

PROFESSIONAL CONSULTANT SERVICES AGREEMENT

COLLECTION BUREAU OF AMERICA, LTD.

Collection Agency Services

THIS PROFESSIONAL CONSULTANT SERVICES AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 20____ ("Effective Date"), by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City"), and COLLECTION BUREAU OF AMERICA, LTD., a California corporation ("Consultant").

1. **Scope of Services.** City agrees to retain and does hereby retain Consultant and Consultant agrees to provide the services more particularly described in Exhibit "A," "Scope of Services" ("Services"), attached hereto and incorporated herein by reference, in conjunction with Collection Services ("Project").

2. **Term.** This Agreement shall be effective on the date first written above and shall remain in effect for five (5) years from the date of execution above, unless otherwise terminated pursuant to the provisions herein.

3. **Compensation/Payment.** Consultant shall perform the Services under this Agreement for the total sum not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00), payable in accordance with the terms set forth in Exhibit "B." Said payment shall be made in accordance with City's usual accounting procedures upon receipt and approval of an itemized invoice setting forth the services performed. The invoices shall be delivered to City at the address set forth in Section 4 hereof.

4. **Notices.** Any notices required to be given, hereunder shall be in writing and shall be personally served or given by mail. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage prepaid, addressed to the party to be served as follows:

To City

Finance Department
City of Riverside
Attn: Karen Johnson
3900 Main Street
Riverside, CA 92522

To Consultant

Collection Bureau of America, Ltd.
Attn: Jeff Lowenstein
25954 Eden Landing Road
Hayward, CA 94545

5. **Prevailing Wage.** If applicable, Consultant and all subcontractors are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations under Section 1720 et seq. of the California Labor Code and implemented by Resolution No. 13346 of the City Council of the City of Riverside. The Director's determination is available on-line at www.dir.ca.gov/dlsr/DPreWageDetermination.htm and is referred to and made a part hereof; the wage rates therein ascertained, determined, and specified are referred to and made a part hereof as though fully set forth herein.

6. **Contract Administration.** A designee of the City will be appointed in writing by the City Manager or Department Director to administer this Agreement on behalf of City and shall be referred to herein as Contract Administrator.

7. **Standard of Performance.** While performing the Services, Consultant shall exercise the reasonable professional care and skill customarily exercised by reputable members of Consultant's profession practicing in the Metropolitan Southern California Area, and shall use reasonable diligence and best judgment while exercising its professional skill and expertise.

8. **Personnel.** Consultant shall furnish all personnel necessary to perform the Services and shall be responsible for their performance and compensation. Consultant recognizes that the qualifications and experience of the personnel to be used are vital to professional and timely completion of the Services. The key personnel listed in Exhibit "C" attached hereto and incorporated herein by this reference and assigned to perform portions of the Services shall remain assigned through completion of the Services, unless otherwise mutually agreed by the parties in writing, or caused by hardship or resignation in which case substitutes shall be subject to City approval.

9. **Assignment and Subcontracting.** Neither party shall assign any right, interest, or obligation in or under this Agreement to any other entity without prior written consent of the other party. In any event, no assignment shall be made unless the assignee expressly assumes the obligations of assignor under this Agreement, in a writing satisfactory to the parties. Consultant acknowledges that any assignment may, at the City's sole discretion, require City Manager and/or City Council approval. Consultant shall not subcontract any portion of the work required by this Agreement without prior written approval by the responsible City Contract Administrator. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including without limitation, the insurance obligations set forth in Section 12. The Consultant acknowledges and agrees that the City is an intended beneficiary of any work performed by any subcontractor for purposes of establishing a duty of care between any subcontractor and the City.

10. **Independent Contractor.** In the performance of this Agreement, Consultant, and Consultant's employees, subcontractors and agents, shall act in an independent capacity as independent contractors, and not as officers or employees of the City of Riverside. Consultant acknowledges and agrees that the City has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance to Consultant, or to Consultant's employees, subcontractors and agents. Consultant, as an independent contractor, shall be responsible for any and all taxes that apply to Consultant as an employer.

