Intercept.

3.8 PROCESSING DEBTOR PAYMENTS

Collecting payments and funds on behalf of our clients is the pinnacle of our collections process. It is always the goal of Linebarger to offer the broadest range of simple and convenient payment options to your Court debtors that will encourage debtors to make payment and resolve their accounts.

As a necessary corollary to collecting the funds, there must also exist back-end office processes and procedures that effectively and safely transition the money from the debtor to Linebarger, and ultimately from Linebarger to your court.

Just as we offer your court debtors numerous convenient options, we are also capable of handling fund processing in alternative ways based on your court's preference and needs.

3. Work Plan for Providing the Requested Services

Based upon your court's presumed preference as reflected in the RFP, we confirm our ability to process payments in full compliance. In the event your court may wish to consider alternative options in this regard, we are willing and able to discuss alternative solutions that meet your needs.

Our law firm, IT technology and security teams, and internal accounting teams all have significant experience in the appropriate handling of large volumes of payment instruments totaling extremely high dollar amounts. We currently have in place numerous payment processing procedures and protocols to meet the customized needs of our varied client base. We have no reservations with regard to our ability to handle and process payments and transfer of funds as required by your county and your court.

Payment Card Industry Compliance (PCI)

Linebarger holds PCI Level 1 Merchant and PCI Level 1 Service Provider certifications. We treat all information and personal data connected with the collection of Court accounts as confidential and protect it throughout its life cycle in our systems. Linebarger undergoes an annual Payment Card Industry (PCI) assessment of our controls as a Merchant and a Service Provider. An Attestation of Compliance (AOC) and Report on Compliance (ROC) confirms the controls comply with the PCI standards. Only a PCI Qualified Security Assessor (QSA) can issue a PCI Level 1 ROC. An Approved Scanning Vendor (ASV) also conducts a quarterly scan of our technical environment to test our systems' security against the PCI standards. Any deficiencies in PCI standards result in an automatic failure of PCI compliance. Linebarger undergoes annual certifications.

Statement on Standards for Attestation Engagements SSAE16/18 Audits

Linebarger undergoes multiple SSAE16/18 audits of our Service Organizational Controls (SOC) to comply with the reporting requirements for various clients throughout the year. These audits ensure that Linebarger maintains compliance with American Institute of CPA's (AICPA) control standards.

3. Work Plan for Providing the Requested Services

Each audit consists of physical, logical, procedural, and technical controls against the AICPA standards for Service Organizations. The process consists of visual inspections, personnel interviews, and policy evaluations. An independent auditor generates a SOC 1 Type 2 report to document the findings. The report includes all noted deficiencies and a Corrective Action Plan (CAP) if needed, with a set date to remediate. Our last audit confirmed that Linebarger has the necessary controls to assure that we meet all control objectives.

3.8.1 Transfer of Funds

Linebarger is willing and able to meet the requirements set forth in RFP section 3.8.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

Upon notice of contract award and before collections commence, Linebarger will establish a separate bank account designated solely for processing debtor payments under the Court's Contract. All financial instruments and payments received as debtor payments will be deposited by Linebarger staff into this bank account as soon as received but no later than the close of the business day of receipt.

- Each business day, Linebarger team members who are highly trained and bonded will prepare an accounting of all debtor payments received on that day, and reconcile the account for any adjustment. Except in the event where payments are unidentified, all payments are updated in the Linebarger system within one business day.
- Linebarger has a system in place to determine unidentified cases and that process will be followed as unidentified cases occur.
- All funds will be deposited in the Linebarger bank account as soon as received and no later than the close of business day of receipt.
- By the tenth (10th) business day of each month, Linebarger will submit to the County/Court a copy of the prior month's banking statement for the applicable Linebarger bank account (official copy from our bank account). We can adjust this frequency at the request of the Court.
- We understand that the County will establish and have sole ownership over the designated County bank account.

3. Work Plan for Providing the Requested Services

As a relatively general overview of our payment processing capabilities, we offer the following with regard to our banking procedures as well as our payment processing facility. Banking procedures are designed to provide the County and Court with full accountability and security through all stages of the operation. Throughout the process daily grand totals and client totals are recorded and verified to ensure that every payment is completely processed. The law firm segregates important control functions throughout its internal control processes to safeguard client funds. The law firm also utilizes an internal audit team and an Audit Committee to maintain an effective control system.

3.8.2 Automated Clearing House Transfers and Reporting

Linebarger is willing and able to meet the requirements set forth in 3.8.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

Linebarger is highly experienced in working with Automated Clearing House (ACH) transfers. This is a routine daily process in which we rely on state-of-the-art technology and highly trained and bonded staff to ensure that transfers are fast and accurate. We will ensure that all transfers equal the sum of all the payments on the daily payment report, including unidentified payments, other collections not on the payment report, less non-sufficient funds check amounts for that date. The dates of the ACH transfer and payment report will match. We have no reservations in our ability to handle the necessary and required ACH transfer and reporting processes, regardless of volume.

3.8.3 Unidentified payments

Linebarger is willing and able to meet the requirements set forth in RFP section 3.8.3. Linebarger currently has processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

Unidentified payments will be researched and handled by Linebarger team members as per the Court's instructions as defined in this RFP. Linebarger team members will deposit funds from unidentified payments into the designated Linebarger Bank Account on a daily basis; and said funds will be ACH-transferred into the Los Angeles County Court bank account.

3. Work Plan for Providing the Requested Services

Linebarger team members will attempt to identify all unidentified payments within thirty (30) calendar days of payment being received. If Linebarger cannot ultimately identify payment(s) within 30 calendar days of payment receipt, by the fifth (5th) business day of each following month we will provide the County and Court with a report listing unidentified payments and attach any documents received with the payment (e.g., mailing envelope, enclosures). No refunds will be issued by our firm on unidentified cases.

We understand that Linebarger will not receive compensation on unidentified cases.

3.8.4 Incorrect Account Payments and Adjustments

Linebarger is willing and able to meet the requirements set forth in RFP section 3.8.4. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

In the event that Linebarger applies payment to an incorrect account or case, we will provide the County/Court with a daily report listing the correct case where the payment should be applied. If payment should be refunded, Linebarger will provide supporting documentation.

If our firm transfers funds that are determined not to belong to a Court referral, we will provide documentation and submit a written request for refund.

If Linebarger believes that an adjustment to the Los Angeles County Court bank account is necessary, we will inform the County and Court of the following:

- The amount in dispute
- The reasons for the adjustments
- Copies of any documentary evidence that supports Linebarger's claim

3.8.5 Cashier Variances / Discrepancies in Amounts Collected and **Received**

Linebarger is willing and able to meet the requirements set forth in RFP section 3.8.5.

3. Work Plan for Providing the Requested Services

Linebarger will be responsible for all cashier variances, losses and other discrepancies between amounts collected and receipted by our firm, such as shortages, counterfeit bills, etc. Linebarger will reimburse the Court for cashier variances, losses and any other discrepancies between amounts collected and receipted by Linebarger on the day of collection.

3.8.6 Personal Check / Credit Card Verification

Linebarger is willing and able to meet the requirements set forth in RFP section 3.8.6. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

Linebarger will submit all personal checks for processing through nationally recognized verification and authorization systems to determine whether the personal checks submitted by debtors are valid and are covered by sufficient funds. Linebarger will obtain verification or authorization for every credit card transaction submitted by a debtor.

3.8.7 Returned Checks

Linebarger is willing and able to meet the requirements set forth in 3.8.7. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

In the event a debtor's personal check is returned as non-sufficient funds (NSF) or because the checking account is closed, Linebarger will attempt to recover these funds. We understand that we may assess a returned check fee not to exceed \$25 on returned checks.

If we are unable to recover the funds within thirty (30) calendar days, we may request recovery of funds through submission of a Deposit Reconciliation by listing the NSF amount(s).

On matters relating to NSF and returned checks, Linebarger will submit to the Court a detailed NSF report by individual court locations that includes, at minimum, the following:

- defendant name
- citation/case number

3. Work Plan for Providing the Requested Services

- NSF amount
- receipt number

3.8.8 Credit Card Fees, Collection Costs, etc.

Linebarger does not charge a convenience fee to debtors for any of the electronic payment options that we make available to them. There are also no additional fees applied for PayNearMe in-person cash payments for debtors. This is a policy we adhere to for all of our clients, as we believe it encourages payment from debtors by removing any real or perceived barrier to account resolution.

We understand the only exception to this RFP section 3.8.8 policy is the recalcitrant debtors with accounts identified by the County/Court that are subject to involuntary payment actions that fail to establish a payment plan or satisfy the debt described in RFP section 3.6.2.

3.8.9 Segregation of Accounts

Linebarger is willing and able to meet the requirements set forth in RFP section 3.8.9. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger will segregate all accounts referred by the Court from all other Linebarger client accounts (as described and consistent with Section 3.8.1 – Transfer of Funds). All information relating to the accounts referred and assigned will be kept confidential and will not be open to examination for any purpose not directly connected with the servicing of the accounts by Linebarger. Linebarger will track accounts by court locations and account category. (Refer to Section 1.3.1 – Referral Data).

3.8.10 Internal Control Procedures

Linebarger will meet or exceed any necessary internal control procedures required to service the needs of your Court.

Linebarger will tailor its internal control processes to properly service and provide security over the collection activities for your Court system. Our firm possesses the skill and experience to provide this tailored response to your needs.

3. Work Plan for Providing the Requested Services

Responses below are meant to provide general information, and should Linebarger be awarded the contract, we will work with you to provide more specific control documentation before the contract is implemented.

3.8.10.1 Cash Handling and Record Keeping Duties

Linebarger understands the importance of segregating duties to properly fulfill its fiduciary role. It has an extensive fiduciary accounting operation whereby the payment receipt, record keeping and reconciliation functions are maintained as separate as possible.

Payment handling and record keeping functions will be assigned to separate personnel. Cash received will be receipted timely and put in a safe or other secure location, as agreed upon with the County.

3.8.10.2 Restrictive Endorsements

Linebarger will restrictively endorse checks and money orders once the mail is opened each day. Payments will be logged into a Control Log showing the date of payment, payment instrument (e.g., check, money order, cash), debtor's name, amount received, case number (if available) and payment instrument number. The Control Log will be reviewed and signed by a supervisory employee.

Payments will be posted to the Linebarger computer system, and a system generated receipt report will be matched to the Control Log and signed by a supervisor. The checks or money orders will be locked in a secure location with restricted access until they are deposited during or at the end of the day.

Linebarger will commit to having the two mail openers initial a reconciliation of the actual cash and checks received to two adding machine tapes of the receipts. If Linebarger deems another methodology to be more beneficial, it will have the method approved by the Court before implementing.

3.8.10.3 Walk-In Payments

Walk-in payments will be receipted in the presence of the debtor by a Linebarger employee who does not have the ability to post collections to debtor accounts.

3. Work Plan for Providing the Requested Services

For walk-in payments, a Cashier will ask the person to sign in at the front desk for identification purposes and provide the person making the payment with a receipt which identifies the account, the entity identified on the account, the date, amount and method of payment. If payment is made by check, the receipt will also include the check number.

Payments received by us on-site will be couriered via a qualified contracted courier or a Linebarger employee who does not have cash handling duties or access to accounting records. The method of transporting deposits can be tailored to the Court's specific requirements.

A separate set of employees in our Fees and Fines Accounting department will be responsible for reconciling the system's receipt log to the daily deposit amount to provide added assurance that receipted monies have been deposited.

3.8.10.4 **Main** and Walk-in Payments

Mail will be opened by at least two employees in order to document and cross-check the number of mailed-in payments. These employees will not have access to the accounting records and will not be collectors. The employees who open the mail will forward payments to Payment Processors, who will deposit the funds via electronic deposit into the bank or through another agreed upon method, such as a courier service.

3.8.10.5 **Receipts**

Linebarger will use receipts that are electronically system generated and controlled, but in the event of system incapacity, we will offer pre-numbered, multi-part forms with copies for the debtor and accounting offices, as well as one to be retained as a control copy. Each copy will be marked for distribution. Receipts will be issued by Linebarger clerical/administrative staff and not by Linebarger collectors.

Issued receipts will be numerically controlled and kept in a secure place. Office management staff will maintain accountability for receipt stock and used and voided receipts.

A copy of the receipt will be given to the debtor by Linebarger clerical/administrative staff and not by Linebarger collectors. Signage will be posted in English and Spanish instructing the debtor to request and obtain a receipt from clerical/administrative staff.

3. Work Plan for Providing the Requested Services

Receipts will be used in numerical order.

3.8.10.6 **Cash** Handling

Information obtained from the debtor during the payment process will be used for posting purposes. As stated previously, a receipt will be issued to the debtor, and cash will be locked in a secure location until it is couriered off-site.

Postdated checks and payment instruments will not be deposited earlier than the date of the check or as authorized by the consumer/paying party.

Upon receipt of a postdated check, the Fees and Fines Accounting Department will hold the deposit of the check until the date of the check. Post-dated checks will be retained for safekeeping by the accounting department until the date of the check. Accounting shall maintain a permanent tracking log of postdated checks. Any unidentified post-date and NSF checks will be accounted for on a separate log that provides a complete audit trail.

3.8.10.7 **Reconciliation**

The office management staff will reconcile the amount of mail and walk-in payments to the total deposit each day either by comparing the system-generated receipt log to the deposit amount or via a manual process whereby the office management staff compares a copy of the mail-in and walk-in payment calculator tapes to the amounts deposited. Methodology depends on the Court's preference.

Post-dated checks will be considered as part of the reconciling process and forwarded to our Fees and Fines Accounting department for tracking and ultimate resolution.

3.8.10.8 **Internal Controls**

Linebarger will submit written internal control procedures to the Court Project Manager "Court PM" prior to commencement of the contract. Written internal control procedures will be maintained and periodically updated as necessary. Linebarger personnel will be instructed in said procedures at least annually. Office management staff will continuously monitor operations to ensure compliance with these regulations. New employees will be instructed on these procedures within the first two (2) weeks of hire.

3. Work Plan for Providing the Requested Services

3.9 DEBTOR SERVICES

Linebarger believes that the services that we provide in communications and interactions with your Court's debtors is a direct reflection of your county and court. In this regard, every action that we take on behalf of your court is intended to generate a positive and pleasant experience that is consistent with the overall public image and perception of your county and court. The experiences your debtors have with Linebarger are perceived through the services that we offer and provide, as well as through the employees and staff who interact with your debtors.

3.9.1 Telephone Services

Linebarger is willing and able to meet the requirements set forth in RFP section 3.9.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger strives to make communications from Court debtors simple and convenient in every respect. Toll-free phone service access provided 24 hours per day, seven days per week provides full access and opportunity for debtors to communicate and resolve their matters.

As a part of our overall comprehensive communication access, Linebarger provides a unique toll-free telephone number for the Court's collection program so that debtors will be able to:

- obtain information on the debt, such as status, amount due, payment options, etc.
- schedule a court appearance
- remit payment
- establish a payment plan

Many of our collectors are bilingual or multi-lingual with the ability to communicate directly with non-English speaking debtors. We will provide either live collection agents or multilingual translation services in Spanish, Armenian, Chinese Mandarin, Korean and Vietnamese, and other languages as needed, through our translation vendor.

3. Work Plan for Providing the Requested Services

Linebarger also provides a toll-free telephone number for individuals with hearing impairments who communicate through a telecommunication device (TTY/TDD) that offers the services specified above.

Telephone services will be available 24 hours a day, seven days a week.

3.9.2 Internet Services

Linebarger is willing and able to meet the requirements set forth in RFP section 3.9.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court. Our payment portal address is: www.lgbswebpayments.com.

Linebarger has available a comprehensive website that allows a debtor to create and update personal account profile(s), make payment(s), enter into installment payment plans and check balance(s) via the Internet. The website will maintain full compliance with applicable statutes and guidelines.

Linebarger will obtain approval of the website's form, functionality, and available content from the Court; and make programming changes and updates at the direction of the Court.

A link between the County/Court and our website will also be maintained.

3.9.3 Office Locations and Services

Linebarger has an established office in Cerritos that is currently serving the Court's tertiary placements. We may expand this location and/or obtain a new location to take on the larger primary placement portfolio for the Court. We will meet all operational office deadlines and meet the hours of operation at all times. The office can allow debtors to obtain information on the debt, schedule a court appearance, establish a payment plan, and provides multi-lingual translation.

3. Work Plan for Providing the Requested Services

All California locations

3150 El Camino Real, Suite D
Carlsbad, CA 92008
18000 Studebaker Road Suite 700
Cerritos CA 90703



Proposed call center sites

Primary collection services
900 Arion Parkway, Suite 104
San Antonio, TX 78216

Back up collection service site
5801 Soundview Drive NW, Suite 50B
Gig Harbor, WA 98335

Linebarger routinely opens office locations to expand operational functionality based on the needs of our clients. We are excited about the possibilities of expanding our footprint and presence in California and within Los Angeles County.

3.9.4 Debtor Refunds

Linebarger is willing and able to meet the requirements set forth in 3.9.4. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court. We understand that the Los Angeles Superior Court will have the sole authority to issue debtor refunds and to determine whether a refund is due. If Linebarger believes that a refund should be issued to a debtor, Linebarger will provide the Court with the following information:

- debtor's name, receipt and account numbers
- amount in dispute
- reasons for the refund
- supporting documentation

We understand that the County/Court will not compensate Linebarger for services if the County/Court refunds the entire amount of collected money to a debtor.

In the event of a partial refund, the Collection Fee will be adjusted to the amount of collected money retained by the County/Court.

3. Work Plan for Providing the Requested Services

3.9.5 Customer Service

As continually stated throughout this proposal, Linebarger's overall success and performance on behalf of our client is rooted in our customer service. Our collection professionals deal solely with debtors who owe money to government entities or courts. As a result, we treat debtors in a manner consistent with maintaining the reputation and public image of your county and court – always emphasizing dignity and respect in our communications. This customer service applies not only to debtor communications relating directly to a debtor's outstanding matter with the Court, but also to those communications in which a debtor may express a complaint or concern in their dealings with us. Jason Neufeldt will serve as the Contract Manager providing daily service to the Court. He has extensive experience working with the Court as well as multiple California Superior Court clients. He is excited about the opportunity to service the Court.

3.9.5.1 Debtor Comment Line

Linebarger is willing and able to meet the requirements set forth in RFP section 3.9.5.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

Linebarger will maintain a toll-free telephone message line so that customers may leave voice mail messages regarding our firm's customer service. All voice mail messages received will be transcribed verbatim and supplied to the County Project Manager each month.

All voicemail messages/surveys will be retained for five (5) years and be available for review by County/Court as requested. All associated fees for this service will be borne by Linebarger.

3.9.5.2 Complaints

Linebarger is willing and able to meet the requirements set forth in RFP section 3.9.5.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

Our firm's culture is one of zero tolerance for valid complaints, and management vigorously investigates all complaints made against any member of our staff.

3. Work Plan for Providing the Requested Services

We take all debtor allegations seriously and follow a systematic approach to addressing and resolving complaints. Individually and collectively, we do everything possible to eliminate complaints and mitigate their consequences, protecting our clients' reputations as well as our own.

None of our clients have ever terminated a contract with our firm due to inappropriate collection activities by our employees. For that outstanding record we credit our rigorous, ongoing training program, which produces collectors who project an attitude of calm professionalism in every interaction with debtors.

According to the requirements of this RFP, Linebarger's complaint process will be tailored as needed to ensure that we satisfactorily meet the Court's requirements, including the following:

- In the event Linebarger receives any verbal complaint (as defined in RFP Section 3.9.5.2), we will immediately notify the Court PM by telephone or email. The verbal notification will be followed in writing within three (3) business days.
- In the event Linebarger receives any written complaint, we will immediately notify the Court PM by telephone or email, and provide the Court PM with a copy of the written complaint within three (3) business days of receipt.
- Linebarger will promptly investigate all complaints and provide a written report to the Court PM regarding the disposition of each verbal and written complaint within fourteen (14) business days of receiving the complaint. At a minimum the report will include the following:
 - A copy of the complaint (if applicable)
 - Identification by name of Linebarger employee(s)
 - Results of the investigation
 - A statement describing the corrective action taken to resolve and avoid a reoccurrence of such a complaint, if applicable
 - A response letter to the customer when directed by the Court PM, if applicable

3. Work Plan for Providing the Requested Services

A Complaint Tracking Log (in the form and format reflected in RFP Attachment A) and a system to track complaints to the individual accounts and Linebarger employee(s) handling the account will be maintained, with a copy of the log being provided to the Court PM each month covering the prior month's activities.

Responding to Better Business Bureau (BBB) Complaints

Linebarger has maintained an active membership and A+ rating with the BBB since November 2011. While the individuals filing complaints with the BBB are not our direct clients, they are constituents of the entities we serve. Several assigned employees handle BBB issues for the firm and track every complaint to make sure that we investigate and respond promptly to each instance filed with the BBB nationwide. Our goal is to help these individuals and reflect positively on our clients. When we receive a BBB complaint, our team takes the following steps to address the matter.

- They identify the correct law office to investigate the matter
- They then forward the complaint to the attorney, collection personnel and our Compliance Division
- The attorney and collection team investigate the matter, including:
 - review any phone conversations with the consumer
 - pull all letters and system records that identify attempts to locate or contact the individual
 - contact the client for additional information to confirm the consumer's position or request documentation the consumer seeks
- once all information is collected, the attorney/collection manager develops the written response for filing
- the BBB team files the response

Our diligent responses and tracking of issues has resulted in a consistently positive rating from the Better Business Bureau.

Responding to Consumer Financial Protection Bureau (CFPB) Complaints

We have a team assigned to receive, monitor, and respond to all CFPB complaints nationwide. This team ensures that Linebarger responds to all CFPB complaints appropriately and promptly.

3. Work Plan for Providing the Requested Services

When responding to a CFPB Complaint, Linebarger follows the process outlined for responding to Better Business Bureau (BBB) complaints, with the exception that the CFPB team files the final response with the CFPB and the response is mailed directly to the complainant.

The Complaint Process

Because collection activities involve complex interactions with debtors, our most experienced collectors supervise the collection floor at all times, ready to assist with any difficult situation that develops in the course of a phone call. These highly trained front-line personnel are able, in most circumstances, to mitigate the debtor's frustration and successfully resolve the matter at hand. When the debtor remains unsatisfied and files a complaint, Linebarger's formal complaint process is triggered.

Formal Complaint Process

Phase 1: The collection floor supervisor reviews the complaint, whether made in writing or verbally over the telephone. We record notes in the collection system to document the complaint details.

Phase 2: If the complaint appears to be valid, the collection floor supervisor flags the account and launches an investigation, gathering relevant information and correspondence, reviewing account files, and interviewing the collector against whom the complaint was filed and, if necessary, the debtor. The collector may also write a memo describing the incident.

Phase 3: Within 24 hours of completing the investigation, Linebarger will notify the client of the complaint if the client was involved with the initial complaint or if the complaint is of a magnitude that warrants notification. The project manager and attorney with contract oversight will also be informed. An explanatory memo, notes from the interview, a copy of the collection activity notes for the account, and all relevant correspondence will be forwarded to the Court at that time. The employee's personnel file will also record the complaint made.

3. Work Plan for Providing the Requested Services

Phase 4: Linebarger takes corrective action. Depending on the nature of the complaint, the employee completes special training to reinforce knowledge of collection procedures and techniques, receives additional supervision, or we may choose to terminate the employee.

Phase 5: If the Court was involved in the initial complaint or we notified them of a complaint, the firm will send the Court an updated copy of all documentation associated with the complaint, including a copy of its final response to the debtor and a description of corrective actions.

Debtor Ombudsman

Because we understand that having an account turned over to collections can be difficult and confusing for your debtors, and that our actions have a direct bearing on the Court's image, we will continuously work to avoid complaints. Our goal is to ensure that we work with debtors to resolve delinquent accounts in a positive, professional, and courteous manner at all times.

To meet this goal, our Ombudsman, Angela Crawford, will investigate and address any complaints that may arise for the Court's contract. Ms. Crawford's primary purpose is to work diligently with debtors to investigate any complaints and diffuse negative situations by providing prompt, detailed responses to debtor inquiries. She will work to help them better understand the basis for the delinquent account and resolve it in a manner consistent with the Court's business policy and public relations goals. Ms. Crawford will be immediately available to respond to any inquiries. Debtors can ask to speak with her during any call and directly access the ombudsman via email with a link from our website. She can be reached at Angela.Crawford@lgbs.com or 253.432.8582.