11. **Indemnification.**

11.1 **Design Professional Defined.** For purposes of this Agreement, “Design Professional” includes the following:

- A. An individual licensed as an architect pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code, and a business entity offering architectural services in accordance with that chapter.
- B. An individual licensed as a landscape architect pursuant to Chapter 3.5 (commencing with Section 5615) of Division 3 of the Business and Professions Code, and a business entity offering landscape architectural services in accordance with that chapter.
- C. An individual registered as a professional engineer pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, and a business entity offering professional engineering services in accordance with that chapter.
- D. An individual licensed as a professional land surveyor pursuant to Chapter 15 (commencing with Section 8700) of Division 3 of the Business and Professions Code, and a business entity offering professional land surveying services in accordance with that chapter.

11.2 **Defense Obligation For Design Professional Liability.** Consultant agrees, at its cost and expense, to promptly defend the City, and the City’s employees, officers, managers, agents and council members (collectively the “Parties to be Defended”) from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings to the extent the same arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. Consultant will reimburse City for reasonable defense costs for claims arising out of Consultant’s professional negligence based on the percentage of Consultant’s liability. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant’s Services under this Agreement.

11.3 **Indemnity For Design Professional Liability.** When the law establishes a professional standard of care for Consultant’s services, to the fullest extent permitted by law, Consultant shall indemnify, protect and hold harmless the City and the City’s employees, officers, managers, agents, and Council Members (“Indemnified Parties”) from and against any and all claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding,

damage, cost, expense (including counsel and expert fees), judgment, civil fines and penalties, liabilities or losses of any kind or nature whatsoever to the extent the same arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party.

11.4 Defense Obligation For Other Than Design Professional Liability.

Consultant agrees, at its cost and expense, to promptly defend the City, and the City's employees, officers, managers, agents and council members (collectively the "Parties to be Defended") from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings which arise out of, or relate to, or are in any way connected with: 1) the Services, work, activities, operations, or duties of the Consultant, or of anyone employed by or working under the Consultant, or 2) any breach of the Agreement by the Consultant.

This duty to defend shall apply whether or not such claims, allegations, lawsuits or proceedings have merit or are meritless, or which involve claims or allegations that any or all of the Parties to be Defended were actively, passively, or concurrently negligent, or which otherwise assert that the Parties to be Defended are responsible, in whole or in part, for any loss, damage or injury. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant's Services under this Agreement.

11.5 Indemnity For Other Than Design Professional Liability. Except as to the sole negligence or willful misconduct of the City, Consultant agrees to indemnify, protect and hold harmless the Indemnified Parties from and against any claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fine and penalties, liabilities or losses of any kind or nature whatsoever whether actual, threatened or alleged, which arise out of, pertain to, or relate to, or are a consequence of, or are attributable to, or are in any manner connected with the performance of the Services, work, activities, operations or duties of the Consultant, or anyone employed by or working under the Consultant or for services rendered to Consultant in the performance of this Agreement, notwithstanding that the City may have benefited from its work or services. This indemnification provision shall apply to any acts, omissions, negligence, recklessness, or willful misconduct, whether active or passive, on the part of the Consultant or anyone employed or working under the Consultant.

12. Insurance.

12.1 General Provisions. Prior to the City's execution of this Agreement, Consultant shall provide satisfactory evidence of, and shall thereafter maintain during the term of this Agreement, such insurance policies and coverages in the types, limits, forms and ratings required herein. The rating and required insurance policies and coverages may be modified in writing by the City's Risk Manager or City Attorney, or a designee, unless such modification is prohibited by law.

12.1.1 Limitations. These minimum amounts of coverage shall not constitute any limitation or cap on Consultant's indemnification obligations under Section 11 hereof.

12.1.2 **Ratings.** Any insurance policy or coverage provided by Consultant or subcontractors as required by this Agreement shall be deemed inadequate and a material breach of this Agreement, unless such policy or coverage is issued by insurance companies authorized to transact insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher.

12.1.3 **Cancellation.** The policies shall not be canceled unless thirty (30) days' prior written notification of intended cancellation has been given to City by certified or registered mail, postage prepaid.

12.1.4 **Adequacy.** The City, its officers, employees and agents make no representation that the types or limits of insurance specified to be carried by Consultant pursuant to this Agreement are adequate to protect Consultant. If Consultant believes that any required insurance coverage is inadequate, Consultant will obtain such additional insurance coverage as Consultant deems adequate, at Consultant's sole expense.

12.2 **Workers' Compensation Insurance.** By executing this Agreement, Consultant certifies that Consultant is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. Consultant shall carry the insurance or provide for self-insurance required by California law to protect said Consultant from claims under the Workers' Compensation Act. Prior to City's execution of this Agreement, Consultant shall file with City either 1) a certificate of insurance showing that such insurance is in effect, or that Consultant is self-insured for such coverage, or 2) a certified statement that Consultant has no employees, and acknowledging that if Consultant does employ any person, the necessary certificate of insurance will immediately be filed with City. Any certificate filed with City shall provide that City will be given ten (10) days' prior written notice before modification or cancellation thereof.

12.3 **Commercial General Liability and Automobile Insurance.** Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, commercial general liability insurance and automobile liability insurance as required to insure Consultant against damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from or which may concern operations by anyone directly or indirectly employed by, connected with, or acting for or on behalf of Consultant. The City, and its officers, employees and agents, shall be named as additional insureds under the Consultant's insurance policies.

12.3.1 Consultant's commercial general liability insurance policy shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability, and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in the amount of not less than \$2,000,000.

12.3.2 Consultant's automobile liability policy shall cover both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. All of Consultant's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with Consultant's performance of this Agreement, which vehicles shall include, but are not limited to, Consultant owned vehicles, Consultant leased vehicles, Consultant's employee vehicles, non-Consultant owned vehicles and hired vehicles.

12.3.3 Prior to City's execution of this Agreement, copies of insurance policies or original certificates along with additional insured endorsements acceptable to the City evidencing the coverage required by this Agreement, for both commercial general and automobile liability insurance, shall be filed with City and shall include the City and its officers, employees and agents, as additional insureds. Said policies shall be in the usual form of commercial general and automobile liability insurance policies, but shall include the following provisions:

It is agreed that the City of Riverside, and its officers, employees and agents, are added as additional insureds under this policy, solely for work done by and on behalf of the named insured for the City of Riverside.

12.3.4 The insurance policy or policies shall also comply with the following provisions:

- a. The policy shall be endorsed to waive any right of subrogation against the City and its sub-consultants, employees, officers and agents for services performed under this Agreement.
- b. If the policy is written on a claims made basis, the certificate should so specify and the policy must continue in force for one year after completion of the services. The retroactive date of coverage must also be listed.
- c. The policy shall specify that the insurance provided by Consultant will be considered primary and not contributory to any other insurance available to the City and Endorsement No. CG 20010413 shall be provided to the City.

12.4 **Errors and Omissions Insurance.** Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, errors and omissions professional liability insurance in the minimum amount of \$1,000,000 to protect the City from claims resulting from the Consultant's activities.

12.5 **Subcontractors' Insurance.** Consultant shall require all of its subcontractors to carry insurance, in an amount sufficient to cover the risk of injury, damage or loss that may be caused by the subcontractors' scope of work and activities provided in furtherance of this Agreement, including, but without limitation, the following coverages: Workers Compensation, Commercial General Liability, Errors and Omissions, and Automobile liability. Upon City's request,

Consultant shall provide City with satisfactory evidence that Subcontractors have obtained insurance policies and coverages required by this section.

13. **Business Tax.** Consultant understands that the Services performed under this Agreement constitutes doing business in the City of Riverside, and Consultant agrees that Consultant will register for and pay a business tax pursuant to Chapter 5.04 of the Riverside Municipal Code and keep such tax certificate current during the term of this Agreement.

14. **Time of Essence.** Time is of the essence for each and every provision of this Agreement.

15. **City's Right to Employ Other Consultants.** City reserves the right to employ other Consultants in connection with the Project. If the City is required to employ another consultant to complete Consultant's work, due to the failure of the Consultant to perform, or due to the breach of any of the provisions of this Agreement, the City reserves the right to seek reimbursement from Consultant.

16. **Accounting Records.** Consultant shall maintain complete and accurate records with respect to costs incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

17. **Confidentiality.** All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant, except as otherwise directed by City's Contract Administrator. Nothing furnished to Consultant which is otherwise known to the Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production, website, or other similar medium without the prior written consent of the City.