A key responsibility of the ombudsman will be to track and escalate complaints when necessary. A log will be maintained including the date, debtor name, collector name, basis of complaint, date resolved, and how resolved. The escalation will vary based on the severity of the complaint. Linebarger will take every complaint seriously. These reports will be available for review by the Court at any time.

3. Work Plan for Providing the Requested Services

Level One - Situational complaints

- documented in log for future reference
- no further escalation

Level Two - Behavioral complaints

- documented in log for future reference
- escalated to Assistant Call Center Manager Matt Larson, for review
- additional training and supervision to ensure behavior has been corrected

Level Three - Threat to escalate to the Court or regulatory personnel

- documented in log for future reference
- reported to Attorney Nancy Su and Chief Compliance Officer and Partner Lori Gruver, for review
- escalated to Matt Larson and Call Center Manager Jon Boquist, for review
- findings sent to the Court

Level Four - Potential violation of law

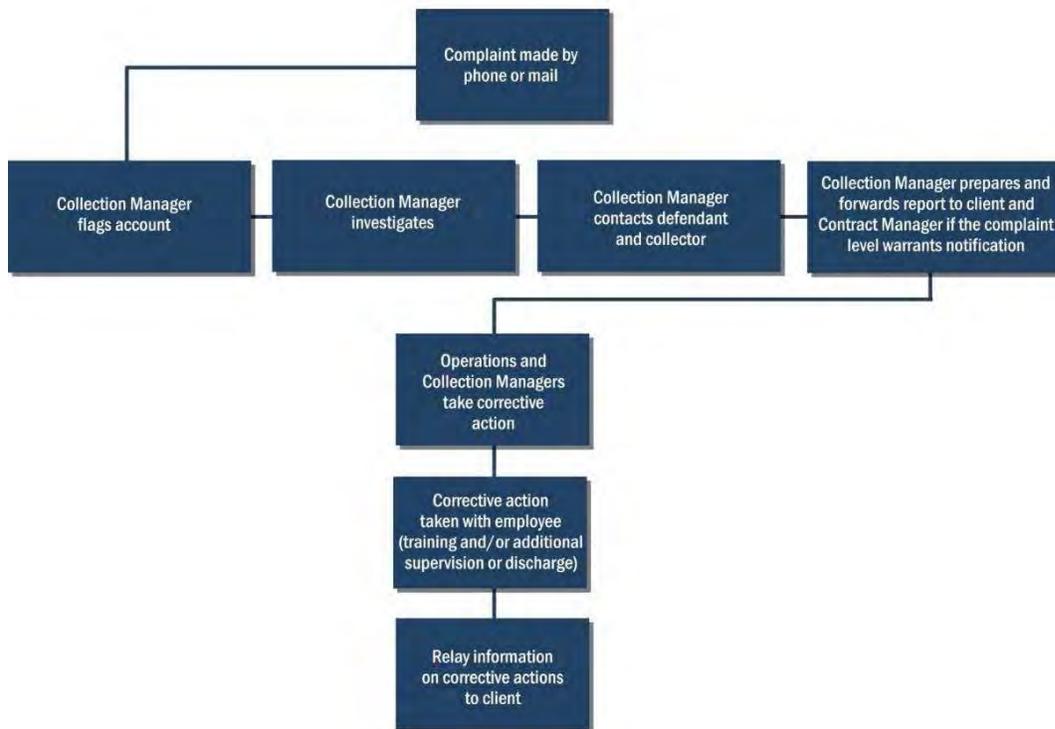
- documented in log for future reference
- immediately reported to Attorney Nancy Su and Chief Compliance Officer and Partner Lori Gruver, for review
- escalated to Assistant Call Center Manager, Call Center Manager, and Director of Operations Renee Linnabary, for review
- findings sent to the Court

Our firm's culture is one of zero tolerance for valid complaints; management vigorously investigates all complaints made against any member of our staff. We take all debtor allegations seriously and follow a systematic approach to address and resolve complaints.

Individually and collectively, we do everything possible to eliminate complaints and mitigate their consequences, protecting our clients' reputations as well as our own.

3. Work Plan for Providing the Requested Services

Complaints Investigation and Corrective Action



3.9.6 Dispute of the Outstanding Balance

Linebarger is willing and able to meet the requirements set forth in RFP section 3.9.6. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

When a debtor disputes the bail on an Infraction/Misdemeanor with Unadjudicated Bail, we will verify the case records with Revenue Enhancement Unit. Upon verification, we will continue with collection activities. If the debtor continues to dispute, Linebarger will inform the debtor that they may schedule a court appearance to dispute the balance/amount. If and when a debtor schedules a court appearance, collection activities will be immediately suspended – and only resumed when directed by the County/Court.

3.9.7 Claim of Death

Linebarger is willing and able to meet the requirements set forth in RFP section 3.9.7. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

3. Work Plan for Providing the Requested Services

If it is determined that a debtor is deceased, we will suspend collection activity and secure appropriate records to validate this determination. Upon receipt of a certified copy of a death certificate, we will forward the County/Court a copy of the correspondence and the certified copy of the death certificate and deem the account uncollectible.

We will verify claims of death that do not have a certified copy of a death certificate against the Social Security Administration Master Death File. If you wish to direct us to do so, we will attempt to determine if there is a surviving spouse or an estate with sufficient resources to satisfy the delinquent account through resumed collections.

3.9.8 Claim of Incarceration

Linebarger is willing and able to meet the requirements set forth in RFP section 3.9.8. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

In the event the debtor submits documentary evidence that indicates that the debtor is incarcerated, we will forward to the County/Court a copy of the correspondence and the documentary evidence. We will cease collection activity if the debtor is determined to be incarcerated 364 days or less. We will resume activity at the end of the incarceration period. If a debtor is incarcerated for 365 days or more we will place the account in an uncollectible status and return to the County/Court.

3.10 TRANSMISSION OF ACCOUNT INFORMATION

Linebarger knows that data accuracy and integrity is the foundation upon which every aspect of our collection process is driven. Our dedication to technology products and services, as well as maintaining a staff of more than 160 highly trained and skilled technology professionals is uncommon in the industry. Our professional staff leverages the products and services at their disposal so that our client experience is second to none. Throughout implementation, and throughout the entire contract term, you can be assured that Linebarger will have live staff to assist in any issue – technology-related or otherwise.

3. Work Plan for Providing the Requested Services

3.10.1 Data Transmissions

Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.1. As an existing contractor for tertiary services, we have many of the Court's interfaces currently in place.

Upon contract award, our Linebarger implementation team will meet with Court implementation staff to develop and build a robust and incomparable system interface to allow efficient and accurate data transmission capabilities. The interface from the Court to the Linebarger Columbia Ultimate Business Systems (CUBS) collection software system will be completed at no cost to your court. The interface will provide functionality to include all referral, update, and recall files and all custom reports requested by the Court.

Data transmissions will be processed by real-time application programming interface (API) and/or an automated batch process by electronic file transfers. Our 160+ member IT team is familiar with nearly every database management system and every data transmission process and protocol.

This familiarity will allow Linebarger to develop a functional interface with each case management product. The fact that your Court has existing data transmission capabilities developed to transmit data with an outside collection vendor will make any development and transition easy; as Linebarger IT staff will be able to adapt and implement quickly based off existing processes. Of course, at the time of implementation and development, if there are functionality issues that do not currently exist that the Court would like to incorporate, our IT staff is able to include that requested upgrade into your process.

We understand that we will receive data and information from the Court from multiple automated case management and information systems using multiple file layouts. Based on our ability to quickly implement and adapt our systems to work with numerous systems and various file layouts – both from existing court processes or building an interface from the ground up - we are confident in our ability to immediately work with all the automated case management and information systems that the Court uses, including but not limited to:

3. Work Plan for Providing the Requested Services

- Tyler Technologies' Odyssey case manager - source of Infractions and Misdemeanors with Adjudicated and Unadjudicated Bail and Fine accounts and child custody evaluation fees.
- Journal Technologies eCourt case management – source of civil, juror and attorney sanctions.
- The Collection Data Base System (CDBS) - source of Adjudicated misdemeanor and felony delinquent accounts.

As payments from debtors are received, our interface and data transmission programs will push payment information for entry into the appropriate case management system.

- Payment information from accounts referred via Odyssey will be entered into the case management system.
- Payment information from accounts referred via eCourt will be entered into the case management system.
- Payment information from accounts referred via CDBS will be entered into the CDBS.

Linebarger will provide daily back-up provisions for electronic data. Linebarger will modify data transmission specifications, procedures, and protocols when requested by the Court.

Software Experience

Linebarger is currently interfacing with the Court's case management system. Any additional communication needs will be met at our expense, if selected.

We attend the user annual conference and hold monthly calls as part of our partnership with Tyler—a partnership that includes many of our court clients.

Tyler Experience

- Our staff is highly familiar with Tyler Technologies products and has more than 20 existing and functional interfaces with clients using Tyler products including:
 - Oregon Judicial Department (36 trial courts)
 - Orange County, Florida
 - Tarrant County, Texas
 - Travis County, Texas

3. Work Plan for Providing the Requested Services

Following is a list of current clients utilizing Tyler Technologies, Odyssey:

Client / State	Software Vendor
FLORIDA	
CLAY COUNTY, FL	TSG-Odyssey
HILLSBOROUGH COUNTY, FL	Odyssey
LEE COUNTY, FL	Odyssey
MONROE COUNTY, FL	Odyssey
ORANGE COUNTY CLERK OF COURT, FL	Odyssey
PINELLAS COUNTY, FL	Odyssey
OREGON	
OREGON JUDICIAL DEPARTMENT	TSG-Odyssey
TEXAS	
ANGELINA COUNTY, TX	Odyssey
CAMERON COUNTY, TX	Odyssey
CAMERON COUNTY, TX	Odyssey
COLLIN COUNTY, TX	Odyssey
ECTOR COUNTY, TX	Odyssey
FORT BEND COUNTY, TX	Odyssey
HIDALGO, TX	TSG-Odyssey
HALE COUNTY, TX	Odyssey
HUNT COUNTY, TX	Odyssey
JASPER COUNTY DC, TX	Odyssey
JASPER COUNTY, TX	Odyssey
KAUFMAN COUNTY, TX	Odyssey
LIMESTONE COUNTY, TX	TSG-Odyssey
MATAGORDA COUNTY, TX	TSG-Odyssey
MORRIS COUNTY, TX	Odyssey
NUECES COUNTY, TX	Odyssey
NUECES COUNTY, TX	Odyssey
SAN PATRICIO COUNTY, TX	Odyssey
SAN PATRICIO COUNTY, TX	Odyssey
TARRANT COUNTY, TX	Odyssey
TRAVIS COUNTY, TX	Odyssey
TOM GREEN, TX	TSG-Odyssey
VICTORIA COUNTY, TX	Odyssey
WEBB COUNTY, TX	Odyssey
WISE COUNTY, TX	Odyssey
WOOD COUNTY, TX	Odyssey

3. Work Plan for Providing the Requested Services

3.10.2 Data entry of hard copy format

Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

While manual file processing is generally not favored by large and sophisticated Courts due to inefficiencies and potential inaccuracy of data, Linebarger is capable of handling and processing manual files. If this process is necessary, we will work with your Court to develop a mutually agreeable file processing procedure intended to minimize the burden on staff and resources, to the extent possible.

3.10.3 Determination of the Data to **be** Transmitted, Transaction **Codes, etc.**

Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.3. Upon notice of contract award, Linebarger implementation team members will meet with Court staff to determine appropriate and compatible information system interfaces, specifications, code, and formats as specified by the Court to allow establishment of data exchange pathways and protocols. As an incumbent vendor we can provide service with little to no interruption in service.

3.10.4 Referral Information – **Referrals from Case Management System (CMS)**

Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.4. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your County/Court.

We understand that the Court, at its discretion, will refer delinquent accounts from the CMS to Linebarger. The firm is also confident in our ability to receive delinquent account information referred by the County/Court in various formats and through various interfaces. The County/Court may refer delinquent accounts to Linebarger by using either the Odyssey Configuration Integration Publisher interface that allows the County/Court to send information directly to Linebarger's web service endpoint in the form of an XML message for Linebarger's consumption, or by using a collections export file batch process determined by the County/Court (as shown in RFP Attachment B).

3. Work Plan for Providing the Requested Services

The County/Court may refer delinquent accounts from eCourt API interfaces allows the County/Court to send information directly to Linebarger's web service endpoint in the form of an XML message for Linebarger's consumption, or by using a collections export file batch process determined by the County/Court.

We understand that referrals will correspond to CMS referral file specifications and may be subject to change.

3.10.5 Re-Referral Information – Re-Referrals from CMS
Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.5. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

The County/Court will re-refer debtors who have scheduled a court appearance through Linebarger and subsequently failed to appear in court. County/Court will either re-refer debtors through the CMS referral file, or through an alternate mechanism developed by Linebarger and the County/Court.

3.10.6 Referral Information – Referrals from CDBS
Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.6. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your county/court.

The County/Court will refer accounts from CDBS to Linebarger through a mechanism developed by Linebarger and the County/Court. These referrals will correspond to CDBS referral file specifications and may be subject to change.

3.10.7 Payment Information
Linebarger is willing and able to meet the requirements set forth in 3.10.7. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court. The sum of all payments on file transmissions, manual and electronic, must equal the amount deposited into the designated County Bank Account, the sum of all the deposit slips, and the sum of all the payments listed on the payment report (as described in RFP section 3.13.6 - Payment Reports).

3. Work Plan for Providing the Requested Services

3.10.8 Payment Information – For Accounts Referred via CMS
Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.8. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

At a frequency to be determined, but no less than once daily, Linebarger will submit current payment information to the County/Court via a mechanism developed by Linebarger and the County/Court.

Linebarger may notify the County/Court of payment information by submitting information required by Odyssey API web services or by submitting a payment import file specified by the County/Court. For API interface, the Odyssey Integration Toolkit web services will use the information to update appropriate Odyssey components.

Linebarger may notify the County/Court of payments collected by submitting information required by eCourt API web services or by submitting a payment import file specified by the County/Court. For API interface, the eCourt web services will use the information to update appropriate eCourt components. The payment file will correspond to CMS file specifications and may be subject to change.

3.10.9 PAYMENT Information – For Accounts Referred via CDBS
Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.9. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Once each day, Linebarger will submit current payment information to the County/Court via electronic file and/or computer tape. The payment file shall correspond to CDBS specifications and may be subject to change.

3.10.10 Uncollectible Information – For Accounts Referred via CMS
Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.10. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

3. Work Plan for Providing the Requested Services

Once each month, Linebarger will return accounts deemed uncollectible to the County/Court via electronic file. Linebarger will return such accounts to the County/Court with any updated account information obtained (e.g., addresses, telephone numbers, Social Security Numbers, etc.). The uncollectible file will correspond to the County/Court CMS specifications.

3.10.11 Uncollectible Information – **For Accounts Referred via CDBS**

Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.11. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your county/court.

Once each month, Linebarger will return accounts deemed uncollectible to the County/Court via electronic file and/or tape. Linebarger will return such accounts to the County/Court with any updated account information obtained (e.g., addresses, telephone numbers, Social Security Numbers, etc.). The uncollectible file will correspond to CDBS and/or County/Court CMS specifications. A mechanism to provide this information to the County/Court will be developed by Linebarger and the County/Court.

3.10.12 Court Appearance Information

Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.12. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

At a minimum of once each day or on a frequency specified by the County/Court, Linebarger will submit court appearance information. A mechanism to provide this information to the individual locations will be developed by Linebarger and the County/Court.

3.10.13 Updated information to Contractor on **County/ Court Accounts**

Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.13. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

3. Work Plan for Providing the Requested Services

As needed, the County/Court will provide Linebarger with any updated account information. A mechanism to provide this information to Linebarger will be developed by Linebarger and the County/Court.

3.10.14 Updated Information on County/Court Accounts from Contractor

Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.14. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your county/court.

At a minimum of once each day or on a frequency specified by the County/Court, Linebarger will submit updated account information obtained (e.g., addresses, telephone numbers, Social Security Numbers, etc.). At minimum once each day or a frequency determined by the County/Court, the Updated Account Information File will correspond with the CMS and/or CDBS specifications, and/or other alternative formats as specified by the County/Court.

3.10.15 Modification of file layouts

Linebarger is willing and able to meet the requirements set forth in RFP section 3.10.15. The County/Court has the right to modify file layouts identified above and County/Court will provide Linebarger with new file layouts and a reasonable time period to implement. Linebarger will accommodate these changes at our expense.

3.11 COLLECTIONS ON-LINE REQUIREMENTS

3.11.1 Contractor shall provide each Court location with **“Online” access, or a direct computer link to Contractor’s referred account database**

Linebarger is willing and able to meet the requirements set forth in RFP section 3.11.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Court locations with Linebarger staff assigned (see Section 6.2.2 – Contractor’s Personnel at Various Court Locations) will be granted full access to Linebarger’s computer system (e.g., input, inquiry, etc.). Specified Court locations without Linebarger staff assigned will be granted inquiry access only to Linebarger computer system.

3. Work Plan for Providing the Requested Services

Court locations without Linebarger staff assigned will be granted inquiry-only access to Linebarger's system.

We will provide training of this access at various locations for the Court.

Remote Data Access Capabilities: Client View

Linebarger offers the County/Court on-line, real-time access to view the status of their accounts and our collection activities via an Internet connection. The County/Court can monitor individual account activity such as collection letters, phone calls and collector notes, and the most up-to-date information on the status of the account in the collection cycle. Client View also supports a wide range of reports that we can tailor the County/Court's specific portfolio data, including placements, aging, collection rates, dismissal rates, and other variables. More detailed information can be found in Exhibit B: Sample Reports.



3. Work Plan for Providing the Requested Services

Client View New Account Inquiry Reports History Messages

Client View Account Inquiry Client View Account Detail- 100000 Print

Account Detail Summary		Debtor Balance Summary		
NAME: FRAZIER, ROSE PHONE: ADDRESS: 367 WARNER AVENUE CITY: MYRTLE BEACH ST: SC ZIP: 29579 PACKET: CLIENT: LGBSTEST1 OUR ACCOUNT#: 100000 YOUR ACCOUNT#: 1000040 SSN: STATUS: ACT DOB:		Item	Owing	Received
		Amount Placed	\$4000.00	\$0.00
		Interest	\$0.00	\$0.00
		Attorney	\$0.00	\$0.00
		Court	\$0.00	\$0.00
		Cancelled	\$0.00	\$0.00
		Miscellaneous	\$0.00	\$0.00
		Totals	\$4,000.00	\$0.00
		Balance: \$4,000.00		

Payment Summary Due Diligence Summary Letters Interactions Assigned Amount Detail Misc Amount Detail Payment History Skip Traces Employment Info

Payment Summary

Assigned Date: 04-06-2017
 Principal Assigned: 4000.00
 Last Pay Date:
 Last Pay Amount: 0.00
 Total Balance: 4000.00

Client View Account Inquiry

Account Inquiry

If you are searching for accounts by name, please enter the name Last Name, First Name.

Strict Search

Search By: Account Name

Search For: m Search

Search Results		7 Record(s) Found	
CU Account	Our Account #	Date	Pay Am.
Account Name	Your Account #	Status	Packet #
Client Name			
DEMO	100011 FREEMAN, ... 1000010	07/2017	0 ACT
DEMO	100038 MCDONAL... 1000028	07/2017	0 ACT
DEMO	100042 PEREZ, M... 1000032	07/2017	0 ACT
DEMO	100063 ROBERTS... 2000012	07/2017	1200 PIF
DEMO	100075 BERRY, M... 2000004	07/2017	50 ACT
DEMO	100077 PALMER, ... 2000005	07/2017	50 ACT
DEMO	100095 TAYLOR, M... 2000036	07/2017	0 ACT

3. Work Plan for Providing the Requested Services

3.11.2 On-line Capabilities

Linebarger is willing and able to meet the requirements set forth in RFP section 3.11.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

At minimum the on-line system will provide the following information:

- account number
- debtor name
- debtor address
- identifying information (e.g., date of birth, driver's license number and social security number)
- court appearance date
- updated/current address (e.g., addresses found via skip tracing)
- account status (e.g., paid, open, closed, withdrawn, uncollectible)
- amount due
- amount paid
- balance due
- last date of payment
- last notice date
- account history
- general comments

3.11.3 Update and Back-up Capabilities

Linebarger is willing and able to meet the requirements set forth in RFP section 3.11.3. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger proposes our full service call centers in Gig Harbor, WA and San Antonio, TX. The two virtualized sites enable calling hours from 6:00am to 7:00pm PST Monday through Friday with additional weekend hours.

3. Work Plan for Providing the Requested Services

This system also assures the Court that the sites will have little to no downtime as they are in different geographic territories and unlikely to be affected by the same natural disaster.

Linebarger will perform daily update and back-up on all account information systems accessed by on-line terminals at Court locations.

Data Backups

Data replication occurs in real-time to our Disaster Recovery (DR) location, with a separate backup every night to capture a snapshot of the daily activities. Using FIPS 140-2 compliant cryptography with additional safeguards and controls through PCI DSS Level 1 and IRS 1075 standards & guidelines we can ensure that all County/Court data is fully protected at rest and in transit. We retain data backups dependent upon client requirements, regulatory, and company standards. We verify all backups for consistency to confirm that data restoration is not required.

Data Archives

In addition to data backups, our Enhanced Electronic File Transfer (EFT) System archives transferred data in real-time. This system identifies client data uploaded to our EFT System and uniquely archives it to a separate directory. These archived copies help to protect and quickly reconcile any data a client may have accidentally deleted, overwritten, or uploaded in error.

Linebarger also employs a unique solution called SyncIQ, which enables us to implement a remote disk archiving solution for disaster recovery using asynchronous replication of data. With this solution, the replication process occurs every six hours. This process replicates all client archived data changes from our Local Enterprise SAN Storage Solution to our remote Disaster Recovery location. The system will never delete the data at our Disaster Recovery location unless expressly authorized by a client, regulatory requirements, or company standards.

Data and System Security

Security is the number one priority with any client's data. Linebarger uses a combination of physical, technical, and administrative controls to ensure the confidentiality, integrity, and availability of data.

3. Work Plan for Providing the Requested Services

We are equipped to secure communication between Linebarger and our clients ensuring data confidentiality and integrity in route to source or destination systems. Linebarger uses industry standard protocols including but not limited to SFTP, HTTPS, FTPS, IKE, IPSEC and PGP, to protect data in transit. Data can be transmitted directly using these protocols via our Secure Enhanced File Transfer system and/or through the use of IKE/IPsec VPN tunnels. If there is a need to encrypt data prior to transmittal using Pretty Good Privacy (PGP) tools and utilities Linebarger can accommodate the Comptrollers requirements.

As a complementary component, Linebarger employs a state of the art Storage Area Network (SAN) comprised of all flash arrays that implement inline (DARE) data at rest encryption and (SED) self-encrypting drive technologies. This architecture protects data at rest once loaded on to our systems preventing unauthorized read or write access.

3.12 FEES FOR SERVICES

As mentioned previously in this proposal, Linebarger strives to provide a simplified and pleasant experience for your Court's debtors. Similarly, Linebarger strives to make every experience between County and Court staff simple and meaningful. Minimizing any burden on Court personnel is another value-added service that we are proud to provide to our clients. In this regard, we fully intend to implement a reporting and invoicing process that provides accuracy and efficiency in every respect.

3.12.1 Invoices

Linebarger is willing and able to meet the requirements set forth in 3.12.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

As a part of our overall implementation process, our team members will meet with appropriate Court staff to determine the exact details and protocols that need to be included in the invoicing process. We will modify existing processes and/or will build new processes customized to your needs and preferences.

3. Work Plan for Providing the Requested Services

As a part of the customized invoicing process, Linebarger will invoice only for collection fees for services that have resulted in the remittance of financial instruments (e.g., cash, checks, credit card remittances, etc.) to Linebarger and subsequent deposit of the financial instruments into the designated County Bank Account.

Linebarger will be compensated only for services that result in the collection of revenue. County/Court will not compensate Linebarger for activities on accounts or expended services in the event payment from debtor is not obtained.

Linebarger invoice amounts will be generated and calculated in accordance with the formula provided in the RFP: Commission Rate (%) x total collections deposited in to the designated County Bank Account during the period of the invoice. Invoices will be submitted by Linebarger each month by the 5th business day of the month for the prior month's deposits to the designated County Bank Account. The invoice will be presented in compliance with RFP Section 3.13.1 – Cycle for Submission of Invoices. We understand that an invoice without the required information will not be approved for payment.

Properly submitted invoices will be submitted by Linebarger for written approval of the Court PM prior to payment of invoices; and the County/Court will not be liable or responsible for any payment prior to such written approval. We understand that approval for payment will not be unreasonably withheld, and in no instance will such approval take more than three (3) weeks from receipt of properly prepared invoices by the Court PM.

3.12.2 Payment on Accounts with a Court Appearance after referral

Linebarger is willing and able to meet the requirements set forth in RFP section 3.12.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

We are familiar with this process and understand that in the event a debtor appears in court and subsequently pays the debt, Linebarger will be compensated based on the amount that is adjusted (e.g., if a debtor's balance is reduced from \$550.00 to \$350.00 at a court appearance, and payment is made, the Collection Fee will be based on the new court ordered amount).

3. Work Plan for Providing the Requested Services

3.12.3 Dismissed Accounts

Linebarger is willing and able to meet the requirements set forth in RFP section 3.12.3. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

We are familiar with this process and understand that Linebarger will not receive compensation on any account that has been dismissed or suspended at a court appearance wherein a subsequent court fee has been imposed or otherwise dismissed or suspended by judicial order. Linebarger will not receive compensation on an account where community service has been granted in lieu of fine.

3.12.4 Failure to Pay Accounts

Linebarger is willing and able to meet the requirements set forth in RFP section 3.12.4. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court. We are familiar with this process and understand that Linebarger will not receive compensation on an account in the event a debtor fails to pay the debt after a court appearance.

The County/Court reserves the right to take actions deemed necessary to recover debt from a debtor who has failed to pay after a court appearance. Linebarger will not receive compensation in the event that the County/Court, one of its agents, or another service provider, recovers revenue on a debtor who failed to pay the debt after a court appearance.

3.12.5 Partial Payments/Prorated Fees

Linebarger is willing and able to meet the requirements set forth in RFP section 3.12.5. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Our Commission Rate will be based on the amount of gross revenue collected. For example, if a partial payment is made, commission will only be paid on the partial payment amount.

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3.12.6 Payment on Accounts Deemed Uncollectible, or Withdrawn by **County/Court**

Linebarger is willing and able to meet the requirements set forth in 3.12.6. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

The County/Court will not compensate Linebarger for an account collection if the debtor's payment, in whole or part, is received by the County/Court, one of its agents, another service provider, or Linebarger after an account has been returned by Linebarger to the County/Court as Uncollectible, or for accounts withdrawn by the County/Court.

3.12.7 Accounts with NSF Checks

Linebarger is willing and able to meet the requirements set forth in RFP section 3.12.7. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger will not receive compensation for services in the event a debtor submits a NSF check or chargeback on a debit/credit card transaction. Bank imposed NSF check fees charged to Linebarger may be added (maximum of \$25.00) to the account balance, and we may attempt to collect bank imposed fees after the Court referral amount is satisfied. Linebarger will not receive compensation from the County/Court on NSF check fees charged to Linebarger, and we will not transmit or pass bank imposed fees to the County/Court.

Linebarger is not entitled to commission on bank imposed fees.

3.13 REVENUE RECOVERED BY CONTRACTOR

Linebarger is willing and able to meet the requirements set forth in RFP section 3.13. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger will not deduct its fee directly from any collected revenue. Linebarger will receive payment from the County/Court by submitting an invoice as identified in Section 3.12 of the Statement of Work section of this RFP.

3. Work Plan for Providing the Requested Services

3.13.1. Cycle for Submission of Invoices

Linebarger is willing and able to meet the requirements set forth in RFP section 3.13.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger will submit an invoice once per month, or on any alternative schedule desired or directed by the Court. Invoices will only include collection fees for services that have resulted in the remittance of financial instruments (e.g., cash, checks, credit card remittances, etc.) to Linebarger, and subsequent deposit of the financial instruments into the designate County Bank Account.

Invoices will correspond with, and include an itemized list of the ACH transfers into the County Bank Account made during the billing cycle.

The invoice will be itemized by case and include, at a minimum, the following information:

- case number
- client code
- date paid
- debtor name
- amount referred
- amount paid on the invoice
- total amount paid to date
- Linebarger's commission cost on current payment
- Linebarger's total commission cost charged to date
- civil assessment amount collected
- total civil assessment amount collected to date
- fine amount enclosed
- total fine amount collected to date
- balance due

The invoice will be subtotaled for each Court location.

3. Work Plan for Providing the Requested Services

3.13.2 Revenue Recovered after a Court Appearance

Linebarger is willing and able to meet the requirements set forth in RFP section 3.13.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger's invoices will not include accounts that were set for a court appearance. In the event revenue is collected by the Court on accounts that were set for a court appearance, Linebarger will provide supporting documentation of the payment as instructed by the County/Court. County/Court will determine the total amount to be compensated for each monthly billing cycle, and will compensate Linebarger accordingly.

3.13.3 Invoices which include Accounts with NSF Checks, Chargebacks or Accounts with a Debtor Refund

Linebarger is willing and able to meet the requirements set forth in RFP section 3.13.3. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

The County/Court will not compensate Linebarger for services provided on accounts with NSF checks, chargebacks, or debtor refunds. In the event of a partial refund, the County/Court will remit to Linebarger a collection fee that is adjusted to the amount of collected money retained by the County/Court. In the event invoices include accounts with NSF checks, chargebacks, or debtor refunds, the County/Court will deduct the amounts of the NSF checks, chargebacks, or the debtor refunds from the invoice.

In the event Linebarger is compensated for accounts with NSF checks, chargebacks, or debtor refunds, the County/Court will deduct the appropriate remitted amount from Linebarger's next invoice.

3.13.4 Reporting Requirements

Linebarger is willing and able to meet the requirements set forth in RFP section 3.13.4. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

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Based on the data and information that we receive from your court at the time of referral, as well as data and information accumulated during the course of our collection activities, we are able to generate nearly any manner of report that your court may want or need.

Our standard system-generated reports are vast and broad – any of our reports may be customized based on content and layout preferences. In addition to the standard reporting library, we are also able to create and generate customized reports and ad hoc reports as needed.

As an incumbent vendor, we have currently approved Court reports in place. We can tailor any report to meet the needs of the Court. Sample reports are provided as Exhibit B of this proposal, and are provided purely as examples of content and layout options that are available. Our overall goal will be to develop a full bevy of customized reports that will be informative to the Court, while at the same time being visually pleasing.

At a minimum, Linebarger will generate and provide the following reports to the County/Court no later than the tenth business day of each month:

- A summary listing of accounts by account type referred in a given month;
- A summary description of account activity and status. This report should include, but may not be limited to the following: case, status, amount due, amount paid, balance, collection activities and court appearances;
- A summary description of month-to-date and year-to-date performance. This report should include, but may not be limited to: amount referred, amount collected, amount outstanding, amount adjudicated by the court, rate of collection, open accounts and paid accounts;
- The number of accounts with civil assessment added to the fine/bail;
- The number of debtors that paid their account in full within ten (10) days of Linebarger's first collection letter;
- Gross and net placements and gross revenue collected;
- The number of court dates set by the Linebarger by individual court location;

3. Work Plan for Providing the Requested Services

- The number of installment plans received and initially set up;
- The average installment payment amount;
- The number of calls made by Linebarger;
- The number of calls received by Linebarger;
- The number of collection letters sent by Linebarger;
- The number of letters returned undeliverable;
- A detailed listing of all accounts deemed to be uncollectible;
- On an as-needed basis, provide a report, which lists all currently active accounts for which collection is still being pursued.

The format and appearance of the above reports will be determined by the County/Court. In addition, the County/Court reserves the right to request additional ongoing and or ad hoc reports as deemed necessary.

3.13.5 Judicial Council of the Court (JCC) Report

Linebarger is willing and able to meet the requirements set forth in RFP section 3.13.5. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

We are familiar with the annual reporting requirement and have experience handling this function and preparing the necessary annual report documents as required in the JCC Collection Reporting Template format. On an annual basis, the Superior Courts of the State of California and the Counties of the State of California are required to complete and submit to the JCC a Collections Reporting Template with aggregate referred and collected amount for all court and county collections programs to which a contractor is providing collections services. We are familiar with the calculation methodology for computing success and collection rates and are also familiar with the annual late August reporting deadlines.

We are confident in our ability to assist your court in complying with the State of California reporting requirements listed in the RFP. At no additional costs to the County/Court, Linebarger will provide the required data to the County/Court. This will include the Collections Reporting Data provided in RFP Attachment F, as well as any subsequent data that becomes necessary.

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3.13.6 Payment Reports

Linebarger is willing and able to meet the requirements set forth in RFP section 3.13.6. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Once each business day, Linebarger will submit a hard copy payment report to the County/Court. The sum of all the payments listed on the payment report will equal the amount transferred via ACH into the designated County Bank Account, the sum of all the payments on the electronic file and/or payment tapes.

The payment report will provide a detailed list of all debtors who paid, including, but not limited to the following elements:

- Receipt number
- Client code
- Account number
- First and last names
- Type of financial instrument used to make payment (e.g., cash, checks, credit cards, etc.)
- Amount paid

The payment report will be sorted by receipt number and include grand totals for the number of accounts paid and the amounts collected. In the event no payments were received, Linebarger will submit a payment report, which indicates that no payments were received.

3.14 Return of Accounts

Linebarger is willing and able to meet the requirements set forth in RFP section 3.14. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Upon termination of the Contract by either the County/Court or Linebarger, Linebarger will return to the County/Court all accounts, as well as copies of records and account-related information, such as refreshed addresses that were obtained by Linebarger.

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3.14.1 Formats

Linebarger is willing and able to meet the requirements set forth in RFP section 3.14.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Accounts and related information will be returned in the formats specified in RFP Section 3.10 -Transmission of Account Information, or in alternative formats as specified by the County/Court.

3.14.2 File Return

Linebarger is willing and able to meet the requirements set forth in RFP section 3.14.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

At the end of the Contract period, Linebarger will promptly return to the County/Court all previously referred accounts and all records and/or files pertaining to such accounts. In no case will Linebarger continue working the accounts and no commissions will be paid on monies received by the Linebarger from the debtors upon termination of the Contract.

3.14.3 Funds Received After Termination

Linebarger is willing and able to meet the requirements set forth in RFP section 3.14.3. All account payment funds received by Linebarger after contract termination will be forwarded to the County/Court within three (3) business days of receipt. Any post-dated checks in Linebarger's possession will be voided and given to the County/Court to arrange for replacement from the maker(s).

3.14.4 Legal Actions After Termination

Linebarger is willing and able to meet the requirements set forth in RFP section 3.14.4. Any legal actions in progress at the time of contract termination will be provided to the County/Court within fifteen (15) days of termination. Because legal actions and matters pending in court require compliance with legal requirements and ethical obligations (many of which exist to protect the client), we will work with your court to make certain any post-termination requirements are met.

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3.14.5 Reports and Invoices After Termination

Linebarger is willing and able to meet the requirements set forth in RFP section 3.14.5. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Within forty-five (45) days of termination of this contract, Linebarger will submit to the County/Court its termination claim and invoice, in the form and with the certification and reports prescribed by the County/Court. If Linebarger fails to submit its termination claim and invoice within the time allowed, the County/Court may determine, on the basis of information available to the County/Court, the amount, if any, due to Linebarger in respect to the termination. Such determinations will be final. After such determination is made, the County/Court will pay Linebarger the amount so determined.

3.14.6 Records Retention

Linebarger is willing and able to meet the requirements set forth in RFP section 3.14.6. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger never erases or deletes any version of any client file from either our Local Enterprise Storage site or our remote Disaster Recovery Enterprise Storage site. We keep all versions of every file for an indefinite retention time unless otherwise specified by the client.

We will house and maintain all records related to our contract performance for a minimum of five (5) years after contract termination at our office(s). The County/Court will have the right to inspect these records at any time within this five (5) year period.

3.15 COLLECTION AMNESTY PROGRAM

Government entities and Courts may incorporate debt reduction or amnesty type programs based on their needs. We have worked with numerous entities in cooperating and participating in these programs. While we rarely are involved in the front-end conceptual development of the policies or parameters of these programs (as they are generally created at the internal policy level within the government entity or court), we have always been able to adapt our collection efforts to incorporate the various programs and provide assistance.

3. Work Plan for Providing the Requested Services

We are happy to work with the County/Court to create or carry out any debt reduction programs it considers necessary. Linebarger has implemented a variety of activities to promote greater awareness and enhanced opportunities to boost revenue and debtor payments for many of our more than 2,500 clients nationwide.

Many amnesty programs outline a reduction in the collection fee and waiving interest. If desired, Linebarger would consider a flat fee for accounts resolved during the amnesty period for our role in using the dialer to contact debtors and helping publicize the program. The project team will meet with Court officials, including the bench, if requested to devise a program that will garner the best results if the County/Court elects to provide an amnesty program.

One such program was implemented for the Colorado E-470 Public Highway Authority in 2010. Our law firm worked with E-470 to create a reduced-fee program for the Colorado E-470, which was changing its fee structure and overhauling how it billed tollway users without ExpressToll transponders. The program reduced penalties for violators, which allowed the Colorado E-470 to move cleanly to this new billing program.

Our law firm managed this reduced-fee program by: programming existing violator accounts to eliminate the penalties, developing a specialty mailing, responding to questions from Colorado E-470 reduced-fee program users, performing outbound call campaigns, and monitoring the program's success.

We have worked with other clients on amnesty programs and other measures to encourage debt resolutions, and we will work closely with the Court to develop innovative ideas that will prompt payments from debtors, such as changes in notice mailing schedules, specialized media campaigns, or any other concepts that will benefit the Court and its constituents.

Parameters for Court Amnesty Programs

As directed by the County/Court, Linebarger will segregate and perform collection activity on accounts eligible for amnesty. We will accept only the amount authorized/specified by the County/Court as full payment.

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Linebarger will segregate and process payments received during the amnesty program in the same manner as described in RFP Section 3.8 and/or as required by Judicial Council guidelines. Also, as required by Judicial Council guidelines, Linebarger will provide the required reporting of data of the Amnesty Program to the County/Court. Linebarger will be compensated only on the amount collected.

3.15.1 Advertising and Marketing Campaign

Linebarger is willing and able to meet the requirements set forth in RFP section 3.15.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger will provide advertising and marketing services for an Amnesty Program appropriate to the community, including but not limited to:

- Public Service Announcements (PSA) developed for the local community in radio and/or television (e.g. Spanish and other languages) with a message approved by the County/Court;
- Traditional advertising media services such as newspapers, magazines, posters, hand-out material, and mailed notices;
- Modern social media such as Twitter and Facebook;
- A plan for the utilization of the above communication methods beginning not less than 90 days prior to the start of any program. All proposed advertising and marketing services are to be preapproved by the County/Court.

3.15.2 Reporting Requirements

Linebarger is willing and able to meet the requirements set forth in 3.15.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

We will provide a dashboard of reports as directed by the Court, including but not limited to:

- account inventory
- aged inventory report
- collections year-to-date
- collections month-to-date
- collections based on age of case referral
- number of accounts on payment plan

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- number of accounts defaulted on payment plan
- number of accounts with no contact
- number of accounts with no payments
- number of accounts paid in full
- deceased, incarcerated and other inactive statuses

Linebarger will comply with the reporting requirements set forth in any statute and in compliance with Judicial Council guidelines.

We will also provide any additional reports required by the County/Court. At the discretion of County/Court, the reports will be electronically transferred and/or provided in hardcopy format. We will provide sample reports to County/Court for approval prior to the implementation.

Sample reports for the Court's consideration are provided in Exhibit B.

3.15.3 Acknowledgement Report

Linebarger is willing and able to meet the requirements set forth in RFP section 3.15.3. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Upon request, Linebarger will provide a complete list to the County/Court of all accounts by account category each time the County/Court refers accounts to us. The report will be provided within two (2) business days following the date Linebarger can access the referral and will list as applicable:

- party ID
- debtor's name
- case number
- bail or fine due date
- amount of bail or fine referred

3.15.4 Daily Payment Transmittal Report

Linebarger is willing and able to meet the requirements set forth in RFP section 3.15.4. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

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Upon request, Linebarger will provide the County/Court a daily payment information report reflecting the prior day's payments. The daily payment transmittal report will include a listing of every account upon which full payment has been made, and for each such account, where applicable:

- party ID
- debtor's name
- case number
- total paid
- installment paid (if applicable)
- amount paid with personal check that has not yet cleared

3.15.5 Daily Adjustment Report

Linebarger is willing and able to meet the requirements set forth in RFP section 3.15.5. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Upon request, on the business day following the processing of any adjustment on any account, Linebarger will provide the County/Court with a daily report of each account where an adjustment has been made to any amount referred or owed. In addition, the report will summarize each day's adjustment reasons by category of "Cash" or "Non-Cash." Examples of adjustment reasons are as follows:

(a) Cash-related Adjustment

- returned check
- misapplied payment
- overpayment

(b) Non-Cash related Adjustment

- referred in error by the Court
- incorrect referral amount
- payment collected by the Court (only in the event of payment taken by the Court since all forms of payments should be directed to the Linebarger).

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3.15.6 Account Status Report

Linebarger is willing and able to meet the requirements set forth in RFP section 3.15.6. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Within five (5) business days after the end of each calendar month, Linebarger will provide the Court with a complete listing of all such Court accounts, by location, currently held by Linebarger. The report will be on disc or other electronic media that does not require Linebarger or the Court to produce a hard copy report. The account status report will include all relevant information deemed necessary by the County/Court and include at minimum where applicable,

- 1) party ID
- 2) debtor's name
- 3) case number
- 4) bail or fine amount referred
- 5) total payment and adjustments
- 6) installments
- 7) fines/fees and assessments reduced

The account status report will be sorted alphabetically by debtor's last name.

3.15.7 Transition Services

Linebarger is willing and able to meet the requirements set forth in RFP section 3.15.7. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Upon termination of the Amnesty Program, Linebarger will continue to forward all payments received on any accounts referred by the County/Court. If payment activity continues on an account after termination and said account does not default from the program, the payments will be forwarded to the County/Court until satisfaction of the debt according to program parameters, and the County/Court will pay Linebarger the commission rate identified for the Amnesty Program.

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If upon termination of the Amnesty Program there is no payment activity on an account for 90 days and said account is in default of the Amnesty Program, Linebarger will cease collection activity and refer the account to the Franchise Tax Board Court Ordered Debt collection program. Linebarger will not receive commission from payment on accounts referred to other agencies or collection entities after termination of the Infraction Amnesty Program.

3.16 SPECIAL COLLECTIONS PROGRAMS

Linebarger is willing and able to meet the requirements set forth in RFP section 3.16. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

The County/Court will provide specifications for collection programs unique to the County/Court, and Linebarger will implement and administer the programs as directed.

3.16.1 One-Third Down

Linebarger is willing and able to meet the requirements set forth in RFP section 3.16.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

We recognize that a significant number of debtors are simply unable to make payments in full and instead require flexible arrangements, including installment agreements. If a review of the debtor's finances indicates that full payment is not immediately possible, the collector will negotiate an installment plan that follows Court guidelines or offer an installment payment plan according to the Court's current One-Third Down program.

If debtors with a balance on FTA and FTP infractions with remainder balances over four monthly installment periods. Upon payment of the initial down payment, Linebarger will notify the County/Court to initiate a driver's license hold release to the DMV (if applicable).

If the Court chooses to offer other installment agreements through Linebarger, we will track and follow up on those payment plans in accordance with Court guidelines. Accounts are placed in our system's installment agreement queue for automatic monitoring and tracking payment compliance.

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Both the system and the collector monitor payments until the delinquent amount is paid in full. In the event payment is not made in compliance with the arrangement, collection efforts resume immediately to obtain payment and continuing compliance.

Linebarger currently operates driver's license hold and restoration programs for many of our clients, including any/all of the 99 county district courts within the State of Iowa; any/all of the 36 court entities within the State of Oregon; as well as various other court clients

Debtors who wish to have their driving privileges reinstated may enter into a monthly repayment plan. So long as their payments are current, the driving privileges will be reinstated. Linebarger currently offers and manages driver license reinstatement programs in other states and jurisdictions. Each license reinstatement plan is tailored to the specific state law and local requirements of the client jurisdiction.

3.16.2 Manual Fines/Fees Referrals

Linebarger is willing and able to meet the requirements set forth in RFP section 3.16.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

As directed by the County/Court, Linebarger will accept manual referrals of certain fines/fees by maintaining a transmittal log and data entering case information received from the County/Court via hard copy. Upon collecting payment, Linebarger will submit a report listing the case number, defendant's name, court location, payment date, receipt number, and amount paid (full or partial). Payment processing will follow procedures specified in RFP Section 3.8, Processing Debtor Payments.

4.0 IMPLEMENTATION OF SERVICE

4.1 IMPLEMENTATION DEADLINE

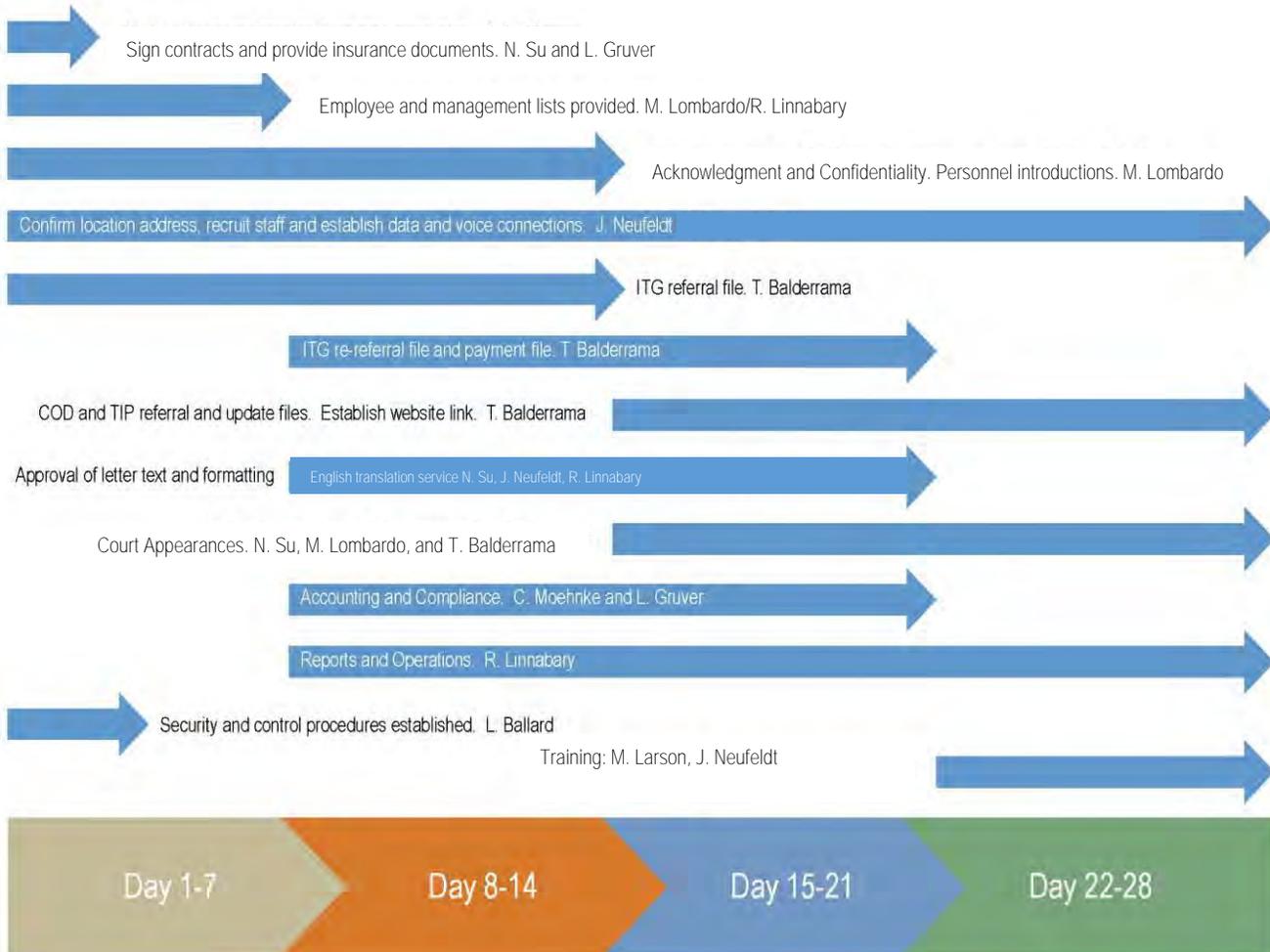
Upon notice of contract award, our management and implementation team members will be immediately available to your staff and team to open a communication pathway and dialogue. We will be available to meet and discuss all aspects of the contract and necessary implementation timelines and preferences. Our team members will be available for discussion of any issue that may arise during the contract term. This team can be contacted via email, office phone, or mobile phone number.