18. **Ownership of Documents.** All reports, maps, drawings and other contract deliverables prepared under this Agreement by Consultant shall be and remain the property of City. Consultant shall not release to others information furnished by City without prior express written approval of City.

19. **Copyrights.** Consultant agrees that any work prepared for City which is eligible for copyright protection in the United States or elsewhere shall be a work made for hire. If any such work is deemed for any reason not to be a work made for hire, Consultant assigns all right, title and interest in the copyright in such work, and all extensions and renewals thereof, to City, and agrees to provide all assistance reasonably requested by City in the establishment, preservation and enforcement of its copyright in such work, such assistance to be provided at City's expense but

without any additional compensation to Consultant. Consultant agrees to waive all moral rights relating to the work developed or produced, including without limitation any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use or subsequent modifications.

20. **Conflict of Interest.** Consultant, for itself and on behalf of the individuals listed in Exhibit "C," represents and warrants that by the execution of this Agreement, they have no interest, present or contemplated, in the Project affected by the above-described Services. Consultant further warrants that neither Consultant, nor the individuals listed in Exhibit "C" have any real property, business interests or income interests that will be affected by this project or, alternatively, that Consultant will file with the City an affidavit disclosing any such interest.

21. **Solicitation.** Consultant warrants that Consultant has not employed or retained any person or agency to solicit or secure this Agreement, nor has it entered into any agreement or understanding for a commission, percentage, brokerage, or contingent fee to be paid to secure this Agreement. For breach of this warranty, City shall have the right to terminate this Agreement without liability and pay Consultant only for the value of work Consultant has actually performed, or, in its sole discretion, to deduct from the Agreement price or otherwise recover from Consultant the full amount of such commission, percentage, brokerage or commission fee. The remedies specified in this section shall be in addition to and not in lieu of those remedies otherwise specified in this Agreement.

22. **General Compliance With Laws.** Consultant shall keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Consultant, or in any way affect the performance of services by Consultant pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws, ordinances and regulations, and shall be solely responsible for any failure to comply with all applicable laws, ordinances and regulations. Consultant represents and warrants that Consultant has obtained all necessary licenses to perform the Scope of Services and that such licenses are in good standing. Consultant further represents and warrants that the services provided herein shall conform to all ordinances, policies and practices of the City of Riverside.

23. **Waiver.** No action or failure to act by the City shall constitute a waiver of any right or duty afforded City under this Agreement, nor shall any such action or failure to act constitute approval of or acquiescence in any breach thereunder, except as may be specifically, provided in this Agreement or as may be otherwise agreed in writing.

24. **Amendments.** This Agreement may be modified or amended only by a written agreement and/or change order executed by the Consultant and City.

25. **Termination.** City, by notifying Consultant in writing, shall have the right to terminate any or all of Consultant's services and work covered by this Agreement at any time. In the event of such termination, Consultant may submit Consultant's final written statement of the amount of Consultant's services as of the date of such termination based upon the ratio that the work completed bears to the total work required to make the report complete, subject to the City's rights under Sections 15 and 26 hereof. In ascertaining the work actually rendered through the termination

date, City shall consider completed work, work in progress and complete and incomplete reports and other documents only after delivered to City.

25.1 Other than as stated below, City shall give Consultant thirty (30) days' prior written notice prior to termination.

25.2 City may terminate this Agreement upon fifteen (15) days' written notice to Consultant, in the event:

25.2.1 Consultant substantially fails to perform or materially breaches the Agreement; or

25.2.2 City decides to abandon or postpone the Project.

26. **Offsets.** Consultant acknowledges and agrees that with respect to any business tax or penalties thereon, utility charges, invoiced fee or other debt which Consultant owes or may owe to the City, City reserves the right to withhold and offset said amounts from payments or refunds or reimbursements owed by City to Consultant. Notice of such withholding and offset, shall promptly be given to Consultant by City in writing. In the event of a dispute as to the amount owed or whether such amount is owed to the City, City will hold such disputed amount until either the appropriate appeal process has been completed or until the dispute has been resolved.