3. Work Plan for Providing the Requested Services

Our team members will provide timely and courteous response to inquiries. The Court's contract will be the highest priority for our staff.
We are here to serve you.

We have implemented collection programs for more than 2,500 government clients nationwide, including such large entities as the cities of Chicago, Denver, Houston, New York City, and San Francisco; the counties of Harris (Houston, TX), Dallas, Duval (Jacksonville, FL), Los Angeles, and Miami-Dade; and statewide clients in California, Colorado, Florida, Illinois, Kansas, Nevada, Ohio, Oklahoma, Oregon, Texas, and Vermont.

3. Work Plan for Providing the Requested Services



With our extensive resources, experience, and staff, we are confident we can implement the full range of services and requirements described in this SOW within four (4) weeks of contract approval.

4.2 INTERFACE WITH COURT CASE MANAGEMENT SYSTEMS
We will develop and test the interfaces with the County/Court CMS prior to July 1, 2020. A staggered approach will be applied as applicable and requested by the Court.

3. Work Plan for Providing the Requested Services

4.3 TRANSITION PLAN

If awarded this contract, we will develop and provide a plan detailing how we will implement the full range of services and requirements described in this SOW. Our plan will be completed within 15 days after receipt of the request for offer.

A preliminary plan is provided on pages 10 through 14 of this chapter. On contract award, we will work with the Court to develop a detailed plan tailored to the Court's resources, needs, and requirements.

5.0 COUNTY/COURT RESPONSIBILITIES

5.1 COUNTY PROJECT DIRECTOR

We understand that the County/Court will appoint a Court Project Director (CPD) that will have overall responsibility for managing the Contract and the work to be performed by Linebarger.

Linebarger Project Manager Mark Lombardo will work directly with the CPD to ensure that all phases of the County/Court collection program is carried out to the satisfaction of all involved.

5.1.1 CPD Functions

We understand the CPD will ensure that the objectives of this Contract are met and will provide direction to Linebarger in areas related to the County/Court policy, information requirements and procedural requirements. We also understand the CPD will not be authorized to make any changes in any of the terms and conditions of this Contract and will not be authorized to further obligate County/Court in any respect whatsoever.

5.2 COURT PROJECT MANAGER

Linebarger understands that the County/Court will appoint a Court Project Manager (Court PM) who will have responsibility for the day-to-day management of the work to be performed. The Court PM will be the primary contact person between the County/Court and Linebarger and will confer with Linebarger's Project Manager on a regular basis.

3. Work Plan for Providing the Requested Services

5.2.1 COURT PM Functions

The Court PM will perform the following functions:

- Oversee the deliverables and invoices from Linebarger.
- Review, approve and recommend all correspondence related to this Contract.
- Approve the assignment of Linebarger's Project Manager and employees. The Court PM may request the removal of the Linebarger's Project Manager and/or other employee if the Court PM determines that it is in the best interest of the County/Court.
- Monitor, evaluate and prepare periodic reports on Linebarger's performance.
- Provide instruction to Linebarger's Project Manager regarding clerical staff facility assignments in accordance with Section 6.2.2 – CONTRACTOR-'S Personnel at Various Locations.
- The Court PM will not be authorized to make any changes in any of the terms and conditions of this Contract and will not be authorized to further obligate the County/Court in any respect whatsoever.

5.3 COLLECTIONS WORK AREAS AND TELEPHONE LINES

We understand that County/Court will provide work areas and telephone lines for Linebarger employees who work at Court locations; and that Court will permit Linebarger employees access to Court lunch rooms and restrooms where available.

6.0 CONTRACTOR'S RESPONSIBILITIES

Linebarger understands the nature and scope of the Court collection project for your court. We have significant experience in handling collection projects similar in scope and magnitude and have no reservations in our ability to undertake all necessary functions and exceed expectations of your court. We intend to assign a management and collection team that has thorough and specific knowledge and experience in working with large-scale court collection projects and managing both in-house and on-site personnel.

We know that we have the right team to effectively handle this project and to do so in a manner that enhances service and performance. The professional key management team and collection professionals have been outlined in this proposal.

3. Work Plan for Providing the Requested Services

Our contract responsibilities will be performed by and through this team of professionals, and will be managed by Project Manager Mark Lombardo and his team.

6.1 CONTRACT PROJECT MANAGER

6.1.1 Linebarger Project Manager

Mark Lombardo will serve the role of Contract Project Manager (Contract PM) and will act as a liaison for Linebarger with full authority to act on behalf of Linebarger in all matters related to the daily operation of the contract. As previously stated in this proposal, Mr. Lombardo has more than 32 years of relevant collection industry experience, including more than a decade of experience managing California Superior Court contracts. Our daily contract manager will be Jason Neufeldt who will work closely with Mark Lombardo.

6.1.2 Contract PM

Mark Lombardo will serve as the Contract PM. He will ensure all contractual requirements are implemented properly and followed throughout the contract term. He will communicate and be readily available to the Court for any questions, requests, or concerns. He will attend monthly, or more frequent, meetings with the Court.

6.1.3 Work with Court PM

Linebarger is willing and able to meet the requirements set forth in RFP section 6.1.3. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

We believe in a pro-active approach to creating efficiencies in provision of our services. In this regard Mr. Lombardo, as well as any of our management and collection team members (as necessary or desired), will be available to work with the Court's PM to resolve any potential areas of difficulty before a problem occurs.

6.1.4 Backup Contract PM

Linebarger is willing and able to meet the requirements set forth in 6.1.4. Renee Linnabary will serve as Linebarger's backup Contract PM. As stated throughout this proposal, Ms. Linnabary exceeds the Court's requirement for five (5) years' experience managing collection projects of similar scope and complexity for courts or government agencies. She has 25 years of direct court and government collection management experience.

3. Work Plan for Providing the Requested Services

6.1.5 **24-hour Response**

Linebarger is willing and able to meet the requirements set forth in RFP section 6.1.5. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger will respond within twenty-four (24) hours to requests made by the County/Court between 8:00 a.m. and 5:00 p.m., Monday through Friday, and at other times as requested by the Court's PM.

6.1.6 **Written Notice**

Linebarger is willing and able to meet the requirements set forth in RFP section 6.1.6. Current contact information for Mr. Lombardo and Ms. Linnabary is as follows:

Contract Project Manager Mark Lombardo

3150 El Camino Real, Suite D
Carlsbad, CA 98335
Cell 760.213.4783
Mark.Lombardo@lgbs.com

Backup Contract Project Manager Renee Linnabary

5801 Soundview Drive NW, Suite 50B
Gig Harbor, WA 98335
Cell 206.919.2088
Renee.Linnabary@lgbs.com

6.1.7 **Employee List**

Linebarger is willing and able to meet the requirements set forth in RFP section 6.1.7. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger will provide the Court PM with a current list of management team employees assigned to this contract within five days after contract approval, and at least monthly thereafter to ensure the Court PM has a current list throughout the Contract.

6.1.8 **Combination Safe**

Linebarger is willing and able to meet the requirements set forth in RFP section 6.1.8. Linebarger will provide small combination safe(s) for our clerical staff to store their revolving funds and any monies collected.

3. Work Plan for Providing the Requested Services

6.1.9 Representative at Court Meetings

Linebarger is willing and able to meet the requirements set forth in RFP section 6.1.9. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger will provide a representative for Court collection meetings, as requested by the Court PM.

6.1.10. Notice of Employee Termination

Linebarger is willing and able to meet the requirements set forth in RFP section 6.1.10. Linebarger will advise the Court PM at a minimum of three (3) business days before terminating or suspending any Linebarger clerical staff assigned to work at a Court location.

6.1.11 California Association of Collectors Membership

Linebarger has submitted and will continue to renew membership materials for the California Association of Collectors. Membership will be maintained throughout the term of the Contract.

6.2 CONTRACTOR'S PERSONNEL

Linebarger's greatest asset in delivering exceptional service and outstanding results is – and always has been – its people. We invest significant time and resources to recruit, hire, and train collection professionals of the highest caliber. We have a large backup of staff with both Los Angeles Superior Court and decades of California court experience that will be available to assist as needed. This is a top priority contract and will have superior support at all times.

We understand collections: With experience spanning more than four decades, we fully comprehend the nuances of the collection process. We know how to achieve outstanding results for our clients.

We appreciate the complexities of public service: Because the majority of our clients are from the public sector, our firm fully grasps the challenges public servants face in recovering delinquent monies owed by the citizens they also serve.

We train our collectors: Training is an integral part of the firm's activities and is a key to our high productivity and low incidence of complaints.

3. Work Plan for Providing the Requested Services

To each employee at every level of employment, we emphasize not only the letter of the law, but also the intent and spirit behind it.

We know the law: Our lawyers are both qualified and experienced to evaluate the legal basis of our client's claim and address the vast array of defenses offered by debtors, some of whom are simply attempting to avoid payment.

To retain qualified, dedicated staff and thus maintain a stable collection operation, Linebarger creates a supportive and encouraging environment for its collectors. We offer a competitive wage and benefits package because we recognize the importance of having responsible, educated, mature individuals working with both our clients and their debtors. As a result, our employee turnover rate is much lower than the industry norm. Our standard practice involves screening collection employees as follows:

- education – minimum of a high school diploma
- criminal background checks – no felonies
- all education experience confirmed
- drug screening
- work history
- collection experience preferred
- three past employer references

As an additional precaution, Linebarger also requires all employees to acknowledge receipt and understanding of law firm policies, which includes a statement in our employee handbook prohibiting the unauthorized use of confidential client information.

6.2.1 Contractor's Personnel Requirements

Linebarger is willing and able to meet the requirements set forth in RFP section 6.2.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

3. Work Plan for Providing the Requested Services

Linebarger understands that we retain the sole right to hire, suspend, discipline, or discharge employees. However, any Linebarger employee who is performing unsatisfactorily (in the opinion of the Court PM) will be removed from service under this Contract immediately.

We will assure the Court that the following RFP requirements will be met:

- Employee performing services for the County/Court must be over the age of eighteen (18).
- Employee performing services for the County/Court must fluently read, write, speak, and comprehend English.
- Employee performing service at a Court facility will have a thorough knowledge of the work to be performed, the performance standards to be met, and the special needs of the Court facility being served.
- Linebarger employees will not bring visitors into any Court facility; will not bring in any forms of weapons or contraband; will not bring in any alcohol or drugs or be under the influence of alcohol/drugs; will be subject to authorized search; will conduct themselves in a professional manner at all times; will not cause any disturbance in the facility; and otherwise are subject to all rules and regulations in accordance with applicable County/Court.
- Linebarger will furnish and require every on-duty employee to wear a visible photo identification badge that identifies the employee by name, physical description, and company. Such badge will be displayed on employee's person at all times that he/she is within the confines of Court facilities. All services will be provided within the United States.

6.2.2 Contractor's Personnel at various Court locations

Linebarger is willing and able to meet the requirements set forth in RFP section 6.2.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court. We understand the scale of this contract and can implement on-site personnel along with all services within the required timelines.

3. Work Plan for Providing the Requested Services

All specific information pertinent to this contract will be loaded into a client information screen. This will direct the collectors on items such as settlements, how to dispute an account, payment locations etc. This allows collectors to have information at their fingertips and better advise debtors.

Process

The Linebarger management and collection team assigned to your court has specific relevant knowledge and experience in managing on-site court personnel and staff. Linebarger understands and is committed to providing personnel at court locations as specified by your court.

At a minimum, Linebarger will provide forty-four (44) full-time clerical staff to various Court locations to assist in the processing of accounts referred for collections. In addition, Linebarger will provide sufficient clerical staff back-up and managerial staff as needed by the the County/Court. Linebarger staff will be thoroughly trained in related aspects of Linebarger's business, including our ethical standards, operating procedures, code of conduct, and automated systems. We have experience with on-site staff at court locations in El Dorado, Orange, and Collier.

Linebarger's staff will be responsible for the following types of assignments, including, but not limited to:

- Assist clients at the window
- Answer telephones
- Receipt payments
- Update Linebarger and/or Court case management systems
- Answer technical questions related to collections
- Set court dates for clients
- Troubleshooting issues
- Provide County/Court with weekly status reports
- Provide other ad hoc reports as requested by County/Court

3. Work Plan for Providing the Requested Services

As reflected in the RFP, we understand that the County/Court anticipates that Linebarger's employees will be assigned to the Court locations listed in the RFP Statement of Work. However, the County/Court needs may vary. Linebarger employees assigned to work at a Court location may be reassigned to any Court location by the Court PM to ensure the needs of the County/Court are met. If coverage is needed, a staff replacement will be at the Court job location within two (2) hours of being notified by the Court.

Linebarger will provide the County/Court the method for supervision of Linebarger's employees assigned to Court locations.

For each clerical staff, Linebarger will provide a personal computer at current industry standards and all necessary computer peripherals (e.g., printers, modems, etc.). In addition, Linebarger will provide clerical staff with all necessary office products (writing instruments, forms, file folders, fax machines as determined by the County/Court, etc.) to perform their job functions.

7.0 MONITORING OF CONTRACTOR'S PERFORMANCE

Linebarger clearly understands that if we do not deliver the level of service and collection results expected by our client, our contract would be in jeopardy. Every employee of Linebarger knows and understands that performance at every level is critical to the overall success of our client mission. In this regard, every employee of Linebarger necessarily realizes that performance is something that must be monitored and evaluated; and that this monitoring continually occurs both internally according to our own rigorous standards, as well as externally by our client perspective. Given our long history of successful public-private partnerships, we are confident that we will perform to the Court's expectations, and beyond that of our competitors.

7.1 PERFORMANCE

Linebarger is willing and able to meet the requirements set forth in RFP section 7.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

3. Work Plan for Providing the Requested Services

We understand that performance will be monitored using monthly reports discussed in Section 3.13.4 (Reporting Requirements) and evaluated at the end of the fiscal year.

In addition, the County/Court will monitor Linebarger's performance to the Contract based on, but not limited to, the Performance Requirements listed on the Quality Control Plan (Attachment I) and Deliverables (Attachment J).

7.2 NON-CONFORMANCE

Linebarger is willing and able to meet the requirements set forth in RFP section 7.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

If Linebarger performance does not conform to all requirements in this SOW and is unsatisfactory, the Court PM will write a Contract Discrepancy Report (CDR), and forward it to Linebarger. Linebarger will respond within five (5) working days upon notification by Court PM and correct the discrepancy, at Linebarger's expense, if any.

The Court PM will monitor all requirements described herein and may, from time to time, provide comment on these services, but will not unreasonably interfere with Linebarger performance.

7.3 AUDITS

The County/Court may, at its discretion, direct or conduct Financial, Operational or other audits of Linebarger's performance to ensure our firm's compliance with all requirements specified in this SOW.

In addition, the law firm employs two full-time internal auditors to provide oversight over major processes and monitor the firm's internal control environment. The internal audit team also serves as an additional, independent quality control mechanism to monitor the firm's internal control environment. One member of the team holds a professional registration as a Certified Internal Auditor.

3. Work Plan for Providing the Requested Services

The Internal Audit Department is separate from the management team for the Court project and monitors firm operations to ensure contractual compliance in accounting, human resources, and administrative processes.

Working under the International Standards for the Professional Practice of Internal Auditing (ISPPA), as promulgated by the Institute of Internal Auditors (IIA), the firm's Internal Audit Department regularly conducts operational and investigative audits of the firm's offices and significant operations. Audits are scheduled based on an annual audit plan approved by the Audit and Ethics Committee that is developed using a risk-based approach. Additionally, the CFO and the Internal Audit team meet periodically to review certain parts of the Firm's operations and determine whether additional reviews should be performed and reported to the Audit Committee.

Department staff members report to the Director of Internal Audit, who reports directly to the Audit Committee, a subset of the firm's Management Committee. The Audit Committee meets regularly to discuss internal audit reports and significant business and control processes of the Firm. The Chief Financial Officer and Chief Operating Officer also attend the Audit Committee meetings.

The Internal Audit Department determines whether controls implemented by Operations Management are adequate to ensure:

- risks are appropriately identified and managed
- financial, managerial, and operating information is accurate, reliable, and timely
- employees' and collector actions conform to policies, standards, procedures
- programs, plans, and objectives are achieved
- quality and continuous improvement are promoted in the firm's internal control processes
- funds are collected and disbursed accurately and in a timely fashion

3. Work Plan for Providing the Requested Services

External Auditor

Linebarger's financial statements are audited annually by an independent, highly reputable international CPA firm. The firm utilizes the company to perform annual Service Organization Control (SOC 1) reports on its Information Technology controls related for its ACT software system (tax system) and for its Fees and Fines collection system located in San Antonio, Texas. Occasionally, our firm also utilizes other reputable regional CPA firms to report about other processes within the organization.

Audit Trails

Our system supports audit functions for collection activities and associated data. We can generate an extensive group of management and collection reports to document work performed and remittances processed on the accounts within Court's portfolio.

Authorized Court employees shall be permitted, during normal business hours, to audit and examine the books of accounts, reports, and records pertaining directly to the collection activity related to this contract. We will maintain all books of accounts, receipts, invoices, reports, and records for the Court for up to five years or as required by the Court.

Chris Moehnke, C.P.A.

Chief Financial Officer



As Linebarger's Chief Financial Officer, Chris Moehnke, C.P.A., will oversee financial and insurance matters associated with the Court project. Mr. Moehnke is an experienced finance and accounting professional with more than two decades of experience. He joined Linebarger in 2006 and serves as a key member of the firm's management team. He is primarily responsible for the firm's financial reporting, forecasting, banking and financial audit and tax compliance functions. Before joining Linebarger, Mr. Moehnke served as an audit manager at Carneiro, Chumney & Co., L.C., a BDO Seidman affiliate. While there, he supervised audits and consulted with corporate and non-profit organizations regarding organizational and internal control practices.

3. Work Plan for Providing the Requested Services

He also assisted development-stage ventures and worked with the firm's BDO Seidman affiliate on audit engagements. Prior to that, he worked as an audit associate at Coopers & Lybrand (now PricewaterhouseCoopers).

Mr. Moehnke earned his Bachelor of Business Administration from Texas Lutheran University in 1992, graduating magna cum laude. As a student there, he received the university's Outstanding Finance Student Award from the Financial Executives Institute.

In addition to being a member of the Texas Society of CPAs, he has served on community boards in San Antonio and in the surrounding areas. While with Carneiro, Chumney & Co., LLC, he served as the firm's Advisory Board Member for the Entrepreneurship Institute's San Antonio Chapter.

8.0 UNSATISFACTORY PERFORMANCE OF SPECIFIED SERVICES

8.1 CONTRACT DISCREPANCY REPORT

Linebarger is willing and able to meet the requirements set forth in RFP section 8.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

In the event Linebarger provides less than satisfactory performance of any service, or compliance with any requirement specified in this SOW, the County/Court will issue, within five (5) business days to Linebarger, a Contract Discrepancy Report (CDR). Additionally, the County/Court may apply one or more of the following remedies as deemed necessary.

8.1.1 Corrective Action Plan

The County/Court may require Linebarger to implement a formal corrective action plan, which will be subject to the County's/Court's approval. The corrective action plan must include:

- The reasons for the unacceptable level of performance, or failure to provide the specified services;
- Descriptions of the specific steps to return performance to an acceptable level; and,
- Descriptions of monitoring methods that will be implemented to prevent recurrence.

3. Work Plan for Providing the Requested Services

8.1.2 Withholding of Referrals

The County/Court may withhold account referrals until the County/Court determines Linebarger is providing the specified service.

8.1.3 Contract Termination

The County/Court may terminate the Contract between Linebarger and the County/Court pursuant to Section 8 of the Contract.

8.1.4 Written Notification of Sanctions

In the event the County/Court applies any of the above sanctions, the County/Court will notify Linebarger in writing of the sanction(s) applied and the reason(s) for the sanction(s).

9.0 REMEDIES

9.1 NON-COMPLIANCE

Linebarger is willing and able to meet the requirements set forth in RFP section 9.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

If Linebarger's performance is not in compliance with the requirements of the SOW, the Court PM will document unsatisfactory performance and may, if Linebarger's performance remains unsatisfactory, exercise its right up to and including termination of the Contract.

9.2 COLLECTION FINANCIAL REMEDIES

Linebarger is willing and able to meet the requirements set forth in RFP section 9.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

As reflected in this RFP, Linebarger must meet the minimum success rate of a 30 percent average on all types of accounts referred after the second year of the contract. If Linebarger fails to meet the minimum success rate, a penalty equal to 5 percent of the commission paid to Linebarger for that fiscal year will be imposed. Linebarger will remit payment of penalty to the County/Court within thirty (30) business days of notice of penalty.

3. Work Plan for Providing the Requested Services

Within ten (10) business days after the notice of penalty, Linebarger may present evidence to the Court PM that economic or environmental factors outside of the control of Linebarger have negatively impacted their ability to meet the minimum success rate. Such evidence will be in writing and include supporting documentation. The County/Court will review such evidence and provide Linebarger with their decision within thirty (30) business days. The decision of the County/Court will be final.

10.0 WORK QUALITY ISSUES

Linebarger is willing and able to meet the requirements set forth in RFP section 10.0. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

While Linebarger will strive in every way to meet and exceed every expectation of your court, we do understand that at times there is potential for perceiving matters from various perspectives. It will always be our intention to handle matters in a professional manner so that no escalation of issues become necessary.

We do understand that questions regarding the quality and direction of work performance will normally be handled between Court PM and Linebarger, but if and when the County/Court finds that important work matters are not being properly handled by Linebarger and that previous management efforts by the County/Court have failed to achieve desired results, the County/Court may exercise remedies under the Contract.

11.0 SECURITY AND CONTROL PROCEDURES

11.1 General Accepted Accounting Procedures

Linebarger is willing and able to meet the requirements set forth in RFP section 11.1. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger maintains all books of accounts, receipts, invoices, reports, and records according to General Accepted Accounting Principles.

3. Work Plan for Providing the Requested Services

Authorized Court employees shall be permitted, during normal business hours, to audit and examine the books of accounts, reports, and records pertaining directly to the collection activity related to this contract.

11.2. Litigation

Linebarger is willing and able to meet the requirements set forth in RFP section 11.2. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Pursuant to the requirements of this RFP Section 7.12, we have provided in that section a listing in compliance with that section. We understand the requirements of this RFP Section 11.2 to be a term and requirement of the SOW to become effective following contract award. In this regard, following contract award, Linebarger will provide the County/Court a list of all pending and closed litigation, judgments, arbitrations, investigations, or other controversy pending for the last five (5) years, to which Linebarger or its principals are a party. In addition, Linebarger will immediately notify the County/Court of any new litigation. The list will at minimum contain: the case number, court venue and jurisdiction, a brief explanation of the litigation/judgment, and the outcome/resolution.

11.3 Safeguarding all Court Property

Linebarger is willing and able to meet the requirements set forth in RFP section 11.3. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger will be responsible for safeguarding any/all County/Court property in accordance with this SOW. Linebarger will ensure the confidentiality of information and require all Linebarger personnel providing services in conjunction with the Contract to sign a Contractor Employee Acknowledgement and Confidentiality Contract, as attached to the RFP Sample Contract as Exhibit G1. Employee confidentiality Contracts will be submitted within three (3) business days of employee's start of work.

3. Work Plan for Providing the Requested Services

11.4 Security and Control Procedures

Linebarger is willing and able to meet the requirements set forth in RFP section 11.4. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger will develop and submit Security and Control Procedures to the County/Court within five (5) business days of execution of the Contract. The procedures will identify methods used by Linebarger to ensure that the County/Court property is safeguarded at all times while in Linebarger's possession. Security and Control procedures should include, but are not limited to: ensuring the security of County/Court forms, case management systems, and cash handling responsibilities (if applicable). Linebarger will notify the Court PM of any changes to Security and Control Procedures within ten (10) business days of making a change.

11.5 Quality Control Plan

Linebarger is willing and able to meet the requirements set forth in RFP section 11.5. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your court.

Linebarger will develop and maintain a written Quality Control Plan to ensure compliance with all of Linebarger's responsibilities as set forth in this SOW. Linebarger's initial plan will be submitted within five (5) business days after execution of the Contract. Updates will be submitted to the Court PM for approval within ten (10) business days. The Plan will include, but not be limited to, the following information:

11.5.1 Activities Monitoring

The activities to be monitored on either a scheduled or unscheduled basis, how often monitoring will be accomplished and the title of the individual(s) who will perform the monitoring.

11.5.2 Identification of Deficiencies

Methods for identifying deficiencies in the quality of service before the level of performance becomes unacceptable and not in compliance with the contract.

3. Work Plan for Providing the Requested Services

11.5.3 Documenting Results

Methods for documenting the monitoring results and, if necessary, the corrective action taken.

11.5.4 Quarterly Audit

Linebarger will provide the County/Court a quarterly audit showing the results of the quality control plan (as shown in RFP Attachment I).

11.5.5 Independent Audit Performed

Linebarger will have an independent audit performed over service organization controls and maintain a clean audit opinion in accordance with Service Organization Controls (SOC1) reports – formerly Statement on Auditing Standards (SAS) NO. 70 Type 2 Report. This audit will be performed annually and the independent auditor's report submitted to the County PM.

11.6 Internal Account Processing

Linebarger is willing and able to meet the requirements set forth in 11.6. We have current processes in place that are consistent with the requirements of this RFP that will be seamlessly integrated and incorporated as processes for your Court.

Linebarger's internal account processing will also include a History of Activity for each account, which lists the type and date of all activities, such as letters, telephone calls, involuntary actions, etc., employed by Linebarger.

Collection Activity Audit Trails

Our technology system supports detailed auditing of all activities and collection records through an extensive group of management and collection reports. These reports document all work performed and remittances processed on individual accounts and an entire client portfolio. All collection activities are recorded in real time as the activity occurs, including both system and personnel updates. Management reviews and instructions are also recorded in the account's history log for employee review and action.

3. Work Plan for Providing the Requested Services

Linebarger utilizes several computer operating systems that allow the firm to customize what events are collected. Based on the requirements of each client and in conjunction with Linebarger security policies, the programmer develops audit criteria unique to each database, system, and/or application. These audit logs are maintained by each system.

The activity screen for our customized Columbia Ultimate Business System (CUBS) collection software shows the current amount due, including interest and collection cost. All collection or skip-tracing activity is recorded by the collector for each account. Collection managers can review collector activity on all accounts to assure that they are providing quality customer care and performing all necessary steps to collect the delinquency.

Resumes

Resumes for Project Staff are provided in Exhibit C.

EXHIBIT B1
PAYMENT PROVISIONS AND INVOICING PROCEDURES

1. Compensation.

A. Contract Sum

- (1) In accordance with the terms of this Agreement, Court and County will refer various accounts for **Primary Collection Services**, as defined in Exhibit A1 (Statement of Work), to Contractor for which Contractor shall receive the negotiated commission on gross collections for general accounts referred. The commission rate shall remain firm and fixed for the term of the Agreement and shall be paid as set forth in this Exhibit B1 and Exhibit B2.
- (2) Fees. Contractor shall provide all goods and services at the rates set forth in Subsection B (Pricing and Billing Schedule) of this Exhibit. The Court shall have no obligation for payment of fees for any goods or services provided by Contractor except for those which are satisfactorily completed and expressly authorized pursuant to this Agreement.

B. Pricing and Billing Schedule

Contractor shall provide the required goods or services for the Court at the rate(s) set forth in Exhibit B2.

2. Miscellaneous Provisions

A. Business-Related Travel Expenses

Contractor travel expenses are reimbursable only if this Agreement specifically provides for the reimbursement of travel-related expenses and prior written approval of such expenses by the Court's Project Manager is obtained. The Court's policies and limits on reimbursable expenses, set forth in the Judicial Branch Travel Guidelines, shall apply. Contractor shall be reimbursed only for actual expenses not to exceed the limits set forth in the Judicial Branch Travel Guidelines that are in effect at the time the Agreement is signed.

- B. The Court shall not reimburse any Contractor expenses for staff time or overtime spent performing services or for any time spent to provide information for Court audits or billing inquiries.

3. Invoices and Payments

A. Submitting Invoices

- (1) Contractor shall invoice the Court at the rates set forth in this Exhibit B. The amount of Contractor's invoices shall be calculated in accordance with the

following formula: Commission Rate (%) x Gross Collections deposited in to County Bank Account during the period of the invoice. Contractor shall be compensated only for services that result in the collection of revenue. Court/County will not compensate Contractor for expended services in the event debtor payment is not obtained.

- (2) Contractor shall bill the Court within the first twenty-five (25) calendar days of the month for the prior month's deposits to the County Bank Account.
- (3) All invoices shall be subject to the Court's written approval. Contractor shall prepare invoices, in the detail specified in Section 3.13.1 of Exhibit A (Statement of Work) for commissions owed to Contractor by the Court as provided in this Exhibit B. Invoices without the required information will not be approved for payment.
- (4) **Contractor shall submit all invoices for approval to the Court's Project Director.**
- (5) Immediately upon approving Contractor's invoice(s), the Court's Project Director shall forward all such invoice(s) for review and processing for payment to:

Financial Services Administration – Accounts Payable
 Superior Court of California
 County of Los Angeles
 111 North Hill Street, Room 105B
 Los Angeles, California 90012

B. Payment Conditions

- (1) The Court shall pay Contractor as per this Exhibit B within thirty (30) days of receiving a correct and proper invoice from Contractor, provided that Contractor is not in violation of or default under any provision of the Agreement and has submitted a complete, accurate, and approved invoice.
- (2) Payment for services rendered shall be made upon the Court's approval of invoices submitted and may be reduced at the Court's sole discretion for Contractor's failure to provide services as specified in the Agreement. The Court may deduct up to ten percent (10%) from invoice amount for each month a failure incurs and until such errors are satisfactorily corrected.

The aggregate of all amounts withheld pursuant to Subsection 3.B.(2) shall be paid to Contractor by the Court in one lump sum payment the earlier of 1) the parties' agreed upon resolution of the matter(s) for which withholding was prompted or 2) within sixty (60) days from the termination date of this Agreement, upon completion of all corrective measures required.

- (3) The cumulative total of such invoices shall not exceed the Contract Sum stated in Section 1 (Compensation) of this Exhibit.

END OF EXHIBIT B1

EXHIBIT B2
CONTRACTOR'S COST PROPOSAL

--- Begins on Following Page ---

Cost Proposal

Cost Proposal Form
RFP 2019-067 Revenue Enhancement Services

Contractor will accept all Accounts referred by LASC on a contingency fee basis. Contractor's sole payment for all services set out in the Statement of Work, including any required equipment, staff or work necessary to perform the services, will be paid only from those monies collected by Contractor and will be the percentage commissions set forth below:

Commission Fees: Fees, fines, forfeitures, penalties, and assessments arising from infractions, misdemeanor, felony, and traffic proceedings or actions

Commission Fee for Primary Collections
8.9%

Commission Fees: Criminal justice related fees, reimbursements, and other legally enforceable debts

Commission Fee for Primary Collections
8.9%

Commission Fees: Civil, family law, and juvenile law fees, including filing fees

Commission Fee for Primary Collections
8.9%

Commission Fees: Probation, guardianship, conservatorships, and public defender fees

Commission Fee for Primary Collections
8.9%

Commission Fees: Sanctions imposed by the Court

Commission Fee for Primary Collections
8.9%

Commission Fees: Direct restitution to victim ordered pursuant to California Penal Code section 1202.4(a) 1

Commission Fee for Primary Collections
8.9%

Cost Proposal

Commission Fees: Victim restitution fines ordered pursuant to California Penal Code section 1202.4 (b) 1

Commission Fee for Primary Collections
8.9%

Commission Fees: Reimbursements owed or as ordered by a court pursuant to California Family Code section 3150 et seq.

Commission Fee for Primary Collections
8.9%

Commission Fees: Any other legally enforceable debt owed to the Court or that the Court has a right to collect

Commission Fee for Primary Collections
8.9%

Victim Restitution Fine – Commission Fee set at 10% (See above)

Direct Restitution to Victim – Commission Fee set at 15% (See above)

Note: Collection of this debt is not at the option of the Contractor.

Fee for FTB Transfer Services

0* % of Commission Fee of net collected by FTB or flat fee of \$ 0*

** Linebarger is offering the Court referral of debt deemed appropriate for Franchise Tax Board, Court Ordered Debt per RFP section 3.7.5, at no cost to the Court, where estimated annual case volume is 20,000. Any volume that exceeds the estimated annual case volume for Franchise Tax Board transfer services will be assessed a mutually agreeable fee.*

** Linebarger is offering the Court referral of debt deemed appropriate for Franchise Tax Board, Tax Intercept Program per RFP section 3.7.6, at no cost to the Court, where estimated annual case volume is 70,000. Any volume that exceeds the estimated annual case volume for Franchise Tax Board transfer services will be assessed a mutually agreeable fee.*

ADDITIONAL COMPONENTS OF COST PROPOSAL

- *Linebarger proposes a fee of 6.69% net of FTB for any cases submitted in excess of 20,001 COD cases and 6.69% for any cases submitted in excess of 70,001 TIP cases.*
- *Estimated case volumes 0%*
- *COD cases 20,001 and over in a fiscal year 6.69%*
- *TIP cases 70,001 and over in a fiscal year 6.69%*
- *Linebarger will mutually agree upon the qualification requirements with LASC.*

EXHIBIT C1

STANDARD BUSINESS TERMS AND CONDITIONS 2.0

--- Begins on Following Page ---

1. Accounting.
2. Amendment.
3. Assignment; Subcontracting; Successors.
4. Audits; Retention of Records; Ownership of Results.
5. Background Checks; Court Approval of Contractor's Staff.
6. Changes in Work.
7. Choice of Law; Jurisdiction and Venue.
8. Confidential Information; Publicity.
9. Compensation.
10. Contract and Project Administration.
11. Contractor Certification Clauses.
12. Contractor Status.
13. Default and Remedies.
14. Dispute Resolution.
15. Entire Agreement.
16. Fair Labor Standards Act.
17. Force Majeure.
18. Indemnification.
19. Insurance Requirements.
 - 19.1 General Coverages; or
 - 19.2 Specific Coverages
20. Limitation of Liability.
21. Loss Leader.
22. Minimum Age, Language Skills, and Legal Status of Contractor Personnel at Facility.
23. Modification.
24. Non-Exclusivity.
25. Notices.
26. Prevailing Wages / Public Works.
27. Prior Work.
28. Prohibited Bids for End Product of the Agreement ("Follow-On Contracts").
29. Public Access to Records and Information.
30. Public Contract Code.
31. Scope of Work; Acceptance; Rejection.
32. Shipping and Packing Slips.

33. Signatures; Counterparts.
34. Standard of Performance; Warranties.
35. Stop Work.
36. Survival.
37. Termination.
38. Time is of the Essence.
39. Waiver; Severability.
40. Work Site.
41. Miscellaneous Provisions Applicable to Specific Contracting Situations.

1. Accounting.

Contractor will maintain a system of accounting and internal controls that meets Generally Accepted Accounting Principles (U.S. GAAP).

2. Amendment.

No modifications, alterations, changes, or waiver to the Agreement or any of its terms shall be valid or binding unless accomplished by a written amendment, signed by both parties, that specifically references and incorporates the terms of the Agreement into the written amendment.

3. Assignment; Subcontracting; Successors.**A. Assignment.**

- (1) The Court may assign its rights and duties (or subcontract portions of the Agreement) to any other public entity. The Court shall notify Contractor in writing within 30 days following the assignment.
- (2) In addition, either party may assign its rights and duties or subcontract portions of the Agreement to a third party, but only if the non-assigning party gives prior written consent to the assigning party. Consent may be withheld for any reason or no reason. If a non-assigning party does consent, the consent will take effect only if there is a written agreement between the assigning/subcontracting party and all assignees/subcontractors, stating that the assignees/subcontractors:
 - (a) are jointly and severally liable to the non-assigning party for performing the duties in the Agreement of the assigning/subcontracting party;
 - (b) affirm the rights granted in the Agreement to the non-assigning party;
 - (c) make the representations and warranties made by the assigning/subcontracting party in the Agreement; and
 - (d) appoint the non-assigning party an intended third-party beneficiary under the written agreement with the assigning/subcontracting party.
- (3) No assignment or subcontract will release either party of its duties under the Agreement.

B. Subcontracting. Contractor may engage a subcontractor to perform any portion of the work, but only with the prior written consent of the Court. Any subcontracting without the Court's written consent is a material breach of the Agreement. Subcontractors will be subject to the same terms and conditions applicable to Contractor under the Agreement and shall incorporate the Agreement into any subcontracting relationship. Contractor shall be liable for all subcontractor acts or omissions, including indemnity obligations.

C. Successors. The Agreement binds the parties as well as their heirs, successors, executors, administrators, and assignees.

4. Audits; Retention of Records; Ownership of Results.

- A. General Audit and Records Provisions. Contractor must allow the Court or its designees to review and audit Contractor's (and any subcontractors') documents and records relating to this Agreement, and Contractor (and its subcontractors) shall retain such documents and records for a period of four (4) years following final payment under this Agreement. If an audit determines that Contractor (or any subcontractor) is not in compliance with this Agreement, Contractor shall correct errors and deficiencies by the twentieth (20th) day of the month following the review or audit. If an audit determines that Contractor has overcharged the Court five percent (5%) or more during the time period subject to audit, Contractor must reimburse the Court in an amount equal to the cost of such audit.
- B. State Audit. This Agreement is subject to examinations and audit by the State Auditor for a period of three (3) years after final payment.
- C. Ownership. Unless otherwise provided in the Agreement, the Court is the exclusive owner of all materials collected and produced in connection with the work. Upon the Termination Date (subject to any mutually agreed period of continuation of work), or upon the Court's notice at any time, and subject only to the duty of confidentiality owed to a represented party, Contractor shall give original materials to the Court or to another party at the Court's direction.
- D. Copies. Contractor may retain copies of any original documents Contractor provides to the Court.
- E. Retention of Records. Contractor will maintain all financial data, supporting documents, and all other records relating to performance and billing under the Agreement for a period in accordance with state and federal law. The minimum retention period will be four (4) years from the date of the submission of the final payment request or until audit findings are resolved, whichever is later.

5. Background Checks; Court Approval of Contractor's Staff.

- A. Background Checks.
 - (1) Each of Contractor's staff performing services on or at court locations or have access to sensitive, confidential court information under this contract shall undergo and pass a background investigation to the satisfaction of the Court as a condition of beginning and continuing to perform services under this contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation of up to forty (40) dollars per person shall be at the expense of Contractor, regardless of whether the member of Contractor's staff passes or fails the background investigation.
 - (2) Contractor shall notify the Court within 72 hours of any known arrests or other changes to the criminal record of any staff performing services under this Agreement. The Court may, in its sole discretion, require that any staff reported to have an arrest or

other change in his or her criminal record subsequent to passing an initial background investigation be replaced by Contractor at no additional cost to the Court.

B. Court Approval of Contractor's Staff.

(1) Contractor's Staff.

- (a) The Court has the reasonable right to approve, which approval shall not be unreasonably withheld, members of Contractor's Representatives during the performance of the work hereunder and prior to any proposed changes in Contractor's Representatives. Contractor shall provide the Court's Project Director with résumés of all proposed changes to Contractor's Representatives and shall make such staff available for interview by the Court upon request of the Court's Project Director. By execution hereof, the Court has approved the current Contractor's Project Director and Project Manager.
- (b) Contractor shall cooperate with the Court if the Court reasonably requests the removal of a member of Contractor's staff from performing work hereunder, where such individual's performance is deemed unsatisfactory by the Court or such individual fails to comply with any provision set forth in this Agreement or any established rule or regulation.

6. Changes in Work.

A. The Court reserves the right to require Contractor to make changes in the work, which may include additions, deletions, or modifications to the work, or changes in the timing or level of effort for the work.

(1) For any change proposed by the Court or Contractor, Contractor will submit in writing:

- (a) A description of the proposed change and the reasons for the change;
- (b) A summary of the total compensation to be paid Contractor with a breakdown of tasks and costs, including any reduction in work or costs resulting from the change; and
- (c) A statement of the expected impact on schedule.

B. If the Court and Contractor agree on a change, the Court will issue an Amendment documenting the change, for the parties' execution.

(1) If the parties cannot agree to the terms of a change, Contractor will proceed diligently with work unless otherwise directed by the Court, and any continuing disagreement will follow the process set forth in the provisions entitled "Dispute Resolution." Contractor should not proceed with any change prior to receiving an executed Amendment from the Court. All costs for changes performed by Contractor without the Court's prior written approval will be at Contractor's sole risk and expense.

7. Choice of Law; Jurisdiction and Venue.

California law governs the Agreement. Jurisdiction and venue for any legal action arising from, or connected with the Agreement shall exclusively reside in Los Angeles, California, and the parties hereby consent to the jurisdiction and venue of such courts.

8. Confidential Information; Publicity.

A. Confidential Information.

- (1) During the term of this Agreement and at all times thereafter, Contractor will: (a) hold all Confidential Information in strict trust and confidence, (b) refrain from using or permitting others to use Confidential Information in any manner or for any purpose not expressly permitted by this Agreement, and (c) refrain from disclosing or permitting others to disclose any Confidential Information to any third party without obtaining the Court's express prior written consent on a case-by-case basis. Contractor will disclose Confidential Information only to its employees or contractors who need to know that information in order to perform services hereunder and who have executed a confidentiality agreement with Contractor at least as protective as the provisions of this section. The provisions of this section shall survive the expiration or termination of this Agreement. Contractor will protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as Contractor protects its own confidential or proprietary information of a similar nature, and with no less than the greater of reasonable care and industry-standard care. The Court owns all rights, title and interest in the Confidential Information. Contractor will notify the Court promptly upon learning of any unauthorized disclosure or use of Confidential Information and will cooperate fully with the Court to protect such Confidential Information. Upon the Court's request and upon any termination or expiration of this Agreement, Contractor will promptly (a) return to the Court or, if so directed by the Court, destroy all Confidential Information (in every form and medium), and (b) certify to the Court in writing that Contractor has fully complied with the foregoing obligations.
- (2) "Confidential Information" means: (i) any information related to the business or operations of the Court, including information relating to the Court's personnel and users; and (ii) all financial, statistical, personal, technical and other data and information of the Court (and proprietary information of third parties provided to Contractor) which is designated confidential or proprietary, or that Contractor otherwise knows, or would reasonably be expected to know, is confidential. Confidential Information does not include information that Contractor demonstrates to the Court's satisfaction that: (a) Contractor lawfully knew prior to the Court's first disclosure to Contractor, (b) a third party rightfully disclosed to Contractor free of any confidentiality duties or obligations, or (c) is, or through no fault of Contractor has become, generally available to the public.
- (3) Permissible Disclosures. Contractor may disclose the Court's Confidential Information only on a "need to know" basis to Contractor's employees and subcontractors and any representatives of the Court who are working on the project and who have also executed

confidentiality agreements that protect the Court's confidential information. Additionally, Contractor may disclose the Confidential Information, to the extent necessary to comply with any applicable law, rule, regulation, or ruling, provided Contractor gives advance notice to the Court.

B. Publicity.

Contractor shall not publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the Court or any images of the Court, the Court's seal, or the Court's logo without the prior written consent of the Court, which may be denied for any or no reason.

9. Compensation.

- A. The Contract Sum shall be the maximum total monetary amount payable by the Court to Contractor for supplying all the tasks, deliverables, services, and other work specified under this Agreement. All work completed by Contractor must be deemed acceptable to, and approved in writing by, the Court's Project Manager which approval shall not be unreasonably withheld.
- B. Any additional work requested by the Court that exceeds the scope of Exhibit A (Statement of Work), must be approved in advance, and in writing, by the Executive Officer/Clerk of Court, in the form of an Amendment. Any change in the Contract Sum must be approved in advance, and in writing, by the Executive Officer/Clerk of Court, in the form of an Amendment.
- C. If Contractor provides any task, deliverable, good, service, and/or other consideration to the Court other than those specified in this Agreement, or if Contractor provides such items requiring the Court's prior written approval without first having obtained such written approval, the same shall be deemed to be a gratuitous effort on the part of Contractor, and Contractor shall have no claim whatsoever against the Court therefor.
- D. The Court's payment will not relieve Contractor from its obligation to replace unsatisfactory work, even if the unsatisfactory character of such work may have been apparent or detected at the time such payment was made. Work, data, or components that do not conform to the requirements of the Agreement will be rejected, and will be replaced by Contractor, without delay or additional cost to the Court.
- E. If Contractor receives payment from the Court for a service or reimbursement that is later disallowed or rejected by the Court, Contractor will promptly refund the disallowed amount to the Court upon the Court's request. At its option, the Court may offset the amount disallowed from any payment due to Contractor, under the Agreement or any other agreement.
- F. Taxes. Contractor shall collect and remit any sales and use taxes as and to the extent required under the Revenue and Taxation Code.
- G. Salaries and Employee Benefits. Contractor will be solely responsible for providing to its employees all legally required employee benefits, and the Court shall not be held liable for

the direct payment of any salaries, wages, or other compensation to any personnel provided by Contractor.

10. Contract and Project Administration.

A. Key Personnel.

The Court and Contractor shall each designate a Project Director (in the Agreement document) who shall have full authority to act on all daily operational matters concerning Contractor's performance under this Agreement. Parties shall be notified in writing of any change to the name or address of Key Personnel.

B. Contractor's Representatives.

(1) Contractor's Project Director.

- (a) Contractor's Project Director shall be responsible for confirming that the objectives of this Agreement are met by Contractor.
- (b) Contractor's Project Director shall provide direction to the Court in the areas relating to Contractor's policies, information requirements, and procedural requirements.
- (c) Contractor's Project Director shall be responsible for determining whether the technical standards and requirements of this Agreement are met by Contractor and for evaluating Contractor's performance under this Agreement.
- (d) Contractor's Project Director shall plan and coordinate Contractor's efforts with the Court.
- (e) Contractor's Project Director shall be available by telephone during regular business hours.

(2) Contractor's Project Manager.

- (a) Contractor shall provide a Project Manager to represent Contractor and to oversee day-to-day operation of each site.
- (b) Contractor's Project Manager shall be responsible for reporting to the Court as specified in this Agreement and as may be required by the Court from time to time.
- (c) Contractor's Project Manager shall communicate with the Court's Project Director on an on-going basis concerning any problems, modification, and contractual obligation, and shall be available during regular business hours for problem resolution.
- (d) Contractor's Project Manager shall inform the Court's Project Director of any change in production or in Contractor's personnel assigned to provide goods and/or services to the Court.
- (e) Contractor's Project Manager shall provide the Court with monthly accounting reports as required under this Agreement.

- (f) Contractor's Project Manager shall provide the Court's Project Director with the names, position titles and telephone numbers of Contractor's local staff assigned to provide goods and/or services to the Court under this Agreement.

C. Court's Representatives.

(1) Court Personnel.

Unless stated otherwise in this Agreement, all Court personnel assigned to this Agreement shall be under the exclusive supervision of the Court. Contractor understands and agrees that all such Court personnel are assigned only for the convenience of the Court. Contractor hereby represents that its price, project schedule, and performance hereunder are based solely on the work of Contractor's personnel, except as otherwise expressly provided in this Agreement.

(2) Court's Project Director.

- (a) The Court's Project Director shall be responsible for confirming that the objectives of this Agreement are met by Contractor.
- (b) The Court's Project Director is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate the Court.
- (c) The Court's Project Director shall provide direction to Contractor in the areas relating to Court policy, information requirements, and procedural requirements.
- (d) The Court's Project Director shall have the right at all times to inspect any and all tasks, deliverables, goods, services, or other work provided by or on behalf of Contractor.
- (e) The Court's Project Director may request a change of Contractor's Project Director if the objectives of this Agreement are not being met as determined in the sole judgment of the Court's Project Director.
- (f) The Court's Project Director shall be responsible for determining whether the technical standards and requirements of this Agreement are met by Contractor and for evaluating Contractor's performance under this Agreement.
- (g) The Court's Project Director shall plan and coordinate Contractor's efforts with the Court.