27. **Successors and Assigns.** This Agreement shall be binding upon City and its successors and assigns, and upon Consultant and its permitted successors and assigns, and shall not be assigned by Consultant, either in whole or in part, except as otherwise provided in paragraph 9 of this Agreement.

28. **Venue.** Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in the Superior Court, County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county. In the event either party hereto shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that each party will bear their own attorney's fees and costs.

29. **Nondiscrimination.** During Consultant's performance of this Agreement, Consultant shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex, genetic information, gender, gender identity, gender expression, or sexual orientation, military and veteran status, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, Consultant agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

30. **Severability.** Each provision, term, condition, covenant and/or restriction, in whole and in part, of this Agreement shall be considered severable. In the event any provision, term,

condition, covenant and/or restriction, in whole and/or in part, of this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant and/or restriction of this Agreement, and the remainder of the Agreement shall continue in full force and effect.

31. **Authority.** The individuals executing this Agreement and the instruments referenced herein on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions hereof and thereof.

32. **Entire Agreement.** This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement, and supersedes all prior and contemporaneous understandings or agreements of the parties. Neither party has been induced to enter into this Agreement by and neither party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

33. **Interpretation.** City and Consultant acknowledge and agree that this Agreement is the product of mutual arms-length negotiations and accordingly, the rule of construction, which provides that the ambiguities in a document shall be construed against the drafter of that document, shall have no application to the interpretation and enforcement of this Agreement.

33.1 Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of the Agreement or any of its terms. Reference to section numbers, are to sections in the Agreement unless expressly stated otherwise.

33.2 This Agreement shall be governed by and construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement.

33.3 In the event of a conflict between the body of this Agreement and Exhibit "A" - Scope of Services hereto, the terms contained in Exhibit "A" shall be controlling.

34. **Exhibits.** The following exhibits attached hereto are incorporated herein to this Agreement by this reference:

Exhibit "A" - Scope of Services

Exhibit "B" - Compensation


Exhibit "C" - Key Personnel

IN WITNESS WHEREOF, City and Consultant have caused this Agreement to be duly executed the day and year first above written.

CITY OF RIVERSIDE, a California charter city and municipal corporation

COLLECTION BUREAU OF AMERICA, LTD., a California corporation

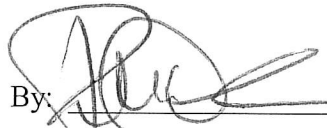
By: _____
City Manager

By:  _____
Shawn Deluna
[Printed Name]
CEO & Sec
[Title]

Attest: _____
City Clerk

Certified as to Availability of Funds:

By:  _____
Chief Financial Officer

By:  _____
Richard M. Deluna
[Printed Name]
Chairman
[Title]

Approved as to Form:

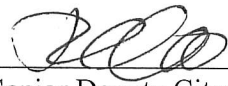
By:  _____
Senior Deputy City Attorney

EXHIBIT "A"

SCOPE OF SERVICES

The Scope of Services will include, but will not be limited to, the following professional services and dedicated person to perform the following scope of services for each division (Business Tax and Accounts Receivable):

1. Consultant shall provide collection services for debts owed to the City for delinquent accounts the City is unable to collect.
2. Consultant shall provide a "live" customer service agent who will assist with inquiries and provide customer support to customers a minimum Monday - Friday, during normal business hours, excluding holidays recognized by the City. The Consultant shall provide a toll-free number.
3. Within 14 days, the City may withdraw any accounts that were submitted in error or were paid prior to assignment without charge or penalty.
4. Consultant shall make a minimum of two written or telephone contacts for each account (unless the account clears sooner) within forty-five (45) days of account placement.
5. Consultant shall make contact with delinquent accounts under the name of the Consultant and not the City of Riverside. Consultant employees shall not, under any circumstances, imply that they are employees or representatives of the City of Riverside.
6. Consultant shall process all customer cash card, debit card, or credit card payments in accordance with applicable Payment Card Industry (PCI) data security standards.
7. All payments collected from any debtor are to be applied to unpaid principal. Consultant shall not collect more than the unpaid balance due on the account and interest thereon as provided herein. Consultant shall not charge or collect any fee on the account, other than as specifically authorized by this Agreement.
8. Consultant shall report all uncollectible accounts to the major credit bureaus. Reporting must be done in accordance with all federal, state and local laws, including but not limited to, the Fair Debt Collections Practices Act, California Rosenthal Fair Debt Collection Practices Act, the Federal Equal Credit Opportunity Act, and the Consumer Credit Protection Act. Consultant shall not report accounts to the credit bureaus until the Consultant has worked the account for 45 days. At the request of the City, the Consultant shall remove an account notification from all the affected bureaus and provide a copy of that notification to the City.
9. Consultant shall collect and deposit payments from customers and on no less than a monthly basis submit a check to the City for all monies collected along with a report including the account name and number, amount collected, and collection fees due to the Consultant.