(3) Court's Project Manager.

- (a) The Court's Project Manager shall monitor and evaluate Contractor's performance.
- (b) The Court's Project Manager is not authorized to make any changes in any terms and conditions of this Agreement, and is not authorized to further obligate the Court in any respect whatsoever.

(4) Court's Contract Analyst.

(a) Contract Analyst shall be responsible for resolving contractual issues relating to terms and conditions of this Agreement.

(b) Contract Analyst shall be responsible for preparing amendments, extensions and addendums to this Agreement.

11. Contractor Certification Clauses.

Contractor certifies that the representations below are true and will remain true throughout the term of the Agreement. Contractor shall have an affirmative duty to promptly notify the Court if any of these representations are not or are no longer true:

- A. Authority. Contractor has authority to enter into and perform its obligations under the Agreement, and Contractor's signatory has authority to bind Contractor to the Agreement.
- B. Binding. The Agreement constitutes a valid and binding obligation of Contractor, and its permitted successors and assigns, enforceable in accordance with its terms.
- C. Child Support Compliance Act. If Contractor is a private entity, and the Agreement provides for Compensation of \$100,000 or more:
 - (1) Contractor recognizes the importance of child and family support obligations and fully complies with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code § 5200 et seq.; and
 - (2) Contractor provides the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D. Compliance with the Law. Contractor complies in all material respects with all laws, rules, and regulations applicable to Contractor's business and services. Contractor shall obtain and keep current throughout the term of this Agreement all necessary licenses, approvals, permits, registrations and authorizations required by applicable laws to provide the work. Contractor will be responsible for all fees and taxes associated with obtaining such licenses, approvals, permits and authorizations, and for any fines and penalties arising from its noncompliance with any applicable law.
- E. Conflict Minerals. If the Agreement is for the purchase of goods or services related to or involving "conflict minerals" (columbite-tantalite, cassiterite, wolframite, or gold), Contractor further certifies, UNDER PENALTY OF PERJURY, that it is not a "scrutinized company," as defined by California Public Contract Code § 10490(b).
- F. No Conflict of Interest. Contractor has no interest, and will not engage in any interest, that would constitute a conflict of interest under Public Contract Code § 10365.5, which, in general, limits entering into follow-on contracts with a consultant who would benefit thereby from the consultant's advice provided under the first contract, § 10410, which, in general, prohibits state officers and employees from receiving compensation from or having a financial interest in a state contract, or § 10411, which, in general, provides limits

on former state officers and employees from entering into a contract in which he or she negotiated or participated in the decision-making relevant to the contract while employed by a state agency; Government Code §§ 1090 et seq. or §§ 87100 et seq.; or California Rules of Court, rule 10.103 or 10.104, which restrict employees and former employees from contracting with Judicial Branch Entities.

- G. **Darfur Contracting Act Certification.** If the Agreement is for non-IT goods or services and Contractor did not provide to Court a Darfur Contracting Act certification as part of the solicitation process, this section applies: Contractor further certifies that either (a) it does not currently, and it has not within the previous three years, business activities or other operations outside of the United States, or (2) it is a “scrutinized company” as defined in Public Contract Code § 10476, but it has received written permission for the Court to submit a bid or proposal pursuant to PCC 10477(b), or (3) it has, or it has had within the previous three years, business activities or other operations outside of the United States, but it is not a “scrutinized company” as defined in Public Contract Code § 10476.
- H. **Delinquent Taxpayers.** Contractor further certifies, UNDER PENALTY OF PERJURY, that it is not a person or entity identified by the Franchise Tax Board or the Board of Equalization as one of the 500 largest tax delinquents, and there is no reason to believe Contractor will/may be placed on the Delinquent Taxpayer lists. Contractor must provide Notice to the Court immediately if placed on and/or if there is reason to believe Contractor will/may be placed on the Delinquent Taxpayer list(s). Failure to provide such Notice will be determined to mean that Contractor is in breach of contract and will be responsible for all expenses associated with re-contracting, re-bidding and obligations.
- I. **Discharge Violations.** If Contractor is a private entity, Contractor is not in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; or subject to any cease and desist order not subject to review issued pursuant to Water Code § 13301 for violation of waste discharge requirements or discharge prohibitions. Contractor has not been finally determined to be in violation of provisions of federal law relating to air or water pollution.
- J. **Document Printing Agreements.** If the Agreement is for printing documents, Contractor shall use recycled products, to the maximum extent economically feasible, in the performance of work under the Agreement. Contractor further certifies, UNDER PENALTY OF PERJURY, that any recycled products provided or used in the work by Contractor meet all California minimum post-consumer content requirements.
- K. **Domestic Partners, Spouses, and Gender and Gender Identity Discrimination.** If the Agreement provides for total Compensation of more than \$100,000, Contractor is in compliance with, and throughout the term of this Agreement will remain in compliance with: (i) Public Contract Code § 10295.3, which places limitations on contracts with Contractors who discriminate in the provision of benefits on the basis of marital or domestic partner status, and (ii) Public Contract Code § 10295.35, which places limitations on contracts and contractors that discriminate in the provision of benefits on the basis of an employee’s or dependent’s actual or perceived gender identity.

- L. Drug Free Workplace. Contractor provides a drug-free workplace as required by California Government Code §§ 8355 through 8357.
- M. Electronic Waste Recycling Act. If the Agreement provides for the purchase or lease of covered electronic devices under the Electronic Waste Recycling Act of 2003, Public Resources Code §§ 42460 et seq., Contractor complies with the requirements of that Act, and Contractor maintains documentation and provides reasonable access to its records and documents that evidence compliance.
- N. Not an Expatriate Corporation. Contractor is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code § 10286.1, and is eligible to contract with the Court.
- O. No Gratuities. Contractor has not directly or indirectly offered or given any gratuities (in the form of entertainment, gifts, or otherwise), to any Judicial Branch Personnel with a view toward securing the Agreement or securing favorable treatment with respect to any determinations concerning the performance of the Agreement.
- P. No Harassment. Contractor does not engage in unlawful harassment, including sexual harassment, with respect to any persons with whom Contractor may interact in the performance of the Agreement, and Contractor takes all reasonable steps to prevent harassment from occurring.
- Q. No Interference with Other Contracts. To the best of Contractor's knowledge, the Agreement does not create a material conflict of interest or default under any of Contractor's other contracts.
- R. Iran Contracting Act. If the Agreement is for the purchase of goods or services of \$1,000,000 or more, Contractor further certifies, UNDER PENALTY OF PERJURY, that it is not on the current list of persons engaged in investment activities in Iran created by the California Department of General Services pursuant to California Public Contract Code § 2203(b).
- S. No Litigation. No suit, action, arbitration, or legal, administrative, or other proceeding or governmental investigation is pending or, to Contractor's knowledge, threatened against or affecting Contractor or Contractor's business, financial condition, or ability to perform the Agreement, except any suit, action, arbitration, proceeding, or investigation that individually or in the aggregate with others will not or would not have a material adverse effect on Contractor's business, the validity or enforceability of the Agreement, or Contractor's ability to perform the Agreement.
- T. Los Angeles County's Jury Service Program. This Agreement is subject to the provisions of the Los Angeles County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.
 - (1) Unless Contractor has demonstrated to the Court's satisfaction either that Contractor is not a "contractor" as defined under the Jury Service Program (Section 2.203.020 of the

- County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employee's regular pay the fees received for jury service.
- (2) If Contractor uses any subcontractor to perform services for the Court under the Agreement, the subcontractor shall also be subject to the provisions of this section. The provisions of this section shall be inserted into any such sub-contract Agreement.
 - (3) If Contractor is not required to comply with the Jury Service Program when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify the Court if Contractor at any time either comes within the Jury Service Program's definition of "contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program.
 - (4) Contractor's violation of this section of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, the Court may, at its sole discretion, terminate Agreement.
- U. National Labor Relations Board Orders. If the Agreement provides for making any purchase of goods or services from a private entity, except for a purchase of goods by credit card for an amount less than \$2,500 from any one Contractor (but not to exceed in the aggregate \$7,500 per year from Contractor), no more than one, final unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a federal court requiring Contractor to comply with an order of the National Labor Relations Board. Contractor swears UNDER PENALTY OF PERJURY that this representation is true.
- V. Non-discrimination. Contractor complies with the federal Americans with Disabilities Act (42 U.S.C. § 12101 et seq.), and California's Fair Employment and Housing Act (Government Code §§ 12990 et seq.) and associated regulations (Code of Regulations, title 2, §§ 7285 et seq.). Contractor does not unlawfully discriminate against any employee or applicant for employment because of age (40 and over), ancestry, color, creed, disability (mental or physical) including HIV and AIDS, marital or domestic partner status, medical condition (including cancer and genetic characteristics), national origin, race, religion, request for family and medical care leave, sex (including gender and gender identity), and sexual orientation. Contractor has notified in writing each labor organization with which Contractor has a collective bargaining or other agreement of Contractor's obligations of non-discrimination.
- W. Parts Cleaning. If the Agreement involves parts cleaning, Contractor shall use recycled solvents, to the maximum extent economically feasible, in the performance of work under

the Agreement. Contractor further certifies, UNDER PENALTY OF PERJURY, that any post-consumer or secondary materials provided or used in the work by Contractor meet all California minimum post-consumer content requirements.

- X. Plastic Trash Bag Law. Public Resources Code §§ 42290 et seq., requires any plastic trash bag supplier, manufacturer or wholesaler, or any of its divisions, subsidiaries, or successors, to be compliant with the Recycled Content Plastic Trash Bag Law, regardless of the goods or services being provided under the Agreement. Contractor further certifies, UNDER PENALTY OF PERJURY that it, and its divisions, subdivisions, and successors, comply with the Recycled Content Plastic Trash Bag Law, and shall continue to comply with the same throughout the term of the Agreement.
- Y. Prohibition Against Hiring Court Employees. Contractor hereby certifies and agrees, and will require all subcontractors to certify, to the following: “Former Court employees will not be offered employment position for two years from the date of separation, if that employee participated in the decision-making process relevant to the Agreement, or for one year from the date of separation if that employee was in a policy-making position in the same general subject area as the proposed Agreement, within the prior twelve-month period of Court employment.” In addition, Contractor certifies and agrees that, during the term of this Agreement and for a period of one (1) year thereafter, Contractor shall not in any way intentionally induce or persuade any employee of Court to become an employee or agent of Contractor, except in response to a publicly solicited job listing.
- Z. Qualification. If (1) Contractor is a corporation, limited liability company, or limited partnership, and (2) the contract will be performed in California, Contractor is qualified to do business and in good standing in the State of California, and will remain so for the term of the Agreement.
 - AA. Sales and Use Tax Collection. Contractor collects and remits sales and use taxes as and to the extent required under the Revenue and Taxation Code.
 - BB. Sweatfree Code of Conduct. If the Agreement provides for the furnishing of equipment, materials, or supplies other than public works, or for the laundering of apparel, garments or corresponding accessories:
 - (1) No apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the Court under the Agreement have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. Contractor further certifies UNDER PENALTY OF PERJURY that it adheres to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code § 6108.

(2) Contractor agrees to cooperate fully in providing reasonable access to Contractor's records, documents, agents, and employees, and premises if reasonably required by authorized officials of the Department of Industrial Relations, or the Department of Justice to determine Contractor's compliance with the requirements under paragraph (1) and shall provide the same rights of access to the Court.

CC. Unruh Civil Rights Act and California Fair Employment and Housing Act. If the Agreement provides for total Compensation of more than \$100,000, Contractor is in compliance with the Unruh Civil Rights Act (Civil Code § 51). Contractor is in compliance with the California Fair Employment and Housing Act (Government Code §§ 12960 et seq.). Contractor does not have any policy against any sovereign nation or peoples recognized by the government of the United States, including, but not limited to, the nation and people of Israel, that is used to discriminate in violation of the Unruh Civil Rights Act (Civil Code § 51) or the California Fair Employment and Housing Act (Government Code §§ 12960 et seq.). Contractor further certifies UNDER PENALTY OF PERJURY that this representation is true.

DD. Work Eligibility. All personnel assigned to perform the Agreement are eligible to work legally in the United States and possess valid proof of work eligibility.

12. Contractor Status.

A. Independent Contractor. Contractor is an independent contractor to the Court. No employer-employee, partnership, joint venture, or agency relationship exists between Contractor and the Court. Contractor has no authority to bind or incur any obligation on behalf of the Court. Except as expressly stated, Contractor has no authority or responsibility to exercise any rights or power vested in the Court. Contractor, its employees, or anyone working under Contractor, including subcontractors' employees, shall not qualify for workers' compensation or other fringe benefits of any kind through the Court. If any legally binding determination concludes that Contractor is not an independent contractor, the Court may terminate the Agreement immediately upon notice. Alternatively, Contractor may agree to a reduction in the Court's financial liability, so that the Court's total costs under the Agreement do not exceed the Agreement amount.

B. Exclusive Control of Means and Method of Performance.

(1) Contractor's employees will be entirely and exclusively under the direction, supervision, and control of Contractor. All terms of employment including hours, wages, working conditions, discipline, hiring, and termination, or any other employment issues or requirements of law, will be determined by Contractor.

(2) Contractor will issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's employees, consultants, and independent contractors.

(3) If the Internal Revenue Service or any other federal or state governmental entity should investigate or challenge Contractor's independent status with respect to the Court, the parties agree that (i) each will inform the other party of such investigation or challenge;

- and (ii) the Court will have the right, but not the obligation, to participate in any discussion or negotiation occurring with the federal or state entity, regardless who initiates such discussions or negotiations.
- (4) Contractor will indemnify, defend, and hold the Court harmless from all claims, costs, and liabilities resulting from third-party actions alleging an employment relationship between the Court and any Contractor or subcontractor personnel.
 - (5) Contractor will determine the method, details, and means of performing or supplying the work under the Agreement. Contractor will be responsible to the Court only for the requirements and results specified in the Agreement and will not be subjected to the Court's control with respect to the physical action or activities of Contractor in fulfillment of the Agreement. Contractor will have the "right to control" and bear the sole responsibility for the job site conditions and safety.

C. Permits, Laws, and Regulations.

- (1) Contractor must observe and comply with all applicable laws, rules, and regulations affecting the work. During the term of the Agreement, Contractor will obtain and keep in full force and effect, all permits and licenses necessary to accomplish the work, and ensure that all subcontractors performing work under the Agreement comply with the same. Such permits and licenses will be made available to the Court, upon request. Contractor will be responsible for all fees and taxes associated with obtaining such licenses, approvals, permits and authorizations, and for any fines and penalties arising from its noncompliance with any applicable law.
- (2) Contractor will promptly provide Notice to the Court of any conflict discovered between the Agreement and any applicable laws, rules, regulations, and/or permits and licenses, and await resolution of the conflict. If Contractor proceeds with the work in question without resolution of the conflict, Contractor will be solely liable for any costs, fines, penalties, or damages that accrue, including costs for remedial work required to comply with such requirements.

13. Default and Remedies.

A. Default. Unless otherwise provided, a default exists under the Agreement if:

- (1) Contractor fails or is unable to meet or perform any of Contractor's duties under the Agreement, or furnishes nonconforming goods or services, and this failure is not cured within ten (10) days following notice of default or is not capable of being cured within this cure period;
- (2) Contractor fails to provide substitute qualified personnel at no charge within ten (10) days if, as determined in the sole judgment of the Court's Project Director or Project Manager, either:
 - (a) At any time during the period of performance of the Agreement, Contractor's personnel, for any reason, including, but not limited to, resignation, fails to perform under such Agreement; or

- (b) At any time during the period performance of the Agreement, Contractor's personnel perform unsatisfactorily, and Contractor fails to cure to the satisfaction of the Court's Project Director or Project Manager within ten (10) days of receipt of written or oral notice from the Court's Project Director or Project Manager of the specific nature of the problem.
 - (3) Contractor or Contractor's creditors file a petition as to Contractor's bankruptcy or insolvency, or Contractor is declared bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, goes into liquidation or receivership, or otherwise loses legal control of its business;
 - (4) Contractor makes or has made under the Agreement any representation or warranty that is or was incorrect, inaccurate, or misleading; or
 - (5) Any act, condition, or thing required to be fulfilled or performed by Contractor to (i) enable Contractor lawfully to enter into or perform its obligations under the Agreement, (ii) ensure that these obligations are legal, valid, and binding, or (iii) make the Agreement admissible when required is not fulfilled or performed.
- B. Notice of Default. Contractor shall notify the Court immediately if Contractor defaults, or if a third-party claim or dispute is brought or threatened that alleges facts that would constitute a default under the Agreement.
- C. Remedies following Contractor Default.
- (1) Available Remedies. The Court may do any of the following:
 - (a) Withhold all or any portion of a payment otherwise due to Contractor, exercise any other rights of setoff as may be provided in the Agreement or any other agreement between the Court and Contractor, or charge to Contractor any costs to the Court arising from Contractor's default, including costs to complete or correct the work;
 - (b) Exercise, following notice, the Court's right of early termination of the Agreement as provided below; or
 - (c) Seek any other remedy available at law or in equity.
 - (2) Remedies Cumulative. All remedies provided for in the Agreement may be exercised individually or in combination with any other available remedy.
- D. Specific Performance for Breach of Confidentiality. Contractor understands that a default of the provisions in the section entitled "Confidential Information; Publicity" will result in irreparable damage for which no adequate remedy will be available. Accordingly, injunctive or other equitable relief is a remedy that the Court will be entitled to seek.

14. Dispute Resolution.

The Court and Contractor will attempt, in good faith, to resolve any disputes informally. Such dispute must be submitted in writing within ten (10) calendar days of the earliest incident of dispute. Contractor will meet with the Court's Project Manager or other designated representative to discuss the matter and any actions necessary to resolve a dispute.

A. Escalation

- (1) If a dispute remains unresolved either party may give Notice requesting each party's Chief Executive Officer ("CEO") or designated representative to meet, exchange information and attempt resolution within fifteen days of the effective date of the Notice.
- (2) If the matter is not resolved as set forth above, the aggrieved party may submit a second Notice which will:
 - (a) provide detailed factual information;
 - (b) identify the specific provisions in the Agreement on which any demand is based;
 - (c) advise if the demand involves a cost adjustment and, if so, provide the exact amount, accompanied by all supporting records; and
 - (d) attach a declaration that the demand is made in good faith, the supporting data are accurate and complete, and the amount requested properly reflects the necessary adjustment. Notice will be signed by an authorized representative of the aggrieved party.
- (3) Each party will comply with reasonable requests for additional information. Any additional information will be provided within fifteen (15) days after receipt of a written request, unless otherwise agreed.

B. Confidentiality During Dispute Resolution. All dispute resolution negotiations are considered confidential, and will be treated as compromise and settlement negotiations, to which California Evidence Code § 1152 applies.

C. Continued Performance of Work. Pending final resolution of any dispute, Contractor agrees to proceed diligently with the performance of the work, including work associated with the dispute, unless otherwise directed by the Court. Contractor's failure to diligently proceed in accordance with the Court's instructions will be considered a material breach of the Agreement.

15. Entire Agreement.

- A. Headings or captions to the provisions of the Agreement are solely for the convenience of the parties, are not part of the Agreement, and will not be used to interpret or determine the validity of the Agreement.
- B. Negotiated Agreement. The Agreement was negotiated between the parties, and neither party "prepared" the Agreement for purposes of California Civil Code § 1654. Any ambiguity will not be construed against the drafter, but rather the terms and provisions will be given a reasonable interpretation.
- C. The Agreement, including all documents incorporated by reference, constitutes the entire and final understanding of the parties regarding the matter, and supersedes and terminates any and all prior or contemporaneous negotiations, representations, understandings, discussions, offers, proposals, or agreements between the parties, whether written or oral,

- A. express or implied, relating in any way to this matter, and is mutually binding on the parties in accordance with its terms.
- B. No agent, representative, employee or officer of either the Court or Contractor has the authority to make, or has made, any oral statement, agreement or representation, in connection with the Agreement, which in any way can be deemed to modify, add to and detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Agreement. No subsequent purchase order, invoice, click-through or shrink-wrap agreement, or similar document containing conflicting terms and conditions issued by Contractor in conjunction with the performance of any party's duties and/or obligations due under the Agreement, shall be permitted to modify or contradict any of the terms and conditions of the Agreement.

2. Fair Labor Standards Act.

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act (FLSA), and shall indemnify, defend, and hold harmless the Court, its officers, employees, and agents from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorney's fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by Contractor's employees for which the Court may be found jointly or solely liable.

3. Force Majeure.

Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this paragraph as "force majeure events"). The parties agree that COVID-19 is not a force majeure event.

Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this subparagraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

4. Indemnification.

- A. Contractor will defend (with counsel satisfactory to the Court or its designee) indemnify and hold harmless the Court, the County of Los Angeles, the State of California, other California judicial branch entities, and their officers, agents, and employees from and against all claims, losses, and expenses, including attorneys' fees and costs, that arise out of or in connection with (i) a latent or patent defect in any goods, (ii) an act or omission of Contractor, its agents, employees, independent contractors, or subcontractors in the performance of this Agreement, (iii) a breach of a representation, warranty, or other

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provision of this Agreement, and (iv) infringement of any trade secret, patent, copyright or other third party intellectual property. This indemnity applies regardless of the theory of liability on which a claim is made or a loss occurs. This indemnity will survive the expiration or termination of this Agreement, and acceptance of any goods, services, or deliverables. Contractor shall not make any admission of liability or other statement on behalf of an indemnified party or enter into any settlement or other agreement which would bind an indemnified party, without the Court's prior written consent, which consent shall not be unreasonably withheld; and the Court shall have the right, at its option and expense, to participate in the defense and/or settlement of a claim through counsel of its own choosing. Contractor's duties of indemnification exclude indemnifying a party for that portion of losses and expenses that are finally determined by a reviewing court to have arisen out of the sole negligence or willful misconduct of the indemnified party.

- B. Contractor's obligation to defend, indemnify, and hold the Court and court personnel harmless is not limited to, or restricted by, any requirement in the Agreement that Contractor procure and maintain insurance policies.

19. Insurance Requirements.

The Agreement shall specify whether the insurance requirements of Section 19.1 or Section 19.2 apply. Unless the Agreement expressly calls for specific coverage(s) set forth in Section 19.2, the insurance requirements of Section 19.1 shall apply.

19.1 Insurance Requirements – General.

Contractor will maintain insurance that is sufficient in scope and amount to permit Contractor to pay in the ordinary course of business insurable claims, losses and expenses, including insurable claims, losses and expenses that arise out of Contractor's performance of this Agreement. Contractor will maintain employer's liability and workers' compensation coverage at statutory levels covering all employees performing work under this Agreement. Should the Court make such a request, Contractor shall provide to the Court certificates of insurance and/or complete copies of all insurance policies maintained by Contractor to meet the insurance requirements contained in this paragraph.

- OR -

19.2 Insurance Requirements – Specific Coverages.

- A. Minimum Scope and Limits of Coverage. When required by the Agreement, Contractor shall maintain the following insurance coverages during the term of the Agreement.

- (1) Workers' Compensation and Employer's Liability Insurance. This policy must include workers' compensation to meet the minimum requirements of the California Labor Code, and it must provide employer's liability coverage for bodily injury and property damage at minimum limits of \$1 million per accident or disease.
- (2) Commercial General Liability Insurance. This policy must cover bodily injury, property damage, products (completed operations hazard and liability assumed in a

- contract), and personal and advertising injury, with minimum limits of \$1 million for each occurrence, combined single limit, and \$2 million aggregate.
- (3) Business Automobile Liability Insurance. This policy must cover bodily injury and property damage liability and be applicable to all vehicles used in Contractor's performance of the Agreement whether owned, non-owned, leased, or hired. The minimum liability limit must be \$1 million per occurrence, combined single limit.
 - (4) Professional Liability. This policy must cover liability resulting from errors or omissions committed in Contractor's performance of services under the Agreement, at minimum limits of \$1 million per occurrence, and \$2 million aggregate.
 - (5) Sexual Misconduct Insurance. This policy must cover bodily injury arising out of, resulting from, or in connection with the actual or threatened sexual abuse, molestation, or harassment of any person by Contractor's employees or any other person for whose acts Contractor may be held liable ("Contractor's Agents"), and the negligent employment, investigation, supervision, failure to report, or retention of Contractor's employees or Contractor's Agents for the actual or threatened sexual abuse, molestation, or harassment of any person. The minimum liability limit must be \$1 million per occurrence.
 - (6) Commercial Crime Insurance. This policy must cover losses of court property arising or resulting from, or in connection with:
 - (a) The theft, robbery, burglary, disappearance, damage, or destruction of court property, including the cost of check reconstruction;
 - (b) Dishonest or fraudulent acts, including forgery, alteration, or the fraudulent transfer of court property;
 - (c) Losses or damage to any building, vehicle, safe, vault, or cash box within the control or possession of Contractor.

The minimum liability limit must be \$1 million per occurrence.
 - (7) Contractor's Pollution Liability Insurance. Contractors Pollution Liability insurance written on an occurrence form with limits of liability not less than \$1 million per occurrence and \$1 million per project aggregate. The policy will include coverage for claims for bodily injury or property damage, and remediation costs resulting from a pollution incident caused by or exacerbated by the performance of the work at the project site.
 - (8) Umbrella Policies. Contractor may satisfy basic coverage limits through any combination of basic coverage and commercial umbrella liability insurance.

B. Insurance Requirements Applicable to Required Policies.

- (1) The cost of all insurance required by the Agreement is the sole responsibility of Contractor, and is a component part of Contractor's agreed compensation.

- (2) Contractor shall maintain the minimum insurance set forth in this section with reputable insurer(s). All insurance policies shall be placed with insurers admitted in the State of California and having an A.M. Best rating of not less than A-.
- (3) By requiring such minimum insurance, the Court will not be deemed or construed to have assessed the risks applicable to Contractor. Contractor shall assess its own risks and if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage.
- (4) For full coverage, each insurance policy shall be written on an “occurrence” form, except for professional liability insurance, which may be made on a “claims made” form. If coverage is approved and purchased on a “claims made” basis, Contractor warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, for three (3) years, without lapse, from the date of termination or expiration of the Agreement and the Court’s acceptance of all work provided under the Agreement. The retroactive date or “prior acts inclusion date” of any “claims made” policy must be no later than the date that the work commences under the Agreement.
- (5) If Contractor is an association, partnership, or other joint business venture, the basic coverage may be provided by either of the following methods:
 - (a) *Separate*. Separate insurance policies issued for each individual entity, with each entity included as a named insured or as an additional insured; or
 - (b) *Joint*. Joint insurance program with the association, partnership, or other joint business venture included as a named insured.
- (6) Deductibles and Self-Insured Retentions. The deductible and/or self-insured retentions shall not limit or apply to Contractor’s liability to the Court and shall be the sole responsibility of Contractor. Contractor shall declare to the Court all deductibles and self-insured retentions that exceed \$100,000 per occurrence. Any increases in deductibles or self-insured retentions that exceed \$100,000 per occurrence are subject to the Court’s approval.
- (7) Endorsements; Additional Insureds. All required insurance policies will contain, or be endorsed to contain, the following provisions:
 - (a) Additional Insureds. The State of California, the Judicial Council of California, and the Superior Court of California, County of Los Angeles, and their respective elected and appointed officials, judges, officers, and employees shall be covered as additional insureds for liability arising out of activities performed by, or on behalf of, Contractor under the Agreement. This requirement applies to Contractor’s commercial general liability policy, automobile liability policy, and, if applicable, umbrella policy.
 - (b) Primary Insurance; Waiver of Subrogation. Contractor’s insurance coverage shall be primary and non-contributory with any insurance or risk management programs

covering the Court or court personnel. Contractor and its insurance carrier waive any and all rights of subrogation against the State of California, the Judicial Council of California, and the Superior Court of California, County of Los Angeles, and their respective elected and appointed officials, judges, officers, and employees.

- (c) Separation of Insureds. Contractor's insurance shall apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.
- (d) Notice. All policies required of Contractor shall be endorsed to provide written notice to the Court of cancellation in coverage, non-renewal, or reduction of coverage within fifteen (15) days.

C. Failure to Maintain Insurance / Failure to Provide Certificate(s) of Insurance.

- (1) If Contractor fails to maintain adequate insurance policies conforming to the above requirements, including the appropriate certificate holder/additional insured endorsements, primary/noncontributory and waiver of subrogation clauses, and amounts and extent of coverage, Contractor shall indemnify, defend (with counsel satisfactory to the Court), and hold harmless the State of California, the Judicial Council of California, and the Superior Court of California, County of Los Angeles, and their respective elected and appointed officials, judges, officers, and employees for all claims, damages, losses, judgments, liabilities, expenses, and other costs, including court fees, litigation or settlement costs, attorneys' fees (including attorneys' fees incurred in enforcing this indemnification clause), arising or resulting from, or in connection with Contractor's performance or breach of the Agreement, notwithstanding any clause or amounts limiting Contractor's liability to the Court. Contractor's failure to maintain adequate insurance policies conforming to the above requirements may be considered a breach of the Agreement.
- (2) Before Contractor begins work, Contractor shall submit certificates of insurance to the Court's insurance compliance and tracking provider, as specified in this Agreement, attesting to the existence of adequate coverage. If the insurance expires during the term of the Agreement, Contractor shall immediately renew or replace the required insurance and provide a new current certificate of insurance and signed insurance policy endorsements. All certificates of insurance and replacement certificates of insurance are subject to the approval of the Court.
- (3) Submission of certificates of insurance (or lack thereof) and/or their approval by the Court shall not relieve Contractor of its obligation to ensure that all required insurance policies conform to all foregoing requirements, and to ensure that any exclusions contained in such policies do not unduly or unfairly restrict the coverages required by the Court. Upon the Court's request at any time, Contractor shall provide: (1) complete copies of each required policy; and (2) the same evidence of insurance for its subcontractors as the Court requires of Contractor.

- (4) If at any time, the foregoing policies become unsatisfactory to the Court, as to form or substance, or if a company issuing any such policy becomes unsatisfactory to the Court, Contractor shall, upon written notice from the Court, promptly obtain a new policy, and submit the same to the Court, with the appropriate certificates and endorsements.
- (5) If any of the required policies lapse during the Term, the Court is not required to process invoices after such lapse until Contractor provides evidence of reinstatement that is effective as of the lapse date.

20. Limitation of Liability.

The Court will not be liable to Contractor, its officers, employees, subcontractors, or third parties for any indirect, special, or consequential damages, including lost profits or revenue, arising from or relating to the Agreement, regardless whether the Court was advised of the possibility of such loss or damage. In no event will the Court's liability for direct damages arising from or related to the Agreement, for any cause whatsoever, and regardless of the form of action, whether in contract or in tort, exceed the amounts paid to Contractor by the Court under the Agreement. Neither the Court nor court personnel will be personally responsible for liabilities arising under the Agreement.

21. Loss Leader.

Contractor shall not sell or use any article or product as a "loss leader" as defined in section 17030 of the Business and Professions Code.

22. Minimum Age, Language Skills, and Legal Status of Contractor Personnel at Facility.

Contractor shall not assign employees under the age of 18 to perform work under this Agreement. All of Contractor's employees working at court facilities must be able to communicate in English. Contractor's employees must be legally present and permitted to work in the United States.

23. Modification.

No modification or change to the Agreement, including any changes to Exhibit A (Statement of Work), shall be valid without the written approval of the Court, in the form of an Amendment.

24. Non-Exclusivity.

The Agreement is non-exclusive. The Court reserves the right to perform, or have others perform the work for the Agreement. The Court further reserves the right to bid the work to others or procure the work by other means.

25. Notices.

Notices under the Agreement must be in writing. Notices may be delivered in person, via a reputable express carrier, or by registered or certified mail (postage pre-paid), or electronically (via email). Notice is effective on receipt; however, any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified will be treated as effective on the first day that the notice was refused, unclaimed, or deemed undeliverable. Notices must be addressed to the other party's Project Director, Project Manager and Contract Analyst designated in the Standard Agreement Cover Sheet. Either

party may change its address for receipt of notice by entering a different recipient and address below or by giving notice at any time to the other party in the manner permitted by this paragraph.

26. Prevailing Wages / Public Works.

- A. If this is an Agreement for a Public Work (as defined by California Labor Code §§ 1720 & 1771), Contractor is subject to the Prevailing Wage rules and regulations imposed by the California Labor Code, Division 2, Part 7, Chapters 1-2 (§§ 1720-1815); and the California Code of Regulations, Title 8, Division 1, Chapter 8, Subchapters 3-6 (8 CCR §§ 16000-17264). Contractor is responsible for registering with the Department of Industrial Relations, paying its workmen at least the Prevailing Rates of Wages, maintaining certified payrolls for inspection by the Division of Labor Standards Enforcement of the Department of Industrial Relations, and complying with all other applicable rules and regulations governing Public Works and Prevailing Wages. Contractor's failure to do so may subject it to fines, penalties, and civil suit; Contractor may be banned from bidding on future Public Works projects; and Contractor may be guilty of a misdemeanor. Contractor is responsible for complying with any other applicable federal, state, and local Prevailing Wage requirements whether referenced or not.
- B. Prevailing Wage rates, as determined by the Department of Industrial Relations, can be found at: <http://www.dir.ca.gov/Public-Works/PublicWorks.html>.

27. Prior Work.

Prior work, performed by Contractor pursuant to the Court's authorization, but before execution of the Agreement, will be considered as having been performed subject to the provisions of the Agreement.

28. Prohibited Bids for End Product of the Agreement ("Follow-On Contracts").

- A. If Contractor or its affiliates provides Consulting and Direction (as defined below), Contractor and its affiliates: (i) shall not submit a bid or be awarded a subsequent contract to supply the service or system, or any significant component thereof, that is used for or in connection with any subject of such Consulting and Direction; and (ii) will not act as consultant to any person or entity that does receive a contract described in sub-section (i).
- B. "Consulting and Direction" means services for which Contractor received compensation from the Court and includes: (i) development of or assistance in the development of work statements, specifications, solicitations, or feasibility studies; (ii) development or design of test requirements; (iii) evaluation of test data; (iv) direction of or evaluation of another contractor; (v) provision of formal recommendations regarding the acquisition of Information Technology products or services; or (vi) provisions of formal recommendations regarding any of the above. For purposes of this section, "affiliates" are employees, directors, partners, joint venture participants, parent corporations, subsidiaries, or any other entity controlled by, controlling, or under common control with Contractor. Control exists when an entity owns or directs more than fifty percent (50%) of the

outstanding shares or securities representing the right to vote for the election of directors or other managing authority.

- C. To the extent permissible by law, the Court may waive the restrictions set forth in this section by written notice to Contractor if the Court determines their application would not be in the Court's best interest. Except as prohibited by law, the restrictions of this section will not apply: (i) to follow-on advice given by vendors of commercial off-the-shelf products, including software and hardware, on the operation, integration, repair, or maintenance of such products after sale; (ii) to contractors that were awarded a subcontract of the original consulting service contract that amounted to no more than ten (10) percent of the total monetary value of the original consulting services contract; or (iii) where the Court has entered into a master agreement for software or services and the statement of work at the time of Agreement execution expressly calls for future recommendations among Contractor's own products.
- D. The restrictions set forth in this section are in addition to conflict of interest restrictions imposed on public contractors by California law ("Conflict Laws"). In the event of any inconsistency, such Conflict Laws override the provisions of this section, even if enacted after execution of the Agreement.

29. Public Access to Records and Information.

- A. Rule 10.500 of the California Rules of Court sets forth comprehensive access provisions applicable to administrative records (which includes, among other things, agreements and amendments) maintained by a trial court. The Court will make identifiable administrative records available upon request, unless the records are exempt from disclosure under Rule 10.500. Please be aware that an agreement or amendment may be considered a public record and be made available to anyone who requests a copy.
- B. If an agreement or amendment contains material noted or marked by Contractor as "Confidential" and/or "Proprietary" that, under Rule 10.500 would be exempt from public disclosure, then that information will presumptively not be made available to the public. If the Court considers that under Rule 10.500 such material is not exempt from public disclosure, the material may be made available to the public, regardless of Contractor's notation or markings. If a Contractor is unsure if its confidential and/or proprietary material would fall within the disclosure exemption requirements of Rule 10.500, then it should carefully consider whether to include such information in an agreement or amendment because such information may be disclosed to the public.

30. Public Contract Code.

Part 2.5 of the California Public Contract Code (§§ 19201 – 19210), cited as the California Judicial Branch Contract Law, requires the Judicial Branch (including the Court) to comply with provisions in the Public Contract Code that apply to state agencies and departments regarding the procurement of goods and/or services. The California Judicial Branch Contract Law applies to all contracts initially entered into or amended by Judicial Branch entities (including the Court) on or after October 1, 2011.

31. Recovery of Court Costs Incurred Due to Poor Performance or Non-Performance.

Should the Court incur any costs due to Contractor poor performance or non-performance, and if these Court costs are foreseeable consequences resulting from Contractor poor performance or non-performance, the Court has the right to withhold (and keep) such amounts from any future payment(s) to Contractor. This Court right is not tied to any other Default, Breach and/or Remedy process set forth elsewhere in this Agreement.

32. Scope of Work; Acceptance; Rejection.

- A. Scope of Work. Contractor will perform and complete all work in compliance with the requirements of the Agreement, and to the satisfaction of the Court. Contractor shall strictly adhere to the delivery and completion schedules specified in the Statement of Work. Time, if stated as a number of days, shall mean calendar days unless otherwise specified.
- B. Acceptance. Notwithstanding any prior inspection or payments, all goods and services delivered hereunder shall be subject to final inspection and acceptance or rejection by the Court within a reasonable time after delivery to the Court. Until work is completed and accepted by the Court, the risk of loss or damage to the work shall remain with Contractor. All items which are not in compliance with the specifications hereof, which are not as warranted or which are shipped late, shipped in excess or insufficient quantities, or substituted for items ordered hereunder may be rejected by the Court and returned or held at Contractor's expense and risk. No damages or extras will be allowed for unforeseen difficulties or obstructions. Payment shall not constitute an acceptance of the goods, services, or work nor impair the Court's right to inspect or any of its remedies. Contractor shall immediately refund any payment made in error.
- C. Rejection. The Court may reject any goods, services, or deliverables that: (i) fail to meet applicable requirements or acceptance criteria; (ii) are not as warranted; or (iii) are performed or delivered late. The Court's Project Manager may apply any acceptance criteria set forth in the Agreement (including timeliness, completeness, technical accuracy, and conformance to statistical, industry or marketplace standards) to determine acceptance or non-acceptance of the work.
- (1) If the work is not acceptable, the Court's Project Manager shall detail Contractor's failure to meet the acceptance criteria. Contractor shall have ten (10) business days from receipt of the Court's notification of non-acceptance to correct the failure(s) to conform to the acceptance criteria. Contractor will re-submit the work and the Court's Project Manager shall re-apply the acceptance criteria to determine its acceptance or non-acceptance. Thereafter, the parties shall repeat the process set forth in this section until Contractor's receipt of the Court's written acceptance of such corrected work; provided, however, that if the Court rejects any work on at least two (2) occasions, the Court may terminate that portion of the Agreement which relates to the rejected work at no expense to the Court.
 - (2) If the Court rejects any goods, services, or other deliverables after payment to Contractor, the Court may exercise all contractual and other legal remedies, including:

(i) setting off the overpayment against future invoices payable by the Court; (ii) setting off the overpayment against any other amount payable for the benefit of Contractor pursuant to the Agreement or otherwise; and (iii) requiring Contractor to refund the overpayment within thirty (30) days of the Court's request.

33. Shipping and Packing Slips.

Time is of the essence to delivery and any other performance required of Contractor. No charge for delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or any other purpose shall be paid by the Court unless it is expressly included on the face of the Agreement. Unless stated otherwise, shipping point for all deliveries under the Agreement shall be FOB "destination", and on "FOB Shipping Point" transactions, Contractor shall arrange for lowest-cost transportation, prepay and add freight to its invoice, and furnish supporting freight bills over \$25. If delivery is to be made by a carrier, an itemized delivery ticket must be attached to the outside of the package. Each container must be marked with the Agreement number, part number, and quantity. Any itemized packing slip bearing the Court's Agreement number as shown thereon must be left with the goods to insure their receipt.

34. Signatures; Counterparts.

- A. The signatures required for execution of the Agreement may be made by manual signature, or by digital signature that may conform to California Government Code § 16.5 and all California regulations promulgated thereunder (including California Code of Regulations, title 2, division 7, chapter 10), or by any other commercially acceptable signature method, use of which by both parties for signature and execution of the Agreement evidences consent to the validity of the method of signature used.
- B. The parties give the same validity, force, and effect to a scanned, faxed, photocopied, or other accurately reproduced signature as to an original signature.
- C. The Agreement may be executed in counterparts, each of which is considered an original.

35. Standard of Performance; Warranties.

- A. Standard of Performance. Contractor will perform all work with the requisite skill and diligence consistent with professional standards for the industry and type of work performed under the Agreement, and pursuant to the governing rules and regulations of the industry. Contractor acknowledges that the Court relies on the accuracy, competence, and completeness of Contractor's services. Contractor will efficiently use the resources or services necessary to provide the work; and provide the work in the most cost-efficient manner consistent with the required level of quality and performance. The work will be provided free and clear of all liens, claims, and encumbrances.
- B. Warranties.
 - (1) For a period of one (1) year, unless the Agreement or the warranties provided by a third party for goods or services procured by Contractor provide for a longer warranty period, Contractor expressly warrants that the goods and services covered by the Agreement are: 1) free of liens or encumbrances; (2) merchantable and good for the

- ordinary purposes for which they are used; and (3) fit for the particular purpose for which they are intended; (4) free from all defects in materials and workmanship; (5) to the extent not manufactured pursuant to detailed designs furnished by the Court, free from defects in design; and (6) conform to the requirements of the Agreement. The Court's approval of designs or specifications furnished by Contractor will not relieve Contractor of its obligations under this warranty.
- (2) Contractor agrees to indemnify, defend, and hold the Court and court personnel harmless from liability, loss, damage and expense, including reasonable attorney's fees, incurred or sustained by the Court by reason for the failure of the goods or services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industry Safety Act. Such remedies shall be in addition to any other remedies provided by law.
 - (3) Contractor represents and warrants to the Court that it owns, will own, is authorized, or will be authorized to use for its own and the Court's benefit, all intellectual property rights used and to be used in connection with providing and/or performing the work.
 - (4) All warranties will inure to the Court, its successors, assigns, customer agencies, and users of the work provided hereunder. Contractor shall not take any action, or fail to perform any act that results in a warranty or representation becoming untrue. Contractor shall promptly notify the Court if any warranty or representation becomes untrue.
 - (5) Unless otherwise specified, the warranties set forth in this Section commence after work has been accepted by the Court.

36. Stop Work.

- A. The Court may, at any time, by delivery of a written Stop Work Order to Contractor, require Contractor to stop any or all of the work, for up to ninety days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree.
- B. Upon receipt of the Stop Work Order, Contractor will immediately comply with its terms and take all reasonable steps to minimize the costs incurred to the Court during the applicable Stop Work period. Within ninety days after a Stop Work Order is delivered to Contractor, or within any mutually agreed extension of that period, the Court will either cancel the Stop Work Order or terminate the work, as provided in the Termination provisions.
- C. If a Stop Work Order is cancelled, or the period of the Stop Work Order or any extension thereof expires, Contractor will resume work. The Court may make an equitable adjustment in the delivery schedule, the Agreement amount, or both, if (i) the Stop Work Order Increases Contractor's costs or the time required for performance; and (ii) Contractor asserts its right to an equitable adjustment within thirty days after the end of the applicable Stop Work period.

- D. If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated other than for cause, the Court may allow reasonable costs resulting from the Stop Work Order.
- E. The Court will not be liable to Contractor for loss of profits because of any Stop Work Order.

37. Survival.

Terms that will survive termination or expiration of the Agreement include those relating to, but are not limited to: assignment, audit rights and retention of records, confidentiality, indemnification, limitation of liability, and warranties.

38. Termination.

- A. Termination for Cause. The Court may terminate the Agreement, in whole or in part, for cause, upon written notice. The Court shall be relieved of any payments, if Contractor fails to perform the requirements of the Agreement at the time and in the manner agreed. The Court may also cancel delivery immediately of all or any portion of unshipped goods or limit Contractor's work and, proportionately, Contractor's compensation. The Court may proceed with the work in any manner deemed proper. All costs to the Court arising from Contractor's default, including costs to complete or correct the work, will be deducted from any sum due to Contractor. Contractor will not be entitled to recover overhead or profit on the uncompleted portions of the work.
- B. Termination for Convenience. The Court may terminate the Agreement, in whole or in part, at any time, for any or no reason, upon written notice to Contractor. Upon receipt of notice of termination, Contractor will promptly discontinue work as specified in the Notice. The Court will pay Contractor for the work satisfactorily performed prior to the termination. Contractor will not recover overhead or profit on the uncompleted portions of the work.
- C. Termination due to Fund Non-Appropriation and/or Availability.
 - (1) The Court's obligations under the Agreement are subject to the availability of funds authorized for this work. Expected or actual funding may be withdrawn, reduced, or limited prior to the expiration or other termination of the Agreement. Funding beyond the current Appropriation Year is conditioned upon appropriation of sufficient funds to support the activities described in the Agreement.
 - (2) Upon Notice, the Court may terminate the Agreement in whole or in part, without prejudice to any right or remedy of the Court, for lack of appropriation of funds. Upon termination, the Court will pay Contractor for the fair value of work satisfactorily performed prior to the termination, not to exceed the total Agreement amount.
 - (3) In the event that budget reductions occur in any fiscal year covered by the Agreement that may cause the Court to consider terminating the Agreement, the parties agree to attempt to renegotiate in good faith the terms of the Agreement to reduce the Maximum Contract Sum in lieu of cancellation under the termination provisions of the Agreement.

D. Effect of Termination. Upon the Termination Date:

- (1) The Court shall be released from compensating Contractor for work, other than those Contractor satisfactorily performed before the Termination Date, and for any indirect costs. Without prejudice to the Court, Contractor shall be released from performing work.
- (2) If only a part of the Agreement is terminated by the Court such that Contractor is released from performing a portion of the work, the Court shall accordingly be released from compensating Contractor for that portion of work.
- (3) Court will have the right to take possession of any materials, equipment, and other work including partially completed work. Contractor shall return to the Court any equipment purchased or built with Court funds, with costs incurred by Contractor being reimbursed by the Court. Unless otherwise provided in the Agreement, Contractor will immediately assign to the Court all of Contractor's right, title, and interest in and to such work, related materials, work product, and any and all intellectual property rights.
- (4) Upon termination of any kind, the Court may withhold from payment any sum that the Court determines to be owed to the Court by Contractor, or as necessary to protect the Court against loss due to outstanding liens or claims of former lien holders. Unless otherwise specifically provided, any advance payments made by the Court to Contractor shall be refunded to the Court on a pro rata basis.
- (5) Contractor shall have no claim against the Court, the County of Los Angeles, the State of California, the Judicial Council, and their respective officers, employees, and agents for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment it shall immediately notify the Court and shall immediately repay all such funds to the Court. Payment by the Court for services rendered after expiration/termination of this Agreement shall not constitute a waiver of the Court, the County of Los Angeles, the State of California, the Judicial Council, and their respective officers, employees, and agents' right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.
- (6) Third Party or Court Services

Notwithstanding anything in this Agreement to the contrary, the Court shall have the right to perform or contract with a third party to provide any services or goods within or outside the scope of the work, including services to augment or supplement the work or to interface with the IT infrastructure of the Court. In the event the Court performs or contracts with a third party to perform any such service, Contractor shall cooperate in good faith with the Court and any such third party, to the extent reasonably required by the Court. Such cooperation shall include, without limitation, providing such information as a person with reasonable commercial skills and expertise would find reasonably necessary for the Court or a third party to perform its services relating to the work.

39. Time is of the Essence.

Time is of the essence in the performance of work by Contractor under the Agreement.