10. Compensation shall be contingent upon actual collection of debts owed to the City. Consultant may charge the City a fee, as outlined in Exhibit "B," based on the amount of the debt collected and paid to the City.

11. Any compromise settlement of principal or charges shall be agreed upon in writing between the Consultant and the City prior to acceptance.

12. Consultant may allow for time payment agreements (payment plans) and may enter into time payment agreements with consumers for any period less than two years without the consent of the City. Any time payment agreement extending beyond two years from the date of initiation of plan must be agreed upon in writing between the Consultant and the City prior to acceptance.

13. Consultant shall have the ability to file lawsuits with the appropriate court when appropriate. No legal actions shall be taken by the Consultant without express written consent of the City. The City may request the Consultant to pursue legal remedy after consulting with the Consultant about the collectability of the account.

14. Consultant shall be solely responsible for any and all costs incurred in and associated with the collection of debts referred to it by the City.

15. For City business tax accounts that have been "packeted" with older accounts from other agencies, customers will have the option to apply payments to the City account even if City accounts are not the oldest. Customers will need to specify they would like this option. Customers can contact the Consultant to modify how a payment is applied if this option was not initially specified.

16. Consultant shall exercise its best ethical, prudent, lawful and professional efforts to secure collections on all accounts referred by the City. Collections activities shall comply with all federal, state and local laws, including but not limited to the Federal Fair Debt Collection Practices Act and the California Rosenthal Fair Debt Collection Practices Act.

17. Consultant shall not assign or subcontract any portion of this agreement or transfer or assign any claim, pursuant to this agreement, without the written consent of the City.

Specific Requirements Related to Scope of Work:

Account Management and Security

18. Consultant shall designate a manager for the City's account who will be the City's primary contact with Consultant.

19. Consultant shall ensure the City has the ability to place delinquent accounts with the Consultant via electronic file uploaded to a secure website. The Consultant shall provide acknowledgement within 10 days of account placement that the account was received. The acknowledgement shall at minimum include customer name, address, amount, and date of account

placement.

20. Consultant shall limit access to the Consultant's secure website to City personnel that have been authorized by the City's Controller, Assistant Chief Financial Officer, or Chief Financial Officer. Amendments to access authorization shall only be accepted by the Consultant's assigned Account Manager. The Account Manager shall confirm the contact information for the City Controller, Assistant Chief Financial Officer, and Chief Financial Officer during monthly update meetings (Item #28).

21. Consultant shall guarantee the confidentiality, security and safety of all files, documents and information provided by the City, except as to disclosure required by federal and state laws and regulations.

22. Consultant must have an identity theft prevention program in place that meets all federal, state and local laws, including but not limited to the Federal Fair and Accurate Credit Transaction (FACT) Act and the California Information Practices Act.

23. Consultant will not have the right to sell and or use customer data in any manner other than to provide the service the City has contracted for. Consultant shall not sell or allow the use of data for any purpose other than that so contracted.

Reports, Meetings, and Workshops

Monthly

24. Consultant shall provide to the City, in Microsoft Excel and CSV file formats via secure website, a monthly report on the status of each account including; account number, customer name, the amount received, the balance due and date of last payment, and the actions taken on the account. Consultant shall advise the City of any account that is paid in full or deemed uncollectible within 30 days of the last action or effort. If an account is deemed uncollectible, the details regarding this determination must be provided to the City.

25. Monthly update meetings (in person or teleconference) to collaborate process improvements as well as discuss accounts, performance, current personnel with access to the Consultant's secure website, and collection challenges. Contact information for the City Controller, Assistant Chief Financial Officer and Chief Financial Officer will also be confirmed.

26. For non-business accounts greater than \$5,000, CBA will provide a monthly report on decisions to pursue (or not pursue) legal remedies. The details of this report will include account number, customer name, and the balance due.

Quarterly

27. Consultant shall provide to the City quarterly financial summary reports including totals for receipts, net accounts receivable, total accounts receivable and collection percentage.

Annually

28. Consultant shall provide to the City an annual financial summary report as of June 30 (City's fiscal year end) including totals for receipts, net accounts receivable, total accounts receivable and collection percentage. This report shall be submitted to the City no later than July 30th of each year. An annual meeting shall be held between City and Consultant (in person or via teleconference) to discuss report results.

29. In addition to the Annual Meeting, the Consultant will hold an annual update workshop (in person or webinar) for City of Riverside personnel regarding changes to federal, state, and local laws related to debt collection and consumer privacy as well as issues specific to the City of Riverside.

Records Retention and Review

30. The selected Consultant shall be fully responsible for maintaining accurate records of all correspondence, working papers, and other related evidence. These records shall be made available to the City as requested.

31. Consultant shall maintain complete records of each account referred by the City, including all correspondence, documents, account records, transactions and a detailed log of all collection efforts or actions. These records shall be retained and readily accessible for a minimum of five years after termination of collection actions on each account. The City shall be notified of intent to destroy records thirty (30) days prior to date of destruction.

At any time, all records of the Consultant pertaining to the City shall be subject to inspection, review, or audit by City, state, or federal officials, during the agreement period and for five years after the termination of the agreement.

EXHIBIT "B"

COMPENSATION

CATEGORY	FEE
A. Regular Collection	25%
B. Court / Legal Action	35%
C. Other Costs	There are no other costs or fees beyond the listed commission above for Regular and Legal Action categories.
D. Commission Free period	Consultant offers a fee/commission-free period of 14-days after the first day assignment. Payments received by the City or Consultant within the first 14-day of assignment will not be charged a commission fee.
E. Interest Charges	Consultant may charge accounts assigned a maximum 10% per annum, simple interest charge as allowable by California statute for collection accounts. Interest charges shall not accrue before the date of referral to Consultant. Interest shall only be retained by Consultant after the entire unpaid principal balance has been collected and remitted to the City.
F. Payment Timing	Consultant will send the City a "gross" statement along with funds collected from accounts. The City will remit commission funds back to the Consultant in a net 30-day payment term.
G. Payments Received by City after Assignment	City agrees that in the event a payment or any other credit is received or made directly to City after being assigned to Consultant, Consultant shall be entitled to its full commission as set forth herein unless the account has been recalled within 14 days of assignment.

Amounts collected by Consultant shall be remitted to City on a monthly basis on or before the 30th day of each month with an accompanying detail report in a remittance packet. An invoice for the compensation due to Consultant shall be included in the monthly remittance packet. The detail report shall include the following:

- (a) Debtor number;
- (b) Invoice number;
- (c) Principal amount referred to Consultant w/date of referral;
- (d) Amount collected to date;
- (e) Amount collected and remitted - current period;
- (f) Amount of interest owed on account;
- (g) Compensation percentage due Consultant;
- (h) Compensation amount due Consultant

EXHIBIT "C"

KEY PERSONNEL

Shawn DeLuna - President & CEO

Oversees all aspects of collections in his role as President.

Marian Malmstrom - Senior Vice President

Responsible for the setup of new clients, liaison with programmers. Responsible for all client interaction such as payments, cancellations, new assignments or any other client needs.

Stephanie Mendoza - Compliance and Training Manager

Compliance, training and oversight/management review.

Elizabeth Journeaux - Collection Manager Specializing in Business Tax

Management of collection representatives and focus on commercial / business accounts

Angela Brumfield - Collection Manager

Management of collection representatives and focus on residential accounts

Gladys Guevara - Collection Manager / Multilingual Team Lead

Training and management of all bi-lingual collection representatives.

Jeff Lowenstein - Executive Vice President – Sales & Marketing

Project management, client relations and client onboarding