40. Waiver; Severability.

- A. Waiver of Rights. The Court's action, inaction, or failure to enforce any right or provision of the Agreement is not a waiver of its rights, and will not prevent the Court from enforcing such rights on any future occasion. A Court-specific waiver does not constitute a waiver by the Court of any earlier, concurrent, or later breach or default.
- B. Severability. The provisions of the Agreement are separate and severable. If any part of the Agreement is held invalid or unenforceable, all other parts remain valid or enforceable, unless prohibited by applicable state and federal law.
- C. Waiver of Jury Trial. To the extent enforceable under California law, each party acknowledges that it is aware of and has had the opportunity to seek advice of counsel of its choice with respect to its rights to trial by jury, and each party, for itself and its successors and assigns, does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding, or counterclaim brought by any party hereto against the other (and/or against its judges, subordinate judicial officers, officers, administrators, agents, representatives, and employees) on or with regard to any matters whatsoever arising out of or in any way connected with the Agreement and/or any other claim of injury or damage.

41. Work Site.

With respect to work delivered and/or performed on the Court's premises, Contractor has the responsibility to inform itself fully and shall assume the risk as to the physical conditions at the worksite, including as applicable: (1) the availability, location, and extent of construction and storage areas and other facilities or structures above and below ground, but not limited to gas, water, sewer, electrical, and communication utilities; (2) necessary safety precautions and safeguards; (3) work to be performed by Contractor or others; (4) rules, regulations, and requirements to be observed by Contractor in the conduct of the work. Lack of knowledge of existing conditions will not be accepted as an excuse for failure to perform the specified work, nor shall such excuse be accepted as a basis for claims or additional compensation. Contractor shall conform to any specific safety requirements as required by law or regulation. Contractor shall take any additional precautions as the Court may reasonably require for safety and accident prevention purposes. Any violation of such rules and requirements, unless promptly corrected, shall be grounds for termination of the Agreement.

42. Miscellaneous Provisions Applicable to Specific Contracting Situations.**A. Union Activities Certification.**

[OPTION 1: If the Agreement is \$50,000 or under, and allows for the reimbursement of Contractor expenses]

Contractor must include with any request for reimbursement from the Court a certification that Contractor is not seeking reimbursement for costs incurred to assist, promote, or deter union organizing. If Contractor incurs costs or makes expenditures to assist, promote or

deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from the Court was sought for these costs, and Contractor will provide those records to the Attorney General upon request.

[OPTION 2: If the Agreement is over \$50,000, and allows for the reimbursement of Contractor expenses]

Contractor must include with any request for reimbursement from the Court a certification that Contractor is not seeking reimbursement for costs incurred to assist, promote, or deter union organizing. No Court funds received under this Agreement will be used to assist, promote or deter union organizing during the term of this Agreement (including any extension or renewal term). If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no Court funds were used for those expenditures and no reimbursement from the Court was sought for these costs. Contractor will provide those records to the Attorney General upon request.

[OPTION 3: If the Agreement is over \$50,000, but does not allow for the reimbursement of Contractor expenses]

No Court funds received under this Agreement will be used to assist, promote or deter union organizing during the term of this Agreement (including any extension or renewal term). If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no Court funds were used for those expenditures. Contractor will provide those records to the Attorney General upon request.

- B. Provisions Applicable to *Certain Services with Compensation* over \$200,000. If this is an Agreement for services, other than consulting services, with total compensation over \$200,000, Contractor shall give priority consideration in filling vacancies in positions funded by the Agreement to qualified recipients of aid under Welfare and Institutions Code § 11200 in accordance with Public Contract Code § 10353.
- C. Provisions Applicable to *Commercial Office Moving Services Agreements*. If this is an agreement of more than \$2,500 with a carrier for commercial office moving services, Contractor shall abide by the requirements contained in the State Administrative Manual, section 3810, which requires Contractor to employ only drivers and supporting personnel who are under a current collective bargaining agreement or who are paid applicable prevailing wages and employed under prevailing standards and conditions of employment.
- D. Provisions Applicable to *Competitively Bid Contracts; Antitrust Claims*.

If work under the Agreement was obtained by means of a competitive bid, Contractor shall comply with the requirements of Government Code sections set out below.

(1) The Government Code chapter on antitrust claims contains the following definitions:

- (a) “Public purchase” means a purchase by means of competitive bids of goods, services, or materials by the state or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of § 16750 of the Business and Professions Code.

- (b) “Public purchasing body” means the state or the subdivision or agency making a public purchase. See Government Code § 4550.
- (2) Contractor shall assign to the Court all rights, title, and interest in and to all causes of action it may have under § 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2, commencing with section 16700 of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by Contractor for sale to the Court pursuant to the bid. Such assignment shall be made and become effective at the time the Court tenders final payment to Contractor. See Government Code § 4552.
- (3) If the Court receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, Contractor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the Court any portion of the recovery, including treble damages, attributable to overcharges that were paid by Contractor but were not paid by the Court as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. See Government Code § 4553.
- (4) Upon demand in writing by Contractor, the Court shall, within one year from such demand, reassign the cause of action assigned under this part if Contractor has been or may have been injured by the violation of law for which the cause of action arose and (i) the Court has not been injured thereby, or (ii) the Court declines to file a court action for the cause of action. See Government Code § 4554.

E. Provisions Applicable to *Consulting Services*.

- (1) If the Agreement provides for the payment of \$1,000 or more for consulting services, Contractor must deliver detailed performance criteria, a schedule for performance, and progress reports to the Court to allow the Court to determine whether Contractor is on the right track and the project is on schedule, to provide communication of interim findings, and to afford opportunities for airing difficulties or special problems encountered so that remedies can be developed quickly.
- (2) If the Agreement provides for the payment of \$5,000 or more for consulting services, Contractor shall attach to the Agreement resumes of each Contractor participant who will exercise a major administrative role or major policy or consultative role. Contractor shall use reasonable efforts to make these participants available to perform services during the term of the Agreement.

F. Provisions Applicable to *Court-Purchased or Court-Financed Equipment*.

- (1) If the Agreement provides Compensation to Contractor for a project funded through a grant, at the conclusion of the Project, title to all expendable and non-expendable personal property with a value of \$500 or more purchased with Court funds shall vest, automatically and without further action of the parties, with the Court. If Contractor provides written certification to the Court that the property will continue to be used for grant-related purposes and the Court approves such certification in writing, the Court

may permit title to all such property to remain with Contractor in accordance with the Court's written instructions. Contractor must await specific written instructions from the Court's Project Manager regarding any transfer of title or disposition.

- (2) If Compensation under the Agreement is not through grant funding and the Agreement provides for the provision of equipment purchased or built with Court funds, title to any equipment purchased or built with Court funds shall vest in the Court immediately upon payment of the purchase price. Before delivery to the Court, Contractor is responsible for loss or damage to the equipment to the extent it results from the negligent act or omission of Contractor or its directors, officers, employees, or agents, and Contractor shall make all necessary or appropriate repairs and adjustments.
- (3) Contractor shall maintain an inventory record for each piece of equipment purchased or built with Court funds provided under the Agreement, except for a piece of equipment that (i) has a normal life expectancy of less than one (1) year, or (ii) costs less than \$5,000 and is not easy to steal. The inventory record must include the date acquired, total cost, serial number, model identification, and any other information or description necessary to identify the piece of equipment. Upon request by the Court, Contractor shall submit to the Court a copy of the inventory record.
- (4) Upon the expiration of termination of the Agreement, or as otherwise directed by the Court, Contractor shall return such property to the Court in good condition, reasonable wear and tear expected, unless such property was not utilized, and in such case, shall be returned new and unopened from its original packaging.

G. Provisions Applicable to *DVBE Participation Certification*. Contractor's failure to meet the DVBE commitment set forth in its bid or proposal constitutes a breach of the Agreement. If Contractor used DVBE subcontractor(s) in connection with this Agreement: (i) Contractor must use the DVBE subcontractors identified in its bid or proposal, unless the Court approves in writing replacement by another DVBE subcontractor in accordance with the terms of this Agreement; and (ii) Contractor must within sixty (60) days of receiving final payment under this Agreement certify in a report to the Court: (1) the total amount of money and percentage of work that Contractor committed to provide to each DVBE subcontractor and the amount each DVBE subcontractor received under the Agreement; (2) the name and address of each DVBE subcontractor to which Contractor subcontracted work in connection with the Agreement; (3) the amount each DVBE subcontractor received from Contractor in connection with the Agreement; and (4) that all payments under the Agreement have been made to the applicable DVBE subcontractors. Upon request by the Court, Contractor shall provide proof of payment for the work. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. Contractor will comply with all rules, regulations, ordinances and statutes that govern the DVBE program, including, without limitation, Military and Veterans Code section 999.5.

H. Provisions Applicable to *Elevator Maintenance Agreements*. If the Agreement provides for elevator maintenance, the Term of the Agreement shall be for a period of no less than

five (5) years even if the Coversheet of the Agreement specifies a shorter term; however, the Agreement may be terminated during the Term in accordance with the Termination provisions contained herein.

I. Provisions Applicable to *Federal or Federally-Assisted Contracts*.

(1) Funding. If the Agreement is funded in whole or in part by the federal government, then:

- (a) It is mutually understood between the parties that the Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds, to avoid program and fiscal delays that would occur if the contract were executed after that determination was made.
- (b) This contract is valid and enforceable only if sufficient funds are made available to the Court by the United States Government for the fiscal year in which they are due and consistent with any stated programmatic purpose. In addition, the Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this contract in any manner.
- (c) The parties mutually agree that if the Congress does not appropriate sufficient funds for any program under which the Agreement is intended to be paid, the Agreement shall be deemed amended without any further action of the parties to reflect any reduction in funds.

J. Provisions Applicable to *Legal Services*.

(1) If the Agreement provides for the performance of legal services, Contractor shall adhere to any legal cost and billing guidelines, legal budgets, and legal bill or law firm audits as may be required by the Court. If the Agreement does not provide for legal representation to low-income or middle-income persons in civil, criminal, or administrative matters, Contractor shall also adhere to any litigation plans or case phasing of activities as may be required by the Court. If the Agreement does not provide for legal representation to low-income or middle-income persons in civil, criminal, or administrative matters, and also provides for Compensation (other than reimbursement of expenses) over \$50,000, Contractor shall also comply with the requirements of Business and Professions Code § 6072, which concerns the performance of pro bono legal services.

(2) Under Business and Professions Code § 6072, Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the Agreement equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in California, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10 percent of the Agreement. Failure to make a good faith effort may be cause of non-renewal of the Agreement or another judicial branch or other state contract for legal services, and may

be taken into account when determining the award of future contracts with the Court for legal services.

- K. Provisions Applicable to *Janitorial Services or Building Maintenance Agreements*. If the Agreement requires Contractor to perform services at a new site, Contractor shall retain for 60 days all employees currently employed at that site by any previous contractor that performed the same services at the site. Contractor shall provide upon request information sufficient to identify employees providing janitorial or building maintenance services at each site and to make the necessary notifications required under Labor Code §§ 1060 et seq.
- L. Provisions Regarding *Material Safety Data Sheets*. If some or all of the goods provided by Contractor under the Agreement are on CAL OSHA's "Hazardous Substances List," Contractor shall forward a completed Material Safety Data Sheet (MSDS) to the Court.
- M. Provisions Applicable to *Mined Mineral Agreements*. If the Agreement involves the purchase of mined minerals, Contractor shall not supply through the Agreement any sand, gravel, aggregates, or other minerals the Court may not purchase under Public Contract Code § 10295.5.
- N. Provisions Regarding *Recycled Goods*.
- (1) Unless otherwise provided in the Agreement, pursuant to Public Contract Code § 12203(d), Contractor shall use or sell only recycled products under the Agreement to the maximum extent economically feasible, but only if the fitness and quality of such recycled products are equal to non-recycled products.
 - (2) If the Agreement provides for the purchase and sale of goods specified in Public Contract Code § 12207 (for example, certain paper products, office supplies, mulch, glass products, lubricating oils, plastic products, paint, antifreeze, tires and tire-derived products, and metal products), and the percentage of Contractor's postconsumer material in these goods cannot be verified by reference to a written advertisement, including, for example, a product label, a catalog, or a manufacturer or vendor website:
 - (a) Contractor shall deliver a declaration to the Court specifying the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code § 12200 in goods offered or sold to the Court, regardless of whether the goods meet the requirements of Public Contract Code § 12209.1;
 - (b) UNDER PENALTY OF PERJURY, the declaration shall be true and correct and will remain so until Contractor delivers any amendment of the current declaration to the Court, in which case the current declaration as amended will be true and correct; and
 - (c) If Contractor sells under the Agreement any printer or duplication cartridges that comply with Public Contract Code § 12209, Contractor shall so specify in the declaration required under this section.

- O. Provisions Applicable to *Rental Agreements*. If the Agreement provides for the rental of personal property, the Court shall have no responsibility for loss or damage to the rented equipment arising from causes beyond the Court's control. The Court is responsible for repairs and liability for damage or loss only to the extent they become necessary and result from a negligent act or omission of the Court or any court personnel. If the Agreement provides for the rental of equipment or other personal property and the Court has not expressly elected through the Agreement to maintain the equipment or other personal property, Contractor shall keep the equipment in good working order and make all necessary or appropriate repairs and adjustments without qualification.
- P. Provisions Applicable to *Small Business Preference Agreements*. If Contractor received a small business preference in connection with this Agreement, Contractor must complete and submit the Small Business Contract Report Form. Contractor assumes an express affirmative obligation to promptly notify the Court if any information on the Small Business Contract Report Form becomes inaccurate. Contractor's failure to meet the small business commitment set forth in its bid or proposal constitutes a breach of this Agreement. If Contractor is a nonprofit veteran service agency ("NVSA"), Contractor must employ veterans receiving services from the NVSA for not less than 75 percent of the person-hours of direct labor required for the production of goods and the provision of services performed pursuant to this Agreement.
- Q. Provisions Applicable to *Work by Facilities Contractors*.
- (1) *Guidelines for Contractor Conduct While Working In Court Buildings*.
- These Guidelines for Contractor Conduct are subject to revision and may be modified by the Court at any time. Contractor will be notified of modifications.
- (a) Work areas are to be free of all tools, trash, material packaging, etc., and any other discarded items at the end of each shift. Contractors should take their trash with them at the end of each shift, rather than disposing of trash in court containers.
 - (b) All waste, excess materials, tools, etc. shall be removed from the areas upon completion. The areas shall be thoroughly cleaned.
 - (c) If desk items need to be moved, they must be placed back in the same location (including chairs moved to access under desk space).
 - (d) Vacuum all areas paying special attention to all drywall cutouts and/or ceiling tile debris on floor and around work areas at the end of each shift.
 - (e) Use caution when removing and installing ceiling tiles. Any damage resulting in mishandled ceiling tiles will be the responsibility of Contractor to replace.
 - (f) Do not remove any furniture or chairs from any office area.
 - (g) Do not prop open any secure doorways. Access cards will be furnished.
 - (h) Do not modify the adjustments on any chairs or remove any chairs from any area.

- (i) Do not use any court radio, stereo, or TV. (Contractor's crew may furnish their own radio. However, volume must be kept at a low level, as judicial and administrative staff often works after hours).
 - (j) Smoking is prohibited in all Court buildings, including any/all restrooms.
 - (k) Do not use any restrooms in judicial chambers. Only use common area restrooms.
 - (l) Do not leave company items behind once a job is complete (i.e. ladders and tools).
 - (m) Any furniture moves necessary to complete the work must be indicated during the job walk or pre-project planning. No furniture is to be moved without prior notice to the Court's Project Manager.
 - (n) For security purposes, do not allow any person(s) into your work area, or into any other Court Building area. Do not open doors to allow person(s) access into your work area, or any other Court Building area. As you go through doors, be sure to securely pull them closed behind you. Don't let person(s) come through a door along with you.
- (2) **Bonds.** The Court may require written evidence of Contractor's ability to obtain from a reputable bond company required bonds. If requested, Contractor may be asked to supply a fidelity bond covering the dishonest acts of employees or a performance bond covering the completion of work. Bond limits and reimbursement of expenses, if any, shall be determined by the Court.
- (3) **Conduct of Work.** As may be applicable, Contractor shall maintain the work site and perform the work in a manner that meets all legal requirements for the provision of a safe workplace. Contractor will ensure that all work is performed in a safe and satisfactory manner, and that all work conforms to all regulatory and industry standards. Upon completion of the work, Contractor shall remove all equipment and unused materials provided for the work, put the buildings and premises in a neat and clean condition, and do all other cleaning and washing as applicable. Further, Contractor shall comply with safety standards and provisions of applicable laws, building codes, and safety regulations issued by the California Department of Industrial Relations. Contractor shall be liable for damages arising out of injury to the Court's employees or its contractors during performance of the work, provided that the injury or damage was caused by the fault or negligence of Contractor, or by its equipment or tools.
- (4) **Contractor-Caused Damage(s).** Contractor shall repair or replace, at the option of the Court's Project Manager(s), all damage to the building, equipment, or furniture caused by its operations within five (5) working days, and preferable sooner.
- (5) **Court Policy Regarding Drugs / Alcohol / Weapons.**
- (a) Contractor agrees to advise its employees and the employees of its subcontractors and agents that it is the policy of the Court that:

- 1) The use, possession and/or distribution of illegal or unauthorized drugs, drug-related paraphernalia or weapons on the Court's premises, right-of-way, or Job Site is prohibited and the use or possession of alcoholic beverages, except where authorized by the Court's management, is also prohibited;
 - 2) Entry onto or presence on the Court's premises by any person, including Contractor, Contractor's employees, subcontractors, subcontractors' employees, contract personnel, temporary employees and visitors, constitutes consent to the Court to conduct searches, whether announced or unannounced, on the Court's premises of the person and his or her personal effects for such prohibited items, and consent to drug testing at any time while on the Court's premises;
 - 3) Any person suspected or found in violation of the policy or who refuses to permit a search or drug or alcohol test may be removed and barred from the Court's premises, at the sole discretion of the Court; and
 - 4) Contractor personnel who test positive for illegal drugs or unauthorized alcohol as a result of a test conducted on the Court premises, or upon request of the Court, will be removed from any further performance or services under this Agreement.
- (b) Contractor represents and warrants that it has established, maintains, and enforces both a Drug and Alcohol Program and an Operator Qualification Program per industry standards.

(6) *Inspections.*

- (a) **Materials Inspections.** The Court may from time to time, at its sole good faith option, inspect and test certain materials or equipment. Therefore, in contracting for the purchase of any material or equipment that Contractor will use in the performance of the work, Contractor shall obtain for the Court from the vendor of such material or equipment the right to inspect all such material and the manufacture and fabrication thereof. Whether or not the Court conducts such inspection, the Court shall also have the right to reject all materials or equipment that, in the sole good faith discretion of the Court, fail to conform to either adequate manufacturing specifications, the specifications under which such materials or equipment were purchased or the specifications required for the performance of the work.
- (b) **Field Inspections.** Throughout the performance of the work, the Court shall have the right to designate one or more inspectors or engineers to inspect and test the work site and the progress of the work. Contractor shall cooperate with such inspectors and engineers in order that the work may be fully inspected and that the Court may at all times be fully advised of the progress of the work and the manner in which it is being performed.
- (c) **Inspection Not Acceptance.** Contractor expressly understands and agrees that any inspection by the Court pursuant to this Agreement shall be for the Court's sole

benefit and shall not be deemed an acceptance by the Court of all or any portion of the materials or work so inspected. Contractor further understands and agrees that no inspection by the Court pursuant to this Agreement or approval or failure to object to any portion of the work shall relieve or release Contractor from any duties, obligations, or liabilities provided in this Agreement.

- (7) ***Liens.*** Contractor shall discharge at once, and hold the Court harmless from, liens or stop notices that may be filed in connection with the work. The Court may withhold payment of funds from Contractor in an amount sufficient to discharge delinquent accounts of Contractor or any of Contractor's subcontractors for which liens on the Court's or County's property have been or can be filed or for which stop notices have been or can be filed. Contractor must furnish unconditional lien releases to the Court.
- (8) ***Safety Devices.*** Contractor shall furnish and maintain all safety devices, e.g., signs, barricades, cones, etc. required to adequately warn and protect all persons who will be utilizing this facility during the course of the work.
- (9) ***Scheduling Work.*** All work shall be scheduled with the Court's Project Manager or his/her designee before starting the assigned project.

END OF STANDARD BUSINESS TERMS AND CONDITIONS

EXHIBIT C2

COUNTY SPECIAL PROVISIONS

--- Begins on Following Page ---

1. Compliance with Civil Rights Laws

The contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

2. Compliance with the County's Jury Service Program

See Exhibit C1, Section 11, T.

3. Conflict of Interest

No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

The contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The contractor warrants that it is not now aware of any facts that create a conflict of interest. If the contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this paragraph shall be a material breach of this Contract.

4. Contractor's Acknowledgement of County's Commitment to Safely Surrendered Baby Law

The contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The contractor understands that it is the County's policy to encourage all County contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the contractor's place of business. The contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information and posters for printing are available at www.babysafela.org.

5. Contractor's Warranty of Adherence to County's Child Support Compliance Program

The contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through contracts are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the contractor's duty under this Contract to comply with all applicable provisions of law, the contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

6. Employment Eligibility Verification

The contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The contractor shall retain all such documentation for all covered employees for the period prescribed by law.

The contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

7. Fair Labor Standards

See Exhibit C1, Section 16.

8. Nondiscrimination and Affirmative Action

The contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or

mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

The contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

The contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

The contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

The contractor shall allow County representatives access to the contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 8.28 (Nondiscrimination and Affirmative Action) when so requested by the County.

If the County finds that any provisions of this section (Nondiscrimination and Affirmative Action) have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the contractor has violated the anti-discrimination provisions of this Contract.

9. Notice to Employees Regarding the Federal Earned Income Credit

The contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

10. Prohibition Against Inducement or Persuasion

Notwithstanding any provision to the contrary, the contractor and the County agree that, during the term of this Contract and for a period of one year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

11. Warranty of Compliance with County's Defaulted Property Tax Reduction Program

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless contractor qualifies for an exemption or exclusion, contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

12. Time Off for Voting

The contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than ten (10) days before every statewide election, every contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

13. Compliance with County's Zero Tolerance Policy on Human Trafficking

Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.

If a Contractor or member of Contractor's staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of Contractor's staff be removed immediately from performing services under the Contract. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

Disqualification of any member of Contractor's staff pursuant to this paragraph shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

14. Compliance with Fair Chance Employment Practices

Contractor shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Contractor's violation of this paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract.

15. Compliance with the County Policy of Equity

The contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). The contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the contractor to termination of contractual agreements as well as civil liability.

16. Compliance with the County's Living Wage Program

This Contract is subject to the provisions of the County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code.

17. Contractor's Charitable Activities Compliance

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the Charitable Contributions Certification, Exhibit O, the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202)

18. Most Favored Public Entity

If Contractor's prices decline, or should Contractor, at any time during the term of this Agreement, provide the same goods or services under similar quantity and delivery conditions, to the federal government, or any state, county, municipality,

or district, at prices below those set forth in this Agreement, then such lower prices shall be immediately extended to the Court and the County.

19. Contractor Responsibility And Debarment

19.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Agreement. It is the County's policy to conduct business only with responsible Contractors.

19.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

19.3 Non-Responsible contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: 1) violated a term of a contract with the County or a nonprofit corporation created by the County, 2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, 3) committed an act or offense which indicates a lack of business integrity or business honesty, or 4) made or submitted a false claim against the County or any other public entity.

19.4 Contractor Hearing Board

19.4.1 If there is evidence that the Contractor may be subject to debarment, the County will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

19.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation

regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the County shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the County Board of Supervisors.

19.4.3 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the County Board of Supervisors. The County Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

19.4.4 If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: 1) elimination of the grounds for which the debarment was imposed; 2) a bona fide change in ownership or management; 3) material evidence discovered after debarment was imposed; or 4) any other reason that is in the best interests of the County.

19.4.5 The Contractor Hearing Board will consider a request for review of a debarment determination only where 1) the Contractor has been debarred for a period longer than five (5) years; 2) the debarment has been in effect for at least five (5) years; and 3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

19.4.6 The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the County Board of Supervisors. The County Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

19.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

20. Termination For Non-Adherence Of County Lobbyist Ordinance

Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which the County, through the Court, may in its sole discretion, immediately terminate or suspend this Agreement